

Rothschild & Co Continuation Finance B.V.
Amsterdam, the Netherlands

Financial statements year ended 31 December 2021

Adopted by the Shareholders on 28 April 2022

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Rothschild & Co Continuation Finance B.V.

Director's report

The director takes pleasure in submitting herewith the report and audited financial statements of Rothschild & Co Continuation Finance B.V. ("the Company") for the year ended 31 December 2021. The financial statements have been prepared in accordance with generally accepted accounting standards in the Netherlands and applicable Dutch Law.

Overview of activities

The Company's purpose is to act as finance company for the Rothschild & Co Group. It has issued a number of years ago two tranches of Floating Rate Notes of which one tranche in the amount of USD 45,000,000 was repaid in January 2015. The outstanding amount of Floating Rate Notes as at 31 December 2021 amounts to USD 200,000,000 (2020: USD 200,000,000). The proceeds of the notes issue have been lent to companies in the Rothschild & Co Group. The Company has not developed any additional finance activities during this financial year.

Result for the year

The result of the Company during the year under review developed in accordance with expectations given the set interest margin and all costs being borne by companies in the Rothschild & Co Group. The profit after tax was €179,484 (2020: €184,124). COVID-19 did not impact on the company.

Financial instruments

The Company's loan assets and loan liabilities are denominated in the same currency. The interest rates are related meaning that a fixed positive margin applies. Interest payment dates are the same for both asset and liability loans. Therefore the need for financial instruments to cover currency or interest rate exposures does not exist. Hence the Company is not engaged in any financial instruments covering such risks.

Risk management

The principal risk of the Company is credit risk as the proceeds of the notes have been lent to and are guaranteed by companies in the Rothschild & Co Group. The Company is therefore dependent on the Rothschild & Co Group to meet its obligations under the notes. The Group companies continue to be in a position to meet their obligations and COVID-19 is not considered to have materially altered this.

Foreign exchange, market and liquidity risk is not material as the notes and loans are borrowed and lent on substantially the same terms. This ensures the company has minimal risk in line with its risk appetite.

Audit committee

The audit committee function for the Company has been assumed by the audit committee of Rothschild & Co S.C.A., a French company listed on the Paris stock exchange. The Company is an entity controlled by Rothschild & Co S.C.A. The Rothschild & Co S.C.A. audit committee meets at least four times a year. It considers the Company's accounts on one of those four occasions. Members of the Rothschild & Co S.C.A. audit committee are:

- Sir Peter Estlin, Chairman
- Mr Gilles Denoyel
- Mrs Suet-Fern Lee
- Ms Arielle Malard de Rothschild
- Mr Sipko Schat

Future outlook

A significant change in activities during the financial year 2022 is not expected. There is still a risk that the spreading of the Covid-19 virus may have a temporary impact on the economy and therefore potentially on the value and the performance of the Company. However, at this stage the possible impact on the reported financial statements becomes more and more a remote possibility which cannot be reliably estimated.

Rothschild & Co Continuation Finance B.V.

Director's report - continued

Statement as required under Article 5:25d paragraph 2-c of the Financial Markets Supervision Act

The financial statements provide to the best of my knowledge a true and fair view of the Company's assets and liabilities, financial position, result for the year and give a fair view of the activities and developments of the business during the year ended 31 December 2021. Material risks, if any, are properly disclosed.

Zaandam, 26 April 2022

M. de Boer

Rothschild & Co Continuation Finance B.V.

