

**Rothschild & Co Continuation Finance B.V.**

**Amsterdam, the Netherlands**

**Annual report 2023**

Rothschild & Co Continuation Finance B.V.  
Basisweg 10  
1043 AP Amsterdam  
The Netherlands  
Chamber of Commerce: 24151956

**Rothschild & Co Continuation Finance B.V.  
Annual report 2023**

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# **Rothschild & Co Continuation Finance B.V.**

## **Annual report for the year 2023**

### **Directors' report**

#### **General**

Management hereby presents to the shareholder the report of Rothschild & Co Continuation Finance B.V. (the "Company") for the year 2023.

#### **Activities and results**

During the period under review, activities and results of the Company developed in line with expectations.

The Company's purpose is to act as a finance company for the Rothschild & Co Group. It has issued a number of years ago two tranches of Floating Rate Notes (the "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 2023 amounts to USD 200,000,000 (31 December 2022: 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.

The interest payments on the debt have been benchmarked to USD Libor. A consent solicitation process was launched to noteholders on 22 June 2023 to transition the interest rate methodology from USD Libor to compounded daily SOFR plus a spread adjustment of 0.42826% p.a., in line with market practice. The proposal was not approved and will, therefore, not be implemented. In light of this, the Group expects the interest rate of the notes to refer to synthetic USD Libor while it is quoted (currently expected until 30 September 2024) and is consulting with the agent bank regarding future interest rate fixes. The terms and conditions of the notes provide that the rate of interest will be determined by the trustee of the Notes if the agent bank does not determine the rate of interest.

The arrangements with the Rothschild & Co Group entities to which the proceeds of the Notes have been lent on have been reviewed and amended during the year. Effective per 29 September 2023, the margin charged, on top of the interest paid on the Notes, has increased to 0.167% from 0.125%. Also, a Limited Recourse Guarantee Agreement was entered into with the note guarantor, Rothschild & Co Continuation Limited, to limit the Company's risk to EUR 2 million.

The equity of the Company as at 31 December 2023 amounts to EUR 2,327,929 (31 December 2022: EUR 2,151,661).

The result for the year 2023 amounts to a profit of EUR 176,268 (2022: EUR 200,197 profit).

#### **Changes in management**

On 24 January 2023, R.G. Boks resigned as Director of the Company. On the same date, E. Heysman was appointed as Director of 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 on 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 geopolitical and economic events are 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.

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#### **Audit committee**

The audit committee function for the Company has been assumed by the audit committee of Rothschild & Co S.C.A., incorporated and domiciled in France, which controls the Company. 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
- Groupe Industriel Marcel Dassault represented by Olivier Costa de Beauregard
- Véronique Weill

#### **Future outlook**

No material change in activities is contemplated for the coming year. It is expected that the result will be in line with that of the reporting period. Furthermore, management has no current plans which would have a significant influence on expectations concerning future activities, investments, financing, staffing and profitability.

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

The financial statements provide to the best of our 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 2023. Material risks, if any, are properly disclosed.

#### **Subsequent events**

Management is not aware of any significant events that have occurred since the balance sheet date that were not included in the financial statement for the year 2023.

Amsterdam, 29 March 2024,

Managing directors,

P.W. Barbour

R.A.F. Zee

E. Heysman

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**Balance sheet as at 31 December 2023**

*(Before appropriation of result)*

**Assets**

		31-12-2023	31-12-2022
		EUR	EUR
<b>Fixed assets</b>			
<b>Financial assets</b>			
Loans to group companies	1	181,200,224	187,210,000
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group companies	2	3,006,530	2,206,543
Accruals and prepaid expenses	3	15,065	80,840
		3,021,595	2,287,383
<b>Cash and cash equivalents</b>	4	2,267,261	2,045,511
<b>Total assets</b>		186,489,080	191,542,894

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**Equity and liabilities**

		<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR	EUR
<b>Shareholder's equity</b>			
Share capital	5 18,172		18,172
Other reserves	6 2,133,489		1,933,292
Unappropriated result	<u>176,268</u>		<u>200,197</u>
		2,327,929	2,151,661
<b>Non-current liabilities</b>			
Floating Rate Notes	7	181,200,224	187,210,000
<b>Current liabilities</b>			
Taxes	8	-	3,938
Other payables	9	2,927,517	2,146,090
Accruals and deferred income	10	<u>33,410</u>	<u>31,205</u>
		2,960,927	2,181,233
<b>Total equity and liabilities</b>		<u><u>186,489,080</u></u>	<u><u>191,542,894</u></u>

