

I V E C O • G R O U P

**IVECO GROUP N.V.**

**COMPANY FINANCIAL STATEMENTS**

At 31 December 2021

**Iveco Group N.V.**

Corporate Seat: Amsterdam, the Netherlands

Principal Office and Business Address: Via Puglia n. 35, Turin, Italy

Share Capital: €250,000 (as of 31 December 2021)

Chamber of Commerce of the Netherlands: reg. no. 83102701

# TABLE OF CONTENTS

BOARD OF DIRECTORS AND AUDITOR .....	3
BOARD REPORT .....	4
IVECO GROUP N.V. FINANCIAL STATEMENTS AT 31 DECEMBER 2021 .....	30
INCOME STATEMENT .....	31
STATEMENT OF FINANCIAL POSITION .....	32
STATEMENT OF CASH FLOWS .....	33
STATEMENT OF CHANGES IN EQUITY .....	34
NOTES TO THE COMPANY FINANCIAL STATEMENTS .....	35
OTHER INFORMATION .....	44
INDEPENDENT AUDITOR'S REPORT .....	45

---

Disclaimer: this document is a PDF copy of the Company Financial Statements of Iveco Group N.V. at 31 December 2021 and is not presented in the ESEF-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official Company Financial Statements of Iveco Group N.V. in ESEF XHTML format, as filed with the AFM, are available at [https://www.ivecogroup.com/investors/financial\\_information](https://www.ivecogroup.com/investors/financial_information).

# BOARD OF DIRECTORS AND AUDITOR

## BOARD OF DIRECTORS<sup>(a)</sup>

### Chair

Suzanne Heywood

### Chief Executive Officer

Gerrit Andreas Marx

### Directors

Lorenzo Simonelli<sup>(1) (\*)</sup>

Tufan Erginbilgic<sup>(2) (3) (\*\*)</sup>

Essimari Kairisto<sup>(1) (\*\*)</sup>

Linda Knoll<sup>(2) (3)</sup>

Alessandro Nasi<sup>(2) (3)</sup>

Olof Persson<sup>(1) (\*\*)</sup>

## INDEPENDENT AUDITOR

Ernst & Young Accountants LLP

(a) From 16 June 2021 (the Company's incorporation date) until 31 December 2021 the Board of Directors was comprised of four managing Directors, all appointed at the incorporation of the Company and whose term of appointment was indefinite: Mr. Oddone Incisa Della Rocchetta (Managing Director, Chairperson), Ms. Monica Ciceri, Mr. Roberto Russo and Mr. Andreas Georg Weishaar (Managing Directors). As of 1 January 2022, upon completion of the Demerger, all the managing Directors resigned and were replaced by two Executive Directors and six Non-executive Directors, appointed for an initial term ending at the Annual General Meeting of the Company to be held in 2023.

(1) Member of the Audit Committee

(2) Member of the Human Capital and Compensation Committee

(3) Member of the Environmental, Social and Governance ("ESG") Committee

(\*) Independent Director and Senior Non-Executive Director

(\*\*) Independent Director

# BOARD REPORT

## COMPANY HISTORY AND PURPOSE

### *History*

Iveco Group N.V. (the “Company” and together with its subsidiaries the “Iveco Group” or the “Group”) was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 16 June 2021. The Company’s corporate seat is in Amsterdam, the Netherlands, and its principal office and business address is Via Puglia n. 35, Turin, Italy. The Company is registered with the trade register of the Chamber of Commerce of the Netherlands (*Kamer van Koophandel*) under number 83102701. The Netherlands is the Company’s home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended by Directive 2013/50/EU), as a consequence of which the Company will be subject to the DFSA in respect of certain ongoing transparency and disclosure obligations.

The Company, 100% owned by CNH Industrial N.V. (“CNH Industrial” and together with its subsidiaries the “CNH Industrial Group”) upon incorporation, was formed in the context of the separation of the Commercial and Specialty Vehicles business, the Powertrain business as well as the related Financial Services business (together the “Iveco Group Business”) from CNH Industrial N.V.. The separation was realized in accordance with Section 2:334a (3) of the Dutch Civil Code (*Burgerlijk Wetboek*) by way of a legal statutory demerger (*juridische afsplitsing*) (the “Demerger”). The Demerger became effective on 1 January 2022 (the “Effective Date”), and the Company ultimately began to act as a holding for the Iveco Group, also providing for central treasury activity in the interest of Group’s subsidiaries.

As part of the Demerger and by operation of law, each holder of common shares in the share capital of CNH Industrial (the CNH Common Shares) received one Common Share for every five CNH Common Shares held (the Allotment Ratio) on 31 December 2021 (the Demerger Record Date) (such holder of CNH Common Shares on the Demerger Record Date being a CNH Shareholder). Each CNH Shareholder that, in addition to holding CNH Common Shares, was registered in the loyalty register of CNH Industrial (the CNH Loyalty Register) was registered in the loyalty register of the Company (the Loyalty Register) for the corresponding number of Common Shares pursuant to the Allotment Ratio. If such CNH shareholder also held CNH Special Voting Shares, it, by operation of law, received a number of Special Voting Shares equal to the number of Common Shares for which it was registered in the Loyalty Register (the receipt of Common Shares and, if applicable, Special Voting Shares by CNH Shareholders as part of the Demerger being the Share Allocation). If such CNH Shareholder was registered in the CNH Loyalty Register electing to receive CNH Special Voting Shares upon completion of the required holding, it also is registered in the Loyalty Register electing to receive Special Voting Shares upon completion of the required holding period, whereby the holding period to receive Special Voting Shares shall be shortened by the period of time by which such holder of Common Shares had already been registered in the CNH Loyalty Register. Following the Demerger (and as a result of the same), CNH Shareholders at the Demerger Record Date were the shareholders of two independent public companies: CNH Industrial and the Company.

