November 6, 2023

To: Special Committee of the Supervisory Board of Vitesco Technologies Group AG
and Mr. Andreas Wolf, Chairman of the Executive Board (CEO)

Vitesco Technologies Group AG
Siemensstrasse 12
93055 Regensburg, Germany

Dear members of the Special Committee and Mr. Wolf,

Funds managed by Greenlight Capital, Inc. and its affiliates collectively hold approximately 3.5% of Vitesco Technologies Group AG ("Vitesco") shares outstanding. As you know, we publicly outlined our long-term investment thesis on Vitesco in a presentation to the Sohn Investment Conference on 9 May 2023 (available at www.greenlightcapital.com).

The purpose of this letter is to (1) highlight the unique value we see in Vitesco, and (2) advocate that the Special Committee of the Supervisory Board not related to Schaeffler AG ("Schaeffler") urgently take specific actions in response to Schaeffler's takeover plans in accordance with its fiduciary duties, its statutory obligations, and in order to safeguard the best interest of the company.

Vitesco's Industry Position and Valuation

As the Supervisory Board is no doubt well aware, Vitesco has garnered a leadership position in the industry shift to electric vehicles. That is a seminal achievement that is poised to translate into both corporate financial success and deepening competitive advantages within the industry.

We identified Vitesco as the winner in "Electrification" post spin-off from Continental AG and we have been a supportive long-term shareholder. The company's agile and focused electric powertrain strategy allowed Vitesco to pivot its business. At this stage it's clear that Vitesco is the German leader in electric powertrain components as well as a leader globally, and we want the company to continue executing. A merger with Schaeffler, a much larger legacy player, could potentially derail this success story to the detriment of Vitesco's stakeholders. We see it as a duty of the Special Committee and the Supervisory Board to safeguard this leadership position and not to give it up at depressed prices to competitors who have missed the boat.

Vitesco's success in electrification gives the company prospective earnings growth that is much higher, more secure and more durable than nearly anyone else in the automotive supply industry. In turn, Vitesco deserves a valuation that considers its superior prospective earnings growth driven by its durable position in electrification.

We believe that a *conservative* valuation for Vitesco amounts to at least €150 per share for an enterprise value of at least €6 billion. Our May presentation laid out our analysis. This implies only marginally higher-than-peers' multiples based on Vitesco's expected near term earnings as Vitesco is still in the early stages of delivering the Electrification orders that it has already won.

Vitesco's management laid out at the October 2022 Capital Markets Day financial targets for 2026 and 2030 that were largely based on Vitesco's already-won Electrification orders. Based on these

2 Grand Central Tower • 140 East 45th Street, 24th Floor • New York, NY 10017
Phone: 212-973-1900 • Fax 212-973-9219 • www.greenlightcapital.com

targets, Vitesco's management believes the company can earn approximately €700 million to €1.0 billion of adjusted EBIT in 2026, and €1.3 billion to €1.5 billion of adjusted EBIT in 2030. Our minimum €150 per share valuation equates to 6x to 9x EV/adjusted EBIT based on Vitesco's 2026 targets and 4x to 5x EV/adjusted EBIT based on Vitesco's 2030 targets (see Exhibit 1).

In our opinion, these figures are hardly aggressive as they are based on Vitesco management's own conservative estimates and, for the 2026 target of €5 billion in electrification sales, is 100% underpinned by already booked sales.[1] Should more business be won, the results might be even better and the deserved multiple even higher.

Vitesco's electrical engineering expertise, product leads it has developed (e.g. in high-voltage inverters) and systems integration capabilities contrast sharply to the overall automotive supply industry in Europe and North America. The broader industry is over-exposed to ICE vehicles and faces secularly declining demand and production capacity oversupply, and therefore the market assigns legacy automotive suppliers (including Schaeffler) low earnings multiples. Schaeffler shares have a particularly troubled history, something we largely attribute to this lack of credible avenues for growth: Since its October 2015 IPO, Schaeffler shares have generated a total shareholder return of negative 41%, underperforming by a wide margin the positive 57% total shareholder return of the STOXX Europe 600 Automobiles & Parts index over that period.[2]

The sharp contrast between Vitesco's multi-year earnings growth trajectory and Schaeffler's standalone prospects is a key reason, in our opinion, that the share-for-share merger Schaeffler puts forward as Step 3 in its proposal is value-destructive: The combined entity would likely receive a low valuation multiple as the sustainable, long-term growth from Vitesco's Electrification Solutions business would be overwhelmed by Schaeffler's much larger legacy operations that face declining demand trends. This potential valuation de-rating of Vitesco within any merged combination with Schaeffler would compound the already considerable operational risk from merging Vitesco's Electrification Solutions business at a time that business is ramping production and revenues so rapidly.

Recommended Special Committee Actions

In our view, the situation with Schaeffler, if left unaddressed, has the potential to endanger the true long-term value-driver of Vitesco: the managerial and technical talent of its employees. We strongly believe that for Vitesco's benefit, this team should be 100% focused on delivering and capitalizing on the leading position it has won in the industry's transition to electric vehicles. Any distracting uncertainty is deeply unwelcome.