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**Income statement for the year 2023**

		<u>2023</u>	<u>2022</u>
		EUR	EUR
Interest and similar income	11	10,410,700	4,400,888
Interest and similar expenses	12	<u>(10,170,096)</u>	<u>(4,165,362)</u>
<b>Net interest Income</b>		<u>240,604</u>	<u>235,526</u>
<b>Financial income and expenses</b>		240,604	235,526
Other operating income	13	146,606	78,368
General & administrative expenses	14	<u>(168,276)</u>	<u>(78,368)</u>
		<u>(21,670)</u>	<u>-</u>
<b>Result before tax</b>		218,934	235,526
Corporate income tax	15	<u>(42,666)</u>	<u>(35,329)</u>
<b>Result after tax</b>		<u><u>176,268</u></u>	<u><u>200,197</u></u>

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**Cash flow statement for the year 2023**

		2023	2022
	EUR	EUR	EUR
<b>Total of cash flows from (used in) operating activities</b>			
Operating result		240,604	235,526
<i>Changes in working capital</i>			
Receivables from group companies	2	(799,987)	(1,950,473)
Accruals and prepaid expenses	3	65,775	(13,533)
Increase (decrease) in other payables		779,694	1,950,898
		<u>45,482</u>	<u>(13,108)</u>
<b>Total of cash flows from (used in) operations</b>		286,086	222,418
Income tax paid	15	(42,666)	(35,329)
Other operating income		146,606	78,368
General & administrative expenses		(168,276)	(78,368)
		<u>(64,336)</u>	<u>(35,329)</u>
<b>Total of cash flows from (used in) operating activities</b>		<u>221,750</u>	<u>187,089</u>
<b>Total of increase (decrease) in cash and cash equivalents</b>		<u>221,750</u>	<u>187,089</u>
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the period		2,045,511	1,858,422
Increase (decrease) cash and cash equivalents		221,750	187,089
Cash and cash equivalents at the end of the period		<u>2,267,261</u>	<u>2,045,511</u>



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### **Notes to the financial statements**

#### **Entity information**

##### ***Registered address and registration number trade register***

The registered and actual address of Rothschild & Co Continuation Finance B.V. is Basisweg 10, 1043 AP in Amsterdam, the Netherlands. Rothschild & Co Continuation Finance B.V. is registered at the Chamber of Commerce under number 24151956.

#### **General notes**

##### ***The most important activities of the entity***

The objective of Rothschild & Co Continuation Finance B.V. (the "Company") 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 2023 amounts to USD 200,000,000 (31 December 2022: 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.

##### ***Going concern***

These financial statements have been prepared on a going concern basis, which basis for valuation and determination of results assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

##### ***Group structure***

The Company is part of a group, headed by Rothschild & Co Concordia SAS, incorporated and domiciled in France.

##### ***Estimates***

The preparation of the financial statements requires management to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

#### **General accounting principles**

##### ***The accounting standards used to prepare the financial statements***

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in Euro (EUR).

Income and expenses are accounted for on accrual basis. Profit is only included when realised on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

##### ***Explanation of comparability with the previous year***

The accounting principles remained unchanged compared to previous year.

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### ***Conversion of amounts denominated in foreign currency***

Assets and liabilities denominated in foreign currencies are translated at period-end exchange rates. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary balance sheet items, which are valued at cost and resulting from transactions in foreign currencies, are translated at the rate prevailing on the date of the transaction.

The exchange rates of the Company as at 31 December 2023 is to 1 USD = EUR 0.90600 (31 December 2022: 1 USD = EUR 0.93605).

### ***Financial instruments***

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the recognition per balance sheet item for the principles of primary financial instruments. Financial instruments are valued at amortised cost unless explained otherwise in the notes. Due to the short-term nature of the financial instruments included in these financial statements, the estimated fair value for these financial instruments 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.

## **Accounting principles**

### ***Impairment of non-current assets***

On each balance sheet date, the Company assesses whether there are any indications that an asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

### ***Receivables***

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

### ***Cash and cash equivalents***

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash and cash equivalents are valued at nominal value.

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#### ***Current assets***

Current assets are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

#### ***Non-current liabilities***

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the income statement on the basis of the effective interest rate during the estimated term of the long-term debts.

#### ***Current liabilities***

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

#### ***Accounting principles for determining the result***

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

#### ***General and administrative expenses***

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

#### ***Other operating expenses***

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

#### ***Financial income and expenses***

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

#### ***Income tax expense***

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes. Temporary differences between the reporting for tax purposes and the financial statements are recognised as deferred taxes based on the current tax rate. Deferred tax assets and liabilities are netted. Net deferred tax assets will be included in the balance sheet if actual realisation is assumed probable by the Company's management.