Balance sheet as at 31 December 2021

Comparative figures as at 31 December 2020

(Before appropriation of results and expressed in Euros)

		31 December 2021	31 December 2020
Financial Fixed Assets			
Loans to group companies	3	<u>176,220,000</u>	<u>162,860,000</u>
Current Assets			
Interest receivable from Group companies		256,070	289,246
Prepayments and accrued income	4	67,307	98,907
Cash at bank	6	<u>1,858,422</u>	<u>1,656,059</u>
		<u>2,181,799</u>	<u>2,044,212</u>
Current Liabilities			
Interest payable		199,165	236,656
Accrued expenses and deferred income		28,944	35,252
Corporate income tax	5	<u>2,226</u>	<u>324</u>
		<u>230,335</u>	<u>272,232</u>
Current Assets less Current Liabilities		<u>1,951,463</u>	<u>1,771,980</u>
Total Assets less Current Liabilities		<u>178,171,463</u>	<u>164,631,980</u>
Long Term Liabilities - due after one year			
Floating Rate Notes	7	<u>176,220,000</u>	<u>162,860,000</u>
Total Assets less Total Liabilities		<u><u>1,951,463</u></u>	<u><u>1,771,980</u></u>
Shareholders' Equity			
	8		
Share capital		18,172	18,172
Other reserves		1,753,808	1,569,683
Unappropriated results		<u>179,484</u>	<u>184,125</u>
		<u><u>1,951,464</u></u>	<u><u>1,771,980</u></u>

The accompanying notes on page 8 - 13 form an integral part of these financial statements

Rothschild & Co Continuation Finance B.V.

Profit and loss account for the year ended 31 December 2021

Comparative figures for the year ended 31 December 2020

(Before appropriation of results and expressed in Euros)

		2021	2020
Financial Income and Expenses			
Interest Income - loans to group companies		1,072,166	2,698,913
Interest Expense - Floating Rate Notes		<u>(857,217)</u>	<u>(2,477,390)</u>
Net Interest Income		<u>214,949</u>	<u>221,523</u>
Total Financial Income and Expenses		<u>214,949</u>	<u>221,523</u>
Other income	11	65,038	98,262
General and administrative expenses	11	<u>(65,038)</u>	<u>(98,262)</u>
Profit before Taxation		<u>214,949</u>	<u>221,523</u>
Corporate Income tax	5	<u>(35,465)</u>	<u>(37,398)</u>
Profit after Taxation		<u><u>179,484</u></u>	<u><u>184,125</u></u>

The accompanying notes on page 8 - 13 form an integral part of these financial statements

Rothschild & Co Continuation Finance B.V.

Cash flow statement for the year ended 31 December 2021

Comparative figures for the year ended 31 December 2020

The cash flow statement has been prepared in accordance with the indirect method.

	2021	2020
Net result	179,484	184,124
<u>Adjusted for changes in:</u>		
- Prepayments and accrued income	31,599	(17,886)
- Accrued expenses and deferred income	(6,308)	14,123
	25,291	(3,763)
Cash flow from business operations		
- Interest received	1,107,246	3,537,206
- Interest paid	(894,708)	(3,310,154)
- Corporate income tax paid	(35,467)	(37,789)
	177,071	189,263
Cash flow from operating activities	202,362	185,500
<u>Movement cash balances during year:</u>		
Cash balances at beginning of year	1,656,059	1,470,559
Total cash flow for the year	202,362	185,500
Cash balances at end of year	<u>1,858,422</u>	<u>1,656,059</u>

Rothschild & Co Continuation Finance B.V.

Notes to the financial statements for the year ended 31 December 2021

1. General

Rothschild & Co Continuation Finance B.V. ("the Company") was incorporated as private company with limited liability on 15 March 1983. The Company has its statutory seat in Amsterdam. The Company address is Saentoren, Ankersmidplein 2, 1506 CK Zaandam, the Netherlands. The Chamber of Commerce Amsterdam registration number is 24151956. The shareholders of the Company are Rothschild & Co Continuation Finance Holdings Limited, United Kingdom and K Développement S.A., France. During 2019 Integritas B.V. disposed of its shares in the Company. The ultimate parent company is Rothschild & Co Concordia SAS registered in France. The principal activity of the Company is to act as a finance company.

2. Basis of presentation and principal accounting principles

The accompanying accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands and in accordance with the provisions contained in Title 9, Book 2 of the Dutch Civil Code, the most significant of which are:

(a) **General**

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which the Company does not have the legal ownership, this fact is being disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate and are recognised on an accruals basis.