On 3 January 2022, the Company’s common shares started trading on Euronext Milan (previously named the Mercato Telematico Azionario), a regulated market operated by Borsa Italiana S.p.A. in Milan, Italy. Effective from the Demerger, the Company is not anymore owned by CNH Industrial. All shares in the Company issued upon incorporation to CNH Industrial were cancelled as part of the Demerger. As a result of the listing, the company became a Dutch Public Interest Entity (OOB) on 3 January 2022.

During 2021, the Company only incurred certain expenses, principally relating to legal and professional services in connection with its start-up activities as future holding and treasury of the Iveco Group, without performing any other activities.

### *Purpose*

Starting from the Demerger, the Company is the holding of the Iveco Group, engaged in the design, production, marketing, sale, servicing, and financing of trucks, commercial vehicles, buses and specialty vehicles for firefighting, defense and civil protection, as well as combustion engines, alternative propulsion systems, transmissions and axles for those vehicles and engines and alternative propulsion systems for agricultural and construction equipment and for marine and power generation applications. The Group has manufacturing, commercial and financial services companies located in 36 countries.

The Group’s segments consist of: (i) Commercial and Specialty Vehicles, (ii) Powertrain, and (iii) Financial Services. The Group’s Industrial Activities include the Group’s entire enterprise without Financial Services (Commercial and Specialty Vehicles, Powertrain, and the Company, including the treasury operations). The Group generates revenues and cash flows principally from the sale of vehicles to dealers and distributors and engines to third parties. Financial Services provides a range of financial products focused on financing the sale and lease of vehicles to the Group’s dealers and their customers.

## RISK FACTORS

The following risks could cause the Company and the Group actual results to differ materially from past and projected future results as disclosed in the Prospectus prepared in connection with the Demerger and the first admission to listing and trading of all the common shares in the share capital of the Company. Some of these risks and uncertainties could affect particular lines of business, while others could affect all of the Group businesses. Risk appetite, impact of the risks, controls and any improvements to the risk management system will be disclosed in the Annual Report at 31 December 2022, which will cover the activity of Iveco Group N.V. as holding of the Group following the Demerger occurred on 1 January 2022.

*The Group may have difficulties implementing its growth strategy and may not realize all of the anticipated benefits from being separated from the CNH Industrial Off-Highway business and cost management initiatives.*

The Group's ability to increase its revenues and pursue growth and development objectives depends on the Group's success in carrying out its growth strategy, which includes simplifying its business and increasing its productivity, efficiency, and cash flow, all of which it expects will have a positive long-term effect on its business, results of operations, and financial condition. The Group's strategy originates from CNH Industrial's announced decision to separate its Iveco Group business and also includes the Group's simplification process related to its product portfolio. There can be no assurance that these initiatives or others will be beneficial to the extent anticipated, or that the estimated efficiency or cash flow improvements will be realized as anticipated or at all.

*Competitive activity, or failure by the Group to respond to actions by its competitors, could adversely affect its results of operations.*

The Group operates in highly competitive global and regional markets. Depending on the particular country and product, the Group competes with other international, regional and local manufacturers and distributors of commercial and specialty vehicles and powertrains. The Group's global competitors have substantial resources and may be able to provide products and services at little or no profit, or even at a loss, to compete with the Group's product and service offerings. The Group competes primarily on the basis of product performance, innovation, quality, distribution, customer service, and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays, quality issues, or the Group's failure to price the Group's products competitively, could adversely affect the Group's business, results of operations, and financial position.

*The COVID-19 pandemic could materially adversely affect the Group's business, financial condition, results of operations and/or liquidity*

The extent to which the COVID-19 pandemic will impact the Group's business, financial condition, results of operations and/or liquidity will depend on the scale, duration, severity and geographic reach of future developments, which are highly uncertain and cannot be predicted, including notably the possibility of a recurrence or "multiple waves" of COVID-19 or the emergence of new variants. There have been instances of re-imposed local lockdowns where infection rates have started to increase again and there is a risk that widespread measures such as strict social distancing and curtailing or ceasing normal business activities may be reintroduced in the future until effective treatments or vaccines have been deployed. Uncertainties also include: disruptions in the supply chain in one or more key components that are impossible to be replaced in the short and medium term, and a prolonged delay in resumption of operations by one or more key suppliers, or the failure of key suppliers; the Group's ability to meet commitments to its customers on a timely basis as a result of increased costs and supply challenges; the ability to receive goods on a timely basis and at anticipated costs; increased logistics costs; delays in the Group's strategic initiatives as a result of the uncertain environment; possible legal claims related to personal protective equipment provided by the Group or alleged exposure to COVID-19 on the Group's premises; absence of employees due to illness; the impact of the pandemic on the Group's customers and dealers, and delays in their plans to purchase new vehicles; requests by the Group's customers or dealers for, or government mandated, payment deferrals and contract modifications; the impact of disruptions in the global capital markets and/or declines in the Group's financial performance, outlook or credit ratings, which could impact the Group's ability to obtain funding in the future; and the impact of the pandemic on demand for the Group's products and services as discussed above. In addition, the ultimate impact of the COVID-19 pandemic will also depend on any new information which may emerge concerning the severity of the COVID-19 pandemic, how quickly normal economic conditions and operations can resume, the severity and duration of the current recession, and any additional actions to contain the spread or mitigate the impact of the virus, whether government-mandated or elected by the Group.

*Global economic conditions impact the Group's businesses.*

The Group's results of operations and financial position are and will continue to be influenced by macroeconomic factors – including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates, the availability of credit, inflation and deflation, energy prices, and the cost of commodities or other raw materials – which exist in the countries and regions in which the Group operates. Such macroeconomic factors vary from time to time and their effect on the Group's results of operations and financial position may vary as well.