Corporate income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. Corporate income tax expense is recognised in the statement of income except to the extent that it relates to items recognised directly in equity.

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#### ***Cash flow statement***

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

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### Notes to the balance sheet

#### Assets

#### Fixed assets

#### Financial assets

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR
<b>1 Loans to group companies</b>		
N.M. Rothschild & Sons Ltd.	90,600,112	93,605,000
Rothschild & Co Continuation Holdings AG	<u>90,600,112</u>	<u>93,605,000</u>
	<u>181,200,224</u>	<u>187,210,000</u>

The Company has provided loans denominated in USD to two entities of the Rothschild & Co Group, a loan of USD 100,000,000 each. The loans are unsecured. They carried interest at 0.125% above the interest rate applying to the corresponding Floating Rate Notes (see note 7) until 29 September 2023. At that date this was reset to 0.167% as part of a Transfer Pricing review. In addition a limited recourse agreement was entered into with Rothschild & Co Continuation Limited which limited the companies credit risk to EUR 2 million. 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.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR
<b>N.M. Rothschild &amp; Sons Ltd.</b>		
Balance as at beginning of the year	93,605,000	88,110,000
Currency translation differences	<u>(3,004,888)</u>	<u>5,495,000</u>
Balance as at end of the year	<u>90,600,112</u>	<u>93,605,000</u>
<b>Rothschild &amp; Co Continuation Holdings AG</b>		
Balance as at beginning of the year	93,605,000	88,110,000
Currency translation differences	<u>(3,004,888)</u>	<u>5,495,000</u>
Balance as at end of the year	<u>90,600,112</u>	<u>93,605,000</u>

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**Current assets**

**Receivables**

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR
<b>2 Receivables from group companies</b>		
Receivables from group companies	<u>3,006,530</u>	<u>2,206,543</u>
N.M. Rothschild & Sons Ltd.	1,503,265	1,103,272
Rothschild & Co Continuation Holdings AG	<u>1,503,265</u>	<u>1,103,271</u>
	<u>3,006,530</u>	<u>2,206,543</u>
<b>3 Accruals and prepaid expenses</b>		
Other prepaid expenses	362	80,840
VAT receivable	<u>14,703</u>	<u>-</u>
	<u>15,065</u>	<u>80,840</u>
<b>4 Cash and cash equivalents</b>		
Overnight deposit	2,000,000	-
ABN Amro account - EUR	162,839	1,808,200
ABN Amro account - USD	<u>104,422</u>	<u>237,311</u>
	<u>2,267,261</u>	<u>2,045,511</u>

EUR 2,000,000 part of cash and cash equivalents is an overnight deposit, therefore not freely available until the first working day in 2024, being 2 January 2024. The remaining cash and cash equivalents are freely available to the Company.

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### Equity and liabilities

#### Shareholder's equity

##### 5 Share capital

The issued and paid-up share capital of the Company amounts to EUR 18,172 divided into 2,200 shares of EUR 8.26 each.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR

##### 6 Other reserves

Balance as at 1 January	1,933,292	1,753,808
Appropriation of result	200,197	179,484
Balance as at 31 December	<u>2,133,489</u>	<u>1,933,292</u>

##### Disclosure of other reserves

In the general meeting held on 28 April 2023, it was decided to add the result for the year ended 31 December 2022 to the other reserves.

##### Disclosure of result after tax for the year

The management of the Company proposes to appropriate the result as follows:

The appropriation of profit for the period 2023 in the amount of EUR 176,268 will be fully added to the other reserves.

This proposal needs to be adopted by the General Meeting and has therefore not yet been processed in the annual accounts 2023 for Company.

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### Non-current liabilities

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR
<b>7 Floating Rate Notes</b>		
Floating Rate Notes	<u>181,200,224</u>	<u>187,210,000</u>
<b>Floating Rate Notes (USD 200,000,000)</b>		
Balance as at beginning of the year	187,210,000	176,220,000
Currency translation differences	(6,009,776)	10,990,000
Balance as at end of the year	<u>181,200,224</u>	<u>187,210,000</u>

The Company has in issue USD denominated Floating Rate Notes (the "Notes"). The Notes carry interest at six month USD Libor plus 0.25% (2023: 6.1875%, 2022: 4.4375%). 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 total outstanding amount has been outstanding for at least 5 years. The Company may on any interest payment date redeem some or all of the USD 200,000,000 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 2023 of USD 0.85418 (31 December 2022: USD 0.66036) per USD 1.