Our specific recommended actions for the Special Committee are:

1. **Publicly highlight its assessment of the fair value of Vitesco's equity – both absolute and relative to Schaeffler's**

    a. It is important to immediately highlight the Board's view of both the fair value of Vitesco and of Schaeffler. The importance of opining on the value of both stems from the three-step transaction Schaeffler is proposing. Market participants should know how the Board's view of Vitesco's fair value compares to Schaeffler's proposed €91.00 per share voluntary cash tender offer as well as the proper exchange ratio given Vitesco

[1] Vitesco Technologies press release dated 17th October 2023
[2] Using closing prices as of 3rd November 2023

shareholders would receive Schaeffler shares as the alternative under the Schaeffler proposal.

b. We would assume that the Special Committee shares our view that any valuation below €150 per Vitesco share disregards the already secured mid-to-long term prospects of the company. Furthermore, it is our understanding that it is part of the Supervisory Board's fiduciary duties, and also of its statutory obligations pursuant to Section 27 para. 1 numbers 2 and 3 of the German Takeover Act (*WpÜG*) to educate Vitesco shareholders about the apparent risks associated with Schaeffler shares and their poor performance in the past, given that the transaction announced by Schaeffler is comprised of three steps, including a share-for-share merger.

   In this regard, please kindly confirm that you have asked Schaeffler, and Schaeffler has agreed, to open its books for your review, so that you can validly assess the merits and, more specifically, the ratio of the intended merger.

2. **Demand Schaeffler drop the voluntary tender offer (Step 1) and the proposed share-for-share merger (Step 3) of its proposed three-step transaction and enter into a standstill agreement. This should be a pre-condition to entering into any discussions regarding any sort of business combination.**

   Schaeffler has initiated this unsolicited process and is seeking to drive the course of action. But Vitesco is clearly the company that has the differentiated expertise within electric powertrains. You have a strong negotiating position to make such a demand as Vitesco's electric powertrain capability is what is crucially strategic here.

3. **There are better transactions that Vitesco could pursue, even though we believe an independent Vitesco is best.**

   a. **Sell Vitesco's Powertrain Solutions to Schaeffler, leaving Vitesco as a pure-play electric powertrain supplier.**

      i. Vitesco could obtain much-more-than-sufficient cash to finance its pure-play electric powertrain solutions until those start to generate cash on their own.

      ii. Combining Vitesco's legacy ICE business with Schaeffler could achieve many of the synergies Schaeffler has outlined for those operations. This is where there is most of the business overlap.

      iii. Vitesco post-transaction would be only the current Electrification Solutions business alongside the significant cash from the Powertrain Solutions sale. Such a pure-play electric powertrain supplier with no additional financing needs warrants a much higher valuation multiple. We believe it would unlock enormous investor interest in electrification.

b. **An alternative transaction would be to simply spin off Vitesco's Electrification Solutions to Vitesco Shareholders.**

i. Electrification Solutions is now close enough to generating cash on its own that it could be sufficiently capitalized with net cash and having a modest level of net debt on the remaining Powertrain Solutions operations.

ii. Vitesco could initiate this spinoff process and aim to implement the spinoff before Schaeffler would have time to propose its undesirable share-for-share merger.

iii. Vitesco shareholders would benefit from the higher trading multiple that Electrification Solutions would warrant as a pure-play company. Electrification Solutions employees would benefit from organizational clarity and recognition of their past and future achievements.

Please let me know if I can expand on this letter in any way.

Sincerely,

David Einhorn
President
Greenlight Capital, Inc.

Exhibit 1: Vitesco Technologies' Mid-Term Targets & Implied 2026 and 2030 Adjusted EBIT

Metric	Vitesco Mid-Term Target High	Vitesco Mid-Term Target Low	Implied Mid-Term Group Financial Metrics: Metric	High	Low
2021-to-2026E Group Sales CAGR[1]	6.0%	4.0%	2026E Group Revenues	€11.2bn	€10.2bn
2026 Adjusted EBIT Margin[2]	9.0%	7.0%	**2026E Adjusted EBIT**	**€1.0bn**	**€0.7bn**
2030E Electrified Business Revenues[1]	€12bn	€10bn	Approx. 2030E Group Revenues[3]	€17.0bn	€14.7bn
2030E Adjusted EBIT Margin[2]	"≥9.0%"		**Approx. 2030E Adjusted EBIT[4]**	**€1.5bn**	**€1.3bn**

Notes:

[1] Vitesco 11 October 2022 Capital Markets Day Presentation, Slide 56

[2] Vitesco 11 October 2022 Capital Markets Day Presentation, Slide 58

[3] Greenlight Capital est., assuming 5%-to-15% per annum decline in non-Electrified Business revenues from 2026e-to-2030e

[4] Greenlight Capital estimate