Further, escalating tensions between Russia and Ukraine and massive military actions between Russia and Ukraine could adversely impact macroeconomic conditions, give rise to regional instability and result in heightened economic sanctions from the U.S., EU, and UK which may adversely affect us and our business in Russia, Ukraine and potentially elsewhere in Eastern Europe, including possible restrictions on our ability to do business with certain vendors or suppliers as well as the ability to repatriate funds from the region. We have conducted business in jurisdictions that may be subject to trade or economic sanction regimes and such sanctions could be expanded. If we fail to comply with sanction regimes or other similar laws or regulations we could be subject to damages and potentially other financial penalties, suspension of licenses, or a cessation of operations at our businesses, as well as damage to our brands' images and reputations.

*The Group depends on suppliers for raw materials, parts, and components.*

The Group relies upon approximately 2,000 suppliers for raw materials, parts, and components that the Group requires to manufacture its products. Although the Group does not always purchase raw materials directly, their overall consumption and general price trends are constantly monitored. The Group cannot guarantee that it will be able to maintain access to raw materials, parts, and components, and in some cases, this access may be affected by factors outside of the Group's control and the control of its suppliers. Certain components and parts (like engine control units, after treatment systems) used in the Group's products may be acquired from single suppliers and cannot be quickly sourced from other suppliers. Significant disruptions to the supply chain resulting from shortages of raw materials, components, and whole-goods can adversely affect the Group's ability to meet customer demand.

*The Group's existing operations and expansion plans in emerging markets could entail significant risks.*

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share and operate profitably worldwide and, in particular, in emerging market countries, such as Brazil, Russia, China, Argentina, Turkey, and South Africa. In addition, the Group may pursue this strategy by increasing its operations and use of suppliers in such countries. These strategies will require a significant investment of capital and other resources and may expose the Group to multiple risks. In particular, Brazil and Argentina are exposed to currency fluctuation and hyper-inflation risks and China, Russia, Turkey and South Africa are exposed to risks relating to conflicting cultural practices and changes to legal requirements, including those related to tariffs, trade barriers, investments, property ownership rights, taxation, and sanction and export control requirements. For example, the Group may encounter difficulties in obtaining necessary governmental approvals in a timely manner. In addition, the Group may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products as compared with products manufactured and commercialized by the Group's competitors. The emerging market countries may also be subject to a greater degree of economic and geopolitical volatility that could adversely affect the Group's financial position, results of operations and cash flows. Many emerging market economies have experienced slower growth, volatility, and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic political or currency volatility, potential hyper-inflationary conditions, and/or increase of public debt. Exposure to conflicts in markets where the Groups has ongoing operations or commercial activities may at any time affect continuity of business operations and require the adoption of decisions that may negatively affect the Groups' financial position and profitability despite the efforts to minimize such exposure.

*Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales.*

The Group sells the majority of its commercial vehicles through independent dealers and is subject to risks relating to their inventory management decisions and operating and sourcing practices. The Group's dealers carry inventories of finished products and parts as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities and market conditions, including the level of used vehicles inventory. If the Group's dealers' inventory levels are higher than they desire, they may postpone product purchases from the Group, which could cause the Group's sales to be lower than the end-user demand for the Group's products and negatively impact its results. Similarly, the Group's sales could be negatively impacted through the loss of time-sensitive sales if the Group's dealers do not maintain inventory sufficient to meet customer demand. Further, dealers who carry other products that compete with the Group's products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact the Group's sales, results of operations, and financial condition. These dealers may exert pressure on the level of dealer margins and incentives, thus eroding the Group's profitability. They may also encounter financial difficulties that could restrict them from selling the Group's products or services, and/or require the Group to provide support or investment leading to increased costs. In addition, if financial difficulties affect a significant number of dealers in a region, the Group's sales in that region as a whole could be adversely affected or require it to incur significant investment to seek out new dealers in that region. This risk is more acute in regions with only a single company dealer.

*The Group's results of operations may be adversely impacted by various types of claims, lawsuits, and other contingent obligations.*

In the ordinary course of business, the Group is involved in litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property rights disputes, product warranty and defective product claims, product performance, asbestos, personal injury, engine emissions and/or fuel economy regulatory and contract issues, and environmental claims. The Group is defendant in various follow-on damages claims in various jurisdictions in EU, U.K., and Israel, for face value amounts that at this time are difficult to be assessed for various reasons (including, but not limited to, the fact that in many instances judicial claims are filed also in respect of other defendants or that claimants have not included an assessment of the damages allegedly suffered), but that may be collectively or individually (as the case may be) significant. The ultimate outcome of such claims, including the amount of any damages, is impossible to predict. An adverse outcome on any of these claims could materially and adversely affect the Group's results of operations and financial condition. The industries in which the Group operates are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. The ultimate outcome of these legal matters pending against the Group is uncertain, and although such legal matters are not expected individually to have a material adverse effect on the Group's financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on the Group's results of operations and financial condition. Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on the Group's results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain risks, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against claims under such policies. The Group establishes reserves based on its assessment of contingencies, including contingencies related to legal claims asserted against it. Subsequent developments in legal proceedings may affect the Group's assessment and estimates of the loss

contingency recorded as a reserve and require the Group to make payments that exceed its reserves, which could have a material adverse effect on its results of operations and/or financial position.

*The Group's information technology systems and networks may be subject to intentional and unintentional disruption, which could interfere with its operations, compromise confidential information, negatively impact the Group's corporate reputation, and expose the Group to liability.*

The Group's business activities rely upon information technology (IT) systems and networks, some of which are managed by third parties. These systems include supply chain, manufacturing, distribution, invoicing and collection of payments from dealers or other purchasers of the Group's products and from customers of its Financial Services business, and connectivity services with and among vehicles. The Group uses information technology systems to record, process and summarize management and financial information and results of operations for internal reporting purposes and to comply with regulatory, financial reporting, legal and tax requirements. Additionally, the Group collects and stores sensitive data, including intellectual property, proprietary business information and the proprietary information of the Group's customers, suppliers and dealers, as well as personally identifiable information of its dealers, customers and employees, in data centers and on information technology networks. Operating these information technology systems and networks, and processing and maintaining these data, in a secure manner, are critical to the Group's business operations and strategy.