### Current liabilities

	<u>31-12-2023</u>	<u>31-12-2022</u>
	EUR	EUR
<b>8 Taxes</b>		
Corporate income tax	<u>-</u>	<u>3,938</u>
<b>9 Other payables</b>		
Interest payable - Floating Rate Notes	<u>2,927,517</u>	<u>2,146,090</u>
<b>10 Accruals and deferred income</b>		
Audit fees payable	21,800	-
General and administrative expenses payable	<u>11,610</u>	<u>31,205</u>
	<u>33,410</u>	<u>31,205</u>



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**Notes to the income statement**

	<u>2023</u>	<u>2022</u>
	EUR	EUR
<b>11 Interest and similar income</b>		
Interest income - loans to group companies	10,406,760	4,400,888
Interest income deposits	1,579	-
Credit interest	2,361	-
	<u>10,410,700</u>	<u>4,400,888</u>
<b>12 Interest and similar expenses</b>		
Interest expense - Floating Rate Notes	(10,152,784)	(4,165,362)
Foreign exchange results	(17,312)	-
	<u>(10,170,096)</u>	<u>(4,165,362)</u>
<b>13 Other operating income</b>		
Other operating income	<u>146,606</u>	<u>78,368</u>
<b>14 General &amp; administrative expenses</b>		
General & administrative expenses	<u>(168,276)</u>	<u>(78,368)</u>
<b>15 Corporate income tax</b>		
Corporate income tax	<u>(42,666)</u>	<u>(35,329)</u>

Corporate income tax is due at the statutory rate of 19% (2022: 15%), any taxable income in excess of EUR 200,000 (2022: EUR 395,000) is subject to corporate income tax at the rate of 25.8%. The effective tax rate is 19.70% (2022: 15%).

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### **Other notes**

#### **Average number of employees**

During the period ended year 2023, the Company did not employ any employees (31 December 2022: nil).

#### **Subsequent events**

Management is not aware of any significant events that have occurred since the balance sheet date that were not included in the financial statements for the year 2023.

Amsterdam, 29 March 2024,

Managing directors,

P.W. Barbour

R.A.F. Zee

E. Heysman

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### **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 other 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 2023 included in the annual report**

#### **Our opinion**

We have audited the financial statements for the year ended 31 December 2023 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 2023 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 2023;
- the profit and loss account for 2023; 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 932,000. 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 28,000, 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 company's fraud risk assessment and response to fraud risks and non-compliance*

As part of our audit, we have obtained an understanding of the company and its environment, and assessed the company'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 company, 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. 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 company, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting;
- we incorporated elements of unpredictability in our audit, including testing an account balance that otherwise would not be tested due to its materiality or risk;
- 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 audit 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 company 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*

The aforementioned audit procedures have been performed in the context of the audit of the financial statements. Consequently they are not planned and performed as a specific investigation regarding fraud and non-compliance with laws and regulations. Our audit procedures have not led to any findings.

## **Audit response to the risks of Going concern**

In preparing the financial statements, management must consider whether the company is able to continue as a going concern. Management must prepare financial statements on the going concern basis unless management intends to liquidate the company or cease operations or if termination is the only realistic alternative.

Management has not identified any circumstances that could threaten the continuity of the company and thus concludes that the going concern assumption is appropriate for the company.

Our audit of the financial statements requires us to determine that the going concern assumption used by management is acceptable. In doing so, based on the audit evidence obtained, we must determine whether there are any events or circumstances that might cast reasonable doubt on whether the company can continue as a going concern.

## *Our observation*

Management of the company has assessed the quality of the borrowers of the loans provided by the company. No impairment triggers were identified. Next to that, payments on the notes issued by the company are guaranteed by Rothschild & Co Continuation Limited. We have inspected the analysis prepared by management as well as the underlying documentation. Based on the procedures performed by us, we are of the opinion that the financial statements have been properly prepared on the going concern basis. However, future events or circumstances could cause the fund to be unable to continue as a going concern.

## **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 2022;
- assessing whether there were any impairments during the financial year. This was performed mainly by assessing management’s impairment analysis that includes also preliminary results 2023 and financial positions of the loan counterparties as per year-end 2023;
- 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.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included among others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the annual report in XHTML-format;
- identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including obtaining the annual report in XHTML-format and performing validations to determine whether the annual report complies 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, 29 March 2024

Mazars Accountants N.V.

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