The valuation principles and method of determining results are the same as the previous year unless noted otherwise.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that influence the application of principles and the reported values of assets and liabilities. There are no significant accounting estimates other than assessing the impairment of the loans and the fair value of the notes and loans which are based on quoted prices.

2. **Basis of presentation and principal accounting principles - continued**

(b) **Financial instruments**

Financial instruments include investments in shares and bonds, other receivables, cash items, loans and other financing commitments, derivative financial instruments and other payables. These financial statements contain the following financial instruments: financial instruments (financial assets and liabilities), loans and receivables (both purchased and issued) and other financial liabilities.

Fair values are estimated using market prices.

Where not disclosed the fair value approximates the book value.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

- Loans granted and other receivables

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account.

- Impairment of financial instruments

The financial fixed assets are assessed at each reporting date as to whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the relevant asset is estimated. The recoverable amount is the higher of value in use and net realisable value. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. Subsequently, at each reporting date, the Company assesses whether there is any indication that an impairment loss that was recorded previously has decreased. If any such indication exists, then the recoverable amount of the relevant asset is estimated. Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised previously for the relevant asset.

- Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

(c) **Foreign currencies**

The presentation currency of the company is Euro and functional currency USD.

Assets and liabilities denominated in foreign currencies are translated into Euro's at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Euro's at exchange rate in effect on the date of the transactions.

The resulting currency exchange differences are recognised in the profit and loss account. The USD exchange rate at year end was 1.13495 (2020: 1.23).

(d) **Assets and liabilities**

Assets and liabilities are shown at face value unless otherwise stated.

Rothschild & Co Continuation Finance B.V.

Notes to the financial statements for the year ended 31 December 2021

2. Basis of presentation and principal accounting principles - continued

- (e) **Recognition of income**
Income and expenses including taxation are recognised and reported on an accruals basis.
- (f) **Corporate income tax**
Corporate income tax is provided for in accordance with the tax ruling conditions previously published by the Dutch Tax Authorities. To comply with these conditions the Company is required to report a minimum amount of taxable income based on the amounts of the outstanding loans. All general and administrative expenses are borne by a Rothschild & Co Group company to ensure this requirement is met.
- (g) **Going Concern**
The financial statements of the Company have been prepared on the basis of the going concern assumption.
- (h) **Cash Flow Statement**
The cash flow statement has been prepared in accordance with the indirect method.
- (i) **Related parties**
All legal entities that can be controlled, jointly controlled or significantly influenced or which can control the Company are considered to be a related party. In addition, statutory directors, other key management of Rothschild & Co Continuation Finance B.V. or the ultimate parent company and close relatives are regarded as related parties.
- (j) **Accounting standards**
There are no changes in accounting standards which have impacted the financial statements.
- (k) **COVID-19**
COVID-19 has not had any material impact on operations or the results for the year.

3. Loans to group companies

The Company has provided loans denominated in USD to two entities of the Rothschild & Co Group. The loans are unsecured. They carry interest at 1/8% above the interest rate applying to the corresponding Floating Rate Notes (see note 7). The interest rates are reset biannually. The interest payable by N.M. Rothschild & Sons Limited is subject to dividend payment or declaration by the borrower. This replicates the terms of the Floating Rate Notes issued by the Company. The loans are repayable on dates corresponding to the repayment dates of the Floating Rate Notes. Credit risk arising from the exposure to the group companies has been considered by the Company in accordance with Dutch GAAP RJ 290. There are no indications of impairment and the fair value of the loans to group companies is not expected to deviate significantly from the fair value of the Floating Rate Notes issued by the Company, as set out in note 7.

Details are as follows:

<u>Group Company</u>	<u>Maturity</u>		<u>Principal</u>
Rothschild & Co Continuation Holdings AG	undated	USD	100,000,000
N.M. Rothschild & Sons Ltd.	undated	USD	100,000,000
Movements during the year comprise of:		31 December 2021	31 December 2020
		EUR	EUR
Balance long term receivables at beginning of the year		162,860,000	178,348,000
Exchange differences during the year		13,360,000	(15,488,000)
Balance long term receivables at end of the year		176,220,000	162,860,000

Rothschild & Co Continuation Finance B.V.