The Group's IT systems may be subject to damage and/or interruption from, among other things, power outages; computer, network, and telecommunications failures; computer viruses; security breaches and usage errors by its employees. If the Group's IT systems are damaged or cease to function properly, the Group may have to make a significant investment to fix or replace them and may suffer loss of critical data and disruptions or delays in its operations. Increased IT security threats (e.g. worms, viruses, malware, phishing attacks, ransomware, and other malicious threats) and more sophisticated computer crime pose a risk to the security of the Group's systems and networks and the confidentiality, availability, and integrity of the Group's data. Cybersecurity attacks could also include attacks targeting customer data or the security, integrity, and/or reliability of the hardware and software installed in the Group's products. The foregoing risks are heightened in the current environment where a material percentage of the Group's employees have been and continue to work from home due to the COVID-19 pandemic.

While the Group actively manages IT security risks within the Group's control through security measures, business continuity plans, and employee training around phishing and other cyber risks, there can be no assurance that such actions will be sufficient to mitigate all potential risks to the Group's systems, networks, data, and products. Furthermore, third parties on which the Group relies, including internet, mobile communications technology, and cloud service providers, could be sources of IT security risk to the Group. The Group and third parties may not be able to anticipate evolving techniques used to penetrate or evade security protocols (which techniques change frequently and may not be known until a cyber-attack is launched), or prevent attacks by hackers, including phishing or other cyber-attacks, or prevent breaches due to employee error or malfeasance, in a timely manner, or at all. Cyber-attacks have become far more prevalent in the past few years, leading potentially to the theft or manipulation of confidential and proprietary information or loss of access to, or destruction of, data on the Group's or third-party systems, as well as interruptions or malfunctions in the Group's or third parties' operations.

A failure or breach in security, whether of the Group's systems and networks or those of third parties on which the Group relies, could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, loss of financial resources, manipulation and destruction of data, defective products, production or distribution downtimes or disruption or other operational disruptions, which in turn could adversely affect the Group's reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action, unauthorized release of confidential or otherwise protected information and corruption of data, as well as remediation costs and higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve, the Group is likely to invest additional resources to protect the security of its systems and data. The amount or scope of insurance coverage the Group maintains may be inadequate to cover claims or liabilities relating to a cybersecurity attack.

*The Group may not succeed in adequately protecting its intellectual property and know-how.*

The Group possesses a significant number of patents, know-how, trade secrets, and trademarks related to its products and services, and that number is expected to grow as its research and development activities continue. In this regard, the Group believes that it is of fundamental importance to safeguard the innovations reached through its efforts and investments in its products and processes through patent protection and other enforceable intellectual property rights to prevent any unauthorized use of its intellectual capital. Inadequate intellectual property protection or loss of intellectual property protection may restrict the Group's ability to exploit its products, designs or technological advances profitably or may lead to a reduction in future income as other manufacturers may be able to manufacture and market products similar to those developed by the Group with fewer development expenses of their own, and hence more cost-effectively. This could harm the Group's competitive position. Moreover, high costs may be incurred in responding to infringements of intellectual property or disclosure of misappropriations of the Group's know-how and trade secrets. The occurrence of any of these events could have a material adverse effect on its results of operations and/or financial position.

*The Group's results and success are dependent in part upon its ability to attract, motivate and retain qualified personnel.*

The Group's ability to compete successfully, to manage its business effectively, to expand its business and to execute its growth strategy, depends, in part, on the Group's ability to attract, motivate and retain qualified personnel in key functions and markets with the requisite education, skills, background, talents, and industry experience. Failure to attract and retain qualified personnel, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new personnel, or the inability to integrate and retain qualified personnel, could impair the Group's ability to execute its business strategy and could adversely affect its business.



*The Group is subject to increasingly stringent environmental, health and safety laws that impose significant compliance costs.*

The Group is subject to comprehensive and constantly evolving laws, regulations, and policies in numerous jurisdictions around the world. The Company expects the extent of legal requirements affecting its businesses and its costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced air emissions, treatment of waste and water, and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, the Group makes significant investments in research and development and capital expenditures and expects to continue to incur substantial costs in the future.

*Difficulty in obtaining financing or refinancing existing debt could impact the Group's financial performance.*

The Group's performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and access to capital markets or other sources of financing like asset backed commercial paper (ABCP) transactions. A decline in revenues could have a negative impact on the cash-generating capacity of the Group's operations. In addition, the Group's investment strategies may at times require funds in excess of those generated by the Group's operations. Consequently, the Group could find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce the Group's access to capital markets or increase the cost of the Group's short and long-term financing. Any difficulty in obtaining financing on acceptable terms or at all could have a material adverse effect on the Group's business, results of operations and financial position. The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit rating of the Company and its subsidiaries' asset-backed commercial paper and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to the Group's credit ratings by one or more rating agencies may increase the Group's cost of capital, potentially limit its access to sources of financing, and have a material adverse effect on its business, results of operations, and financial condition.

*Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility.*

According to standard market practice, the agreements governing debt instruments, depending on the rating status of the debtor and market conditions at the time of the execution of such financing instruments, could contain covenants restricting the Group's ability to, among other things: (a) incur additional indebtedness by certain subsidiaries; (b) make certain investments; (c) enter into certain types of transactions with affiliates; (d) sell or acquire certain assets or merge with or into other companies; and/or (e) pledge assets as security for other obligations. A breach of one or more of the covenants could result in adverse consequences that could negatively impact the Group's businesses, results of operations, and financial position. These adverse consequences may include the triggering of cross-default clauses whereby other outstanding debt under other credit facilities of the Group existing at the time of such cross-acceleration, ultimately resulting in an obligation to redeem such indebtedness, termination of existing unused commitments by the Group's lenders, refusal by the Group's lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of the Group's credit ratings or those of one or more of its subsidiaries.

*The Group is subject to exchange rate fluctuations, interest rate changes and other market risks.*

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time and in particular in emerging markets. The Group is subject to currency exchange risk to the extent that its costs are denominated in currencies other than those in which the Group earns revenues. In addition, the reporting currency for the Group's consolidated financial statements is the euro, while the assets, liabilities, expenses, and revenues of those Group's subsidiaries whose functional currency is different than euro, are denominated in other currencies. Therefore, increases or decreases in exchange rates between the euro and those other currencies affect the value of those items reflected in the Group's consolidated financial statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the euro and other currencies have had, and will continue to have, an impact on the Group's results of operations and financial condition. The Group also faces risks from currency devaluations (which is a downward adjustment of a country's official exchange rate) in emerging markets such as Brazil and Argentina. Such currency devaluations could result in a diminished value of liquidity funds denominated in the currency of the country suffering the devaluation.

The Group uses various forms of financing to cover the funding requirements of the Group's Industrial Activities and for financing offered to customers and dealers by Financial Services. Financial Services normally implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs, and margins.

Although the Group seeks to manage its currency risk and interest rate risk, including through hedging activities, there can be no assurance that it will be able to do so successfully, and the Group's business, results of operations and financial position could be adversely affected. In addition, by utilizing these instruments, the Group potentially foregoes the benefits that may result from favorable fluctuations in currency exchange and interest rates.

*As Financial Services provides financing for a significant portion of the Group's sales worldwide, the Group's operations and financial results could be impacted materially should negative economic conditions affect the financial services industry.*

Negative economic conditions can have an adverse effect on the financial services industry in which Financial Services operates. Financial Services, through wholly-owned financial services companies, joint ventures and third party commercial agreements, provides financing for almost



25% of the Group's sales worldwide. Financial Services may experience credit losses that exceed its expectations and adversely affect its financial condition and results of operations. Financial Services' inability to access funds at cost-effective rates to support its financing activities could have a material adverse effect on the Group's business. Financial Services' liquidity and ongoing profitability depend largely on timely access to capital in order to meet future cash flow requirements and to fund operations and costs associated with engaging in diversified funding activities. Additionally, negative market conditions could reduce customer confidence levels, resulting in declines in credit applications and increases in delinquencies and default rates, which could materially impact Financial Services' write-offs and provision for credit losses. Furthermore, Financial Services is exposed to a significant concentration of credit risk on receivables generated by Commercial and Specialty Vehicles segment sales. Financial Services may also experience losses that exceed its expectations caused by lower pricing for repossessed vehicles. Any of the foregoing could have a material adverse effect on the Group's financial position, results of operations and cash flows.

*The Loyalty Voting Program may affect the liquidity of Common Shares and reduce the Company's share price.*

The Company's loyalty voting program is intended to reward Shareholders for maintaining long-term Common Share ownership by granting initial shareholders and persons holding Common Shares continuously for at least three years, the option to elect to receive Special Voting Shares (the Loyalty Voting Program). Special Voting Shares cannot be traded and, immediately prior to the transfer of Common Shares from such Loyalty Register, any corresponding Special Voting Shares shall be transferred to the Company for no consideration (*om niet*). This loyalty voting program is designed to encourage a stable Shareholder base and, conversely, it may deter trading by those Shareholders who are interested in gaining or retaining Special Voting Shares. Therefore, the loyalty voting structure may reduce liquidity of the Common Shares and adversely affect their trading price.

*The Loyalty Voting Program may prevent or frustrate attempts by the Company's shareholders to change the Company's management and hinder efforts to acquire a controlling interest in the Company, and the market price of the Company's Common Shares may be lower as a result.*

The provisions of the Company's articles of association establishing the Loyalty Voting Program may make it more difficult for a third party to acquire, or attempt to acquire, control of the Company, even if a change of control is considered favorably by Shareholders holding a majority of the Common Shares. As a result of the Loyalty Voting Program, a relatively large proportion of the voting power of the Common Shares could be concentrated in a relatively small number of shareholders who would have significant influence over the Company. In addition, following the Demerger, EXOR holds approximately 27% of the Company's common shares and approximately 42% of the voting power in the Company. Such shareholders participating in the loyalty voting program could effectively prevent change of control transactions that may otherwise benefit Company's shareholders.

## IVECO GROUP COMMITMENT TO SUSTAINABILITY

Starting from the Demerger, the Company is the holding of a group which has clearly defined sustainability objectives and strives to pursue those in a holistic manner, with a specific focus on the reduction of its carbon footprint related to products and processes, through a challenging decarbonization strategy. Other commitments are related to the safety of workers, employee welfare and wellbeing, diversity and inclusion, local community initiatives, the engagement of employees, suppliers, customers and other stakeholders and respect for human rights. These commitments are part of the sustainability plan, which includes both long and short-term targets and expresses the Company's contribution to development in harmony with people and the environment. Clear responsibilities are defined for each target to ensure they are consistently monitored and achieved through actions and initiatives involving the key functions of the organization.

As regards its commitment to mitigate climate change, the Company aims to reduce CO<sub>2</sub> and other air emissions through the proper management of climate-related risks and opportunities. The identification of such risks and opportunities and the analysis of global challenges led to the definition of a decarbonization strategy, in light of which the Company regularly reviews its business priorities and adapts its financial programming over the short, medium, and long-term.