Notes to the financial statements for the year ended 31 December 2021

4. Prepayments and accrued income

The Company recharges all general and administrative expenses to a group company.

At the date of the balance sheet prepayments and accrued income comprise of:

	31 December 2021 EUR	31 December 2020 EUR
Recharged expenses to Group company	65,038	98,263
Receivable VAT	2,269	644
Other	-	-
Balance at end of year (all under 1 year)	<u>67,307</u>	<u>98,907</u>

5. Corporate income tax

The Company reports taxable income in accordance with previous ruling policy involving a minimum amount of taxable interest income. To comply with this policy the Company recharges all its general and administrative expenses to a group company. During the year the Company received a provisional tax assessment in relation to the current financial year.

Corporate income tax is due at the statutory rate of 15% (2020: 16.5%), any taxable income in excess of EUR 245,000 (2020: EUR 200,000) is subject to corporate income tax at the rate of 25%. The effective tax rate is 16.5% (2020: 17%).

6. Cash at bank

An amount of EUR 29 of cash at bank is denominated in US dollars (year ended 31 December 2020: EUR 101). All other balances are denominated in Euro's. At year end the Company had not invested an amount in an interest bearing account (year ended 31 December 2020: nil). All balances are available on demand and at free disposal of the Company.

7. Floating Rate Notes

The Company has in issue USD denominated Floating Rate Notes. The Floating Rate Notes carry interest at six month Libor for USD deposits plus 1/4% (2021 0.45%, 2020 0.75%). The notes are guaranteed by Rothschild & Co Continuation Limited on a subordinated basis. The notes amount to USD 200,000,000 and do not have a fixed repayment date. The Company may on any interest payment date redeem some or all of the USD 200,000,000 Floating Rate Notes provided it has given not more than 45 days' nor less than 30 days' notice to the Noteholders.

The notes are listed on the Luxembourg Stock Exchange with the price at 31 December 2021 of USD 0.88063 (2020: USD 0.7804) per USD 1.

Details are as follows:

<u>Maturity</u>		<u>Principal</u>
Undated, more than 1 year	USD	200,000,000

Rothschild & Co Continuation Finance B.V.

Notes to the financial statements for the year ended 31 December 2021

7. Floating Rate Notes - continued

Movements during the year comprise of:	31 December 2021 EUR	31 December 2020 EUR
Balance of long term Notes at beginning of the year	162,860,000	178,348,000
Exchange differences during the year	13,360,000	(15,488,000)
Balance of long term Notes at end of the year	176,220,000	162,860,000

8. Shareholders' equity

The issued share capital amounts to Euro 18,172 consisting of 2,200 shares of Euro 8.26 each at 31 December 2021 and 2020.

Details of shareholders' equity are as follows:

	31 December 2021 EUR	31 December 2020 EUR
Share capital at beginning and end of the year	18,172	18,172
Other reserves earnings at beginning of the year	1,569,684	1,387,731
Transfer from unappropriated results	184,125	181,953
Other reserves earnings at end of the year	1,753,808	1,569,684
Unappropriated results at beginning of the year	184,125	181,953
Profit for the year	179,484	184,125
Transfer to other reserves	(184,125)	(181,953)
Unappropriated results at end of the year	179,484	184,125
Total shareholders' equity	1,951,464	1,771,980

Management proposes that all profit will be appropriated to reserves.

9. Directors

The Company has one director (year ended 31 December 2020: one) who did not receive any remuneration during the year under review (remuneration year ended 31 December 2020: nil).

The Company does not have any supervisory directors (year ended 31 December 2020: nil).

10. Staff numbers and employment costs

The Company has no other employees than its director (year ended 31 December 2020: nil). Hence it has not incurred any salary or related social security and pension costs during the year (year ended 31 December 2020: nil).