The Company's decarbonization strategy guides the development of its product portfolio and R&D efforts into new technologies (e.g., biofuels, electric drives, hydrogen fuel cells), often in collaboration with business partners, startups, and third-party experts. Within the Powertrain segment, internal combustion engines will continue to predominate in most industrial applications in the short term, and so the challenge is to further reduce emissions. In this regard, the Company believes natural gas (NG) will play an important role: currently the most widely available green fuel, NG-powered vehicles, are used extensively in on-road applications, and the technology is being extended into off-road, making NG an essential element in all emission reduction strategies in the years to come. Other fuels are showing potential in the field of decarbonization, such as dimethyl ether (DME) and hydrogenated vegetable oil (HVO), while modifying engines to offer the best solutions for a given area or application is likely to broaden the offering and integration of compressed natural gas (CNG) technology.

In the medium term, the focus will be on electric drive technologies, not as an alternative to internal combustion solutions, but as a way to further improve their performance, efficiency, and sustainability, developing different configurations depending on vehicle missions. In the near to medium term, hydrogen fuel cells represent the most promising electric drive technology for industrial, heavy-duty applications such as long-haul transport. FPT Industrial foresees a future built on mixed-energy use: energy sources have different characteristics and meet different needs, and so a variety of solutions will co-exist in the market. For this reason, the Company believes in remaining very open and pragmatic and adopting a multi-power approach.

To tackle climate change issues, the Company integrated a number of carbon-reduction initiatives and specific climate-related topics into the sustainability plan disclosed in the 2020 Sustainability Report of CNH Industrial, defining long-term strategic targets that will drive its business strategy. Examples of targets are:

- 2022: development of next-generation alternative fuel engines running on CNG and LNG, and compatible with biomethane, to further reduce CO<sub>2</sub> emissions and total cost of ownership (TCO)
- 2022: focus on natural gas (NG) engine technologies to achieve ultra-low NO<sub>x</sub> emissions in urban applications
- 2023: development of next generation Electric Daily (including in-house production of e-drivelines and battery packs)
- 2023: development of full electric bus range
- 2023: implementation of mild hybrid solutions on diesel and CNG vehicles
- 2024: development of new full electric and fuel cell heavy range (including in-house production of e-axles)
- 2030: implementation of alternative (electric/hybrid) driveline technologies on all vehicles, to achieve -50% in CO<sub>2</sub> emissions.

In addition, high safety standards are also a priority for on-road vehicles, as reflected in the design and development of vehicles with high-quality preventive, active, and passive safety features to maximize the protection of vehicle occupants, cargo, and other road users alike. This comprehensive approach is part of the Company's daily challenge and commitment to continually raise safety standards for all road users. Accordingly, the research and development of safety systems focuses on three key areas:

- driver assistance: devices that assist the driver both in normal conditions and when a warning is triggered
- collision avoidance: systems activated during an emergency, providing maneuvering assistance to avoid collision
- damage mitigation: devices activated to minimize damage when impact is unavoidable.

Currently, the Advanced Driver Assistance Systems offered by Commercial and Specialty Vehicles include Adaptive Cruise Control, Advanced Emergency Braking System, and Lane Departure Warning System (LDWS). Furthermore, following several studies on passive safety and biomechanics, light and medium commercial vehicles can optionally be fitted with Advanced Occupant Restraint Systems for enhanced protection in case of frontal impact, with the additional option of installing window airbags in light vehicles to protect occupants in the event of a side impact. An example of target to be reached by 2022 is the development of a restraint system in heavy vehicle cabs to improve driver biomechanics in case of frontal impact.

## CORPORATE GOVERNANCE

### Introduction

The Company is incorporated and organized under the laws of the Netherlands. Its common shares are listed on Euronext Milan, managed by Borsa Italiana S.p.A.

The Dutch Corporate Governance Code 2016 applies, on a comply or explain basis, to Dutch companies whose shares have been admitted to trading on a regulated market or comparable system (the "DCGC"). The DCGC did not apply to the Company for the period from its incorporation to 31 December 2021 during which period it was wholly owned by the Company. Upon the Demerger and in connection with the start of the trading of its common shares on Euronext Milan, the Company has adopted, except as discussed below, the DCGC, which contains principles and best practice provisions that regulate relations between the board of directors of a listed Dutch company and its shareholders.

In this Annual Report Iveco Group summarizes its overall corporate governance structure as it applies to the Company as of 1 January 2022. The Company discloses in this Annual Report, and intends to disclose in its future annual reports, any material deviation from the best practice provisions of the DCGC.

### Compliance with Dutch Corporate Governance Code

While the Company endorses the principles and best practice provisions of the DCGC, its current corporate governance structure deviates from the following best practice provisions, only with respect to minor aspects as follows:

- Under best practice provision 5.1.3, the chairman of the board should be an independent Non-Executive Director. The Company has adopted a one-tier governance structure with two Executive Directors and, in accordance with section 14(2) of the Articles of Association, the Board has granted to them, respectively, the title of 'Chair' and 'Chief Executive Officer'. Subject to his appointment as Non-Executive Director at the AGM to be held in 2022, the Board shall entrust to an independent Non-Executive Director the duties attributed by the DCGC to the chairman of the management board in one-tier companies (or to the chairman of the supervisory board in two-tier companies). The Board shall grant to such independent Non-Executive Director the title of 'Senior Non-Executive Director' (so as to distinguish such Director from the Chairperson of the Company, who is an Executive Director). As a consequence, despite the difference in corporate titles, the Company believes it complies with best practice provision 5.1.3, as the current Senior Non-Executive Director satisfies the requirements described in best practice provision 5.1.3 of the DCGC.
- Under best practice provision 2.3.4, more than half of the members of the committees should be independent within the meaning of best practice provision 2.1.8. For the ESG Committee and the Human Capital and Compensation Committee the majority of the members in those two committees is not independent. The Company is of the opinion that, this composition will enhance the effectiveness and constitute a fair and adequate representation of persons having the necessary expertise and experience, even if those persons would not, formally speaking, be considered 'independent' within the meaning of provision 2.3.4. The Board is expected to reassess the composition of its committees in the course of 2022. The Board has not appointed a vice-chairman in the sense of best practice provision 2.3.7 of the DCGC. Since the Company adopted a one-tier governance structure with a single management board comprised of Executive Directors and Non-Executive Directors, the Board has granted the title of 'Chairperson' to one Executive Director and designated as 'Senior Non-Executive Director' one of the Non-Executive Directors. The Senior Non-Executive Director is responsible for the proper functioning of the Board of Directors and its Committees. Furthermore, the Board Regulations provide that in the absence of the Senior Non-Executive Director any other Non-Executive Director chosen by a majority of the Directors present at a meeting shall preside at meetings of the Board of Directors. The Company considers the above sufficient to ensure that the role and function assigned by the DCGC to the vice-chairman is properly discharged.
- Pursuant to best practice provision 4.1.8 of the DCGC, every Executive and Non-Executive Director nominated for appointment should attend the Annual General Meeting at which votes will be cast on his/her nomination. Since, pursuant to the Articles of Association, the term of office of Directors is approximately one year, such period expiring on the day the first Annual General Meeting of Company shareholders is held in the following calendar year, all members of the Board of Directors are nominated for (re)appointment each year. By publishing the relevant biographical details and curriculum vitae of each nominee for (re)appointment, the Company ensures that the Company's general meeting of shareholders is well informed in respect of the nominees for (re)appointment and in practice only the Executive Directors, and Non-Executive Directors nominated for the first time for appointment to the Board, will therefore attend the Annual General Meeting.
- The Company does not have a retirement schedule as referred to in paragraph 2.2.4 of the DCGC. Pursuant to the Articles of Association, the term of office of Directors is approximately one year, such period expiring on the day the first Annual General Meeting of Company shareholders is held in the following calendar year.

### Board of Directors

Upon completion of the Demerger, the Company has adopted a one-tier board structure comprising of executive and non-executive directors (the "Executive Directors" and "Non-Executive Directors" and each of them a "Director"). The Executive Directors are primarily responsible for all day-to-day operations of the Company. The Non-Executive Directors supervise (i) the Executive Directors' policy and performance of duties and (ii) the Company's general affairs and its business, and render advice and direction to the Executive Directors. The Directors furthermore perform any duties allocated to them under or pursuant to the law or the Articles of Association. Each Director has a duty to the Company to properly perform the duties assigned to each Director and to act in its corporate interest. Under Dutch law, the Company's corporate interest extends to the interests of all its stakeholders, including its shareholders, creditors, and employees.

The Board is the executive and supervisory body of the Company. It is entrusted with the management of the Company, supervises the general course of affairs in the Company and the business affiliated with the Company and is responsible for the continuity of the Company. The Board is accountable for these matters to the Company's general meeting (the "General Meeting").

The Board's responsibilities include, among other things, developing a view on long-term value creation by the Company, determining the Company's strategy and risk management policy, appointing and dismissing the senior internal auditor, annual assessment of the way in which the internal audit function fulfils its responsibility and approving the audit plan drawn up by the internal audit function, ensuring compliance with legislation and regulations and the corporate governance structure of the Company, publishing the corporate structure of the Company and any other information required under Dutch law and the Dutch Corporate Governance Code.

The Board may perform all acts necessary or useful for achieving the Company's objectives, with the exception of those acts that are prohibited by law or by the Articles of Association. Pursuant to the Articles of Association, the Board may allocate its duties and powers among the Directors pursuant to the Board Regulations or otherwise in writing, provided that the following duties and powers may not be allocated to the Executive Directors: (i) supervising the performance of the Executive Directors, (ii) making a nomination for the appointment of Directors, (iii) determining an Executive Director's remuneration and (iv) recommending to the shareholders' meeting the appointment of an auditor to audit the financial statements. Regardless of an allocation of tasks, all members of the Board remain collectively responsible for the proper management and strategy of the Company (including supervision thereof in case of Non-Executive Directors).

Pursuant to the Articles of Association, the general authority to represent the Company shall be vested in the Board, as well as in each of the Executive Directors to whom the title Chairperson or Chief Executive Officer has been granted. Furthermore, pursuant to the Articles of Association, the Board may appoint officers with general or limited power to represent the Company subject to the restrictions imposed on him or to grant one or more persons such titles as it sees fit. In addition, the Articles of Association provides that the Board may determine pursuant to the Board Regulations or otherwise in writing that one or more Directors can lawfully adopt resolutions concerning matters belonging to their duties within the meaning of Section 2:129a(3) of the Dutch Civil Code (DCC).

Dutch law provides that resolutions of the Board involving major changes in the Company's identity or character are subject to the approval of the General Meeting.

The Articles of Association provide that the Board shall consist of three or more Directors and that the number of Executive Directors and the number of Non-Executive Directors shall be determined by the Board. Upon completion of the Demerger, the initial number of Directors is eight, comprising two Executive Directors and six Non-Executive Directors. It is the Company's objective to have a Board comprising of nine Directors in the future by adding an independent Non-Executive Director as soon as a suitable candidate has been identified.

The Board may grant titles to Directors. The Board designated Lorenzo Simonelli, a Non-Executive Director, with the title Senior Non-Executive Director who is the chairperson of the Board as referred to by Dutch law and who shall ensure the proper functioning of the Board as a whole. In addition, the Board appointed, among its Executive Directors, Suzanne Heywood as chair, and Gerrit Andreas Marx as chief executive officer (the Chief Executive Officer or CEO).

All members of the Board are appointed by the General Meeting. The term of office of all members of the Board will be for a period of approximately one year after appointment, such period expiring on the day the first annual General Meeting is held in the following calendar year. The General Meeting has the power to dismiss any member of the Board at any time.