11. General and administrative expenses

The Company recharges all general and administrative expenses to a group company. The amount recharged was € 65,038 (2020: € 98,262). Audit costs were included in this recharge.

Rothschild & Co Continuation Finance B.V.

Notes to the financial statements for the year ended 31 December 2021

12. Audit fees

The fees paid to auditors are recognised on an accruals basis and the amounts are € 19,500 to Mazars Accountants N.V. (2020: € 25,200). There are no non-audit fees.

13. Statement of the allocation of the profit

The Annual General Meeting of shareholders will be requested to approve the following appropriation of the 2021 result after taxation: an amount of EUR 179,484 to be added to the other reserves.

14. Subsequent events

There are no subsequent events.

15. Risk management

The Company is exposed to a variety of financial risks through its activity as a finance company for the Rothschild & Co Group. These include credit, foreign currency, interest rate and liquidity which are managed via the structure of the companies activities.

The principal risk of the Company is credit risk as the proceeds of the notes have been lent to and are guaranteed by companies in the Rothschild & Co Group. The Company is therefore dependent on the Rothschild & Co Group to meet its obligations under the notes. The Group companies continue to be in a position to meet their obligations and COVID-19 is not considered to have materially altered this.

Foreign currency, interest rate and liquidity risk is not material as the notes and loans are borrowed and lent on substantially the same terms. This ensures the company has minimal risk in line with its risk appetite.

The Company manages net equity as capital and given its activity as a Group finance company, with the notes guaranteed, the capital is deemed sufficient. It does not have regulatory capital requirements.

Rothschild & Co Continuation Finance B.V.

Other information

Statutory arrangements in respect of profit distribution

Under Dutch Civil Law, no dividends can be declared until all losses have been recovered. Subject to this the profits are at the disposal of the shareholders. Management proposes that the result for the year will be appropriated to reserves and no dividend will be paid.

Audit opinion

The opinion of the Company's auditors is attached.

Independent auditor's report

To the General Meeting of Shareholders and the Audit Committee of
Rothschild & Co Continuation Finance B.V.

Report on the audit of the financial statements for the year ended 31 December 2021 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 December 2021 of Rothschild & Co Continuation Finance B.V. In our opinion the accompanying financial statements give a true and fair view of the financial position of Rothschild & Co Continuation Finance B.V. as at 31 December 2021 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 December 2021;
- the profit and loss account for 2021; and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of the company in accordance with the "EU Regulation on specific requirements regarding statutory audit of public-interest entities", the "Audit firms supervision act" (Wta), "Dutch Independence Standard regarding assurance engagements (ViO)" and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Dutch Code of Ethics (VGBA)".

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the performance materiality for the financial statements as a whole at EUR 892,000. The materiality is based on 0.5% of total assets. We use total assets given the company's main activity is issuing notes for the purpose of intra-group lending. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee that misstatements in excess of EUR 26,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit response to the risks of fraud and non-compliance with laws and regulations

The entity's fraud risk assessment and response to fraud risks and non-compliance

As part of our audit, we have obtained an understanding of the entity and its environment, and assessed the entity's internal controls in relation to fraud and non-compliance. This includes obtaining an understanding of management's processes for identifying and responding to the risks of fraud and non-compliance in the entity, and how the Audit Committee exercises oversight over these processes, as well as the outcomes.

Fraud risk assessment

We identified fraud risk factors with respect to financial reporting fraud, misappropriation of assets and corruption. We evaluated if those factors indicate that a risk of material misstatement in the financial statements is present. As in all our audits, we had special attention for the risks of management override of controls. We identified this risk primarily in the area where journal entries are recorded in the general ledger and other adjustments are made in the preparation of the financial statements and where judgement is involved, such as in relation to the valuation of the loans issued for which we refer to our key audit matter.

We rebutted the presumed fraud risk on revenue because of the nature of the transactions. Revenue consist of interest income on the outstanding intercompany loans.

Our specific response to the identified and assessed fraud risks

- We have evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries and estimates;
- We made enquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- We selected journal entries and other adjustments made during the year and at the end of the reporting period;
- For the journal entries mentioned above and other adjustments, we examined the underlying audit documentation;
- We evaluated key estimates and judgements for bias by management, including retrospective reviews of prior year's estimates with respect to valuation of the loans issued;

In addition we also performed the following more general procedures:

- We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting;
- We have considered to incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures. We will not disclose these audit procedures here in detail, because we do not want that individuals within the entity become familiar with these audit procedures, because they can exploit this knowledge to conceal fraudulent financial reporting in the future;
- We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud and non-compliance;
- We considered available information and made enquiries of with management and the Audit Committee.

Our response to non-compliance with laws and regulations

We have obtained an understanding of the relevant laws and regulations. We have identified the following laws and regulations that have an indirect effect on the financial statements:

- the requirements by or pursuant to the Act on Financial Supervision (Wet op het financieel toezicht);
- the anti-money laundering laws and regulations.

We held enquiries with management and the Audit Committee as to whether the entity is in compliance with these laws and regulations. We also held an inspection of relevant correspondence with regulatory authorities. We also obtained a written representation from management that all known instances of (suspected) non-compliance with laws and regulations were disclosed to us.

Our observation

Our audit procedures did not reveal indications or reasonable suspicion of fraud and/or non-compliance that are considered material to the financial statements.

Our key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee. The key audit matter are not a comprehensive reflection of all matters discussed.

These matters are addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of the loans issued

Rothschild & Co Continuation Finance B.V. (“the company”) has issued notes to grant intercompany funding to NM Rothschild & Sons Ltd. and Rothschild Continuation Holdings AG, which are part of the Rothschild Group.

As disclosed in note 3 of the financial statements, loans to group companies are accounted for at amortised costs less impairments. The valuation of a loan is depending on the credit risk related to that loan. When there is an indication that a loan will not be recovered in full in accordance with the contractual terms, the company needs to perform an impairment calculation in accordance with Dutch Accounting Standard 290. Due to the company’s dependency on the creditworthiness of NM Rothschild & Sons Ltd. and Rothschild Continuation Holdings AG to meet the obligations to its noteholders, we consider the valuation of loans to be a key audit matter.

We have performed audit work addressing the valuation of the loans issued to Rothschild Group companies, through:

- confirmation procedures with the counterparties of the loans;
- assessment of the respective group companies' credit risk and liquidity position by inspecting the financial position and performance based on the audited financial statements of NM Rothschild & Sons Ltd. and Rothschild Continuation Holdings AG for the year ended 31 December 2020;
- assessing whether there were any impairments triggers including the impact of outbreak of COVID-19 during the financial year. This was performed mainly by assessing management's impairment analysis that includes also preliminary results 2021 and financial positions of the loan counterparties as per year-end 2021;
- evaluating the adequacy of the disclosures in note 3 of the Financial Statements in accordance with Dutch Accounting Standard 290.

We found that Management's assessment of the recoverability of the intercompany funding to NM Rothschild & Sons Ltd. and Rothschild Continuation Holdings A.G resulted in a balanced outcome and that the risk is adequately disclosed in note 3 of the financial statements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Report of the Director's;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements./

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Director is responsible for the preparation of the other information, including the Director's Report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were appointed as auditor of Rothschild & Co Continuation Finance B.V. as of the audit for the year ended 31 December 2020.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

Rothschild & Co Continuation Finance B.V. has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the financial statements of Rothschild & Co Continuation Finance B.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report complies with the RTS on ESEF.

Our procedures taking into account Alert 43 of NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the company's financial reporting process, including the preparation of the annual report prepared in XHTML format;
- examining the annual report in XHTML format, whether it is in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Director and the Audit Committee for the financial statements

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Director is responsible for such internal control as the Director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Director is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Director should prepare the financial statements using the going concern basis of accounting unless the Director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Director should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Audit Committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director;
- concluding on the appropriateness of the Director's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the Audit Committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 26 April 2022

Mazars Accountants N.V.

Original has been signed by: C.A. Harteveld RA