The General Meeting may at all times suspend or dismiss any Director. The Board may at all times suspend an Executive Director. A suspension may be extended one or more times, but may not last longer than three months in aggregate. If at the end of that period, no decision has been taken on the termination of the suspension or on dismissal, the suspension shall end. A suspension can be terminated by the General Meeting at any time.

There should be an appropriate balance between the number of Executive Directors and Non-Executive Directors. Moreover, independent Directors have an essential role in protecting the interests of all stakeholders. Their contribution will also be necessary for the proper composition and functioning of the Board committees, whose advisory functions include preliminary examination and formulation of proposals relating to areas of potential risk, such as prevention of potential conflicts of interest.

The composition of the Non-Executive Directors is such that they will be able to operate independently and critically with respect to one another, the Executive Directors, and any other particular interest involved, and in accordance with best practice provision 2.1.7 of the Dutch Corporate Governance Code.

Under Dutch law reporting rules, the Company is required to address diversity of the Board in its annual report or in the report of the Board (*bestuursverslag*): (i) composition of the board of directors by gender; (ii) objectives of the diversity policy; (iii) description of how the diversity policy is being implemented and the results thereof and (iv) if there is no diversity policy, this should be explained.

As of 1 January 2022, new legislation entered into force, requiring "large Dutch companies" to set an 'appropriate and ambitious' target for their management board, supervisory board and senior executives (the latter as determined by the company). If a company has adopted a one-tier board structure, the appropriate and ambitious target applies to both the executive and non-executive directors. At the time of completion of the Demerger, the Company did not qualify as a "large Dutch company". The Company is expected to qualify as a "large Dutch Company" at the end of its second financial year as a listed company, on 31 December 2023 and will as of that moment start making the appropriate disclosures.

Notwithstanding already at date, with regard to diversity, the Company generally recognizes that more diverse boards are more effective in performing their monitoring and advisory activities, due to the variety of professional experience, perspectives, insights, skills and connections to

the outside world that diversity can add. While the Company believes its Board members are reasonably diverse upon completion of the Demerger, it will continue to consider enhanced diversity as a key future objective. The Board Regulations set out this principle in respect of making a nomination for the appointment of Directors.

Pursuant to Dutch law, there are limitations to the number of supervisory or non-executive positions persons can hold on the boards of directors of large Dutch companies. At the time of completion of the Demerger, even though the Company does not yet qualify as a “large Dutch company”, no member of the Board exceeds the maximum number of supervisory or non-executive positions.

The Board shall hold meetings on a regular basis at a time to be determined by the Board and whenever the Board of Directors have requested a meeting. Special meetings of the Board shall be held whenever called by direction of the chair of the Board or, in his or her absence, by the chief executive officer or by a majority of the directors then in office.

#### *Composition of the Board*

At 31 December 2021, the Board was comprised of the following four managing Directors, who had all been appointed at the incorporation of the Company with indefinite term of appointment: Oddone Incisa Della Rocchetta (Managing Director, Chairperson), Monica Ciceri, Roberto Russo, Andreas Georg Weishaar.

Upon completion of the Demerger, all those managing Directors resigned and were replaced by the following two Executive Directors and six Non-executive Directors, who were appointed for an initial term ending at the annual General Meeting of the Company to be held in 2023:

<b>Name</b>	<b>Position with the Company</b>
Suzanne Heywood	Executive Director, Chairperson
Gerrit Andreas Marx	Executive Director, Chief Executive Officer
Tufan Erginbilgic	Independent Non-executive Director
Essimari Kairisto	Independent Non-executive Director
Linda Knoll	Non-executive Director
Alessandro Nasi	Non-executive Director
Olof Persson	Independent Non-executive Director
Lorenzo Simonelli	Independent Senior Non-executive Director

#### *Biographical Details of the Executive Directors*

##### ▪ **Suzanne Heywood (Chairperson)**

Suzanne Heywood became a Managing Director of EXOR in 2016. Prior to that she worked at McKinsey & Company which she joined as an associate in 1997 and left as a Senior Partner (Director) in 2016. Suzanne co-led McKinsey’s global service line on organization design for several years and also worked extensively on strategic issues with clients across different sectors. She has published a book, “Reorg,” and multiple articles on these topics and has also acted as a visiting lecturer at Tsinghua University in Beijing. Suzanne started her career in the U.K. Government as a Civil Servant in the U.K. Treasury. At the Treasury she worked as Private Secretary to the Financial Secretary (who is responsible for all direct taxation issues) as well as leading thinking on the Government’s privatization policy and supporting the Chancellor in his negotiations at ECOFIN (the meeting of European Finance Ministers) in Brussels. Prior to that she studied science at Oxford University (BA) and then at Cambridge University (PhD). Lady Heywood is Chair of CNH Industrial N.V., and of Shang Xia. She is also a non-executive director of Juventus, Louboutin and The Economist, Deputy Chair of the Royal Opera House and a director of the Royal Academy of Arts Trust. She grew up sailing around the world for ten years on a yacht with her family recreating Captain James Cook’s third voyage around the world. Born in 1969, British citizenship. Female. Born 1969. British citizenship. Date of first appointment: 1 January 2022.

##### ▪ **Gerrit Andreas Marx (Chief Executive Officer)**

Gerrit Marx has more than 20 years of experience in roles of increasing importance in different locations around the world and in a variety of industrial segments, with a specific in-depth focus on automotive industries. He holds a degree in Mechanical Engineering (“Diplom Ingenieur”) and an MBA (“Diplom Kaufmann”) from RWTH Aachen University, and a Doctorate in Business Administration from Cologne University. From 1999 to 2007, Mr. Marx worked at the global consulting firm McKinsey & Company, focusing on operational improvement programmes in the automotive and aerospace industries in Europe, Brazil, and Japan. He joined Daimler AG in 2007 to head the global controlling function for vehicle and powertrain component projects, as well as market-entry / mergers and acquisitions for three truck brands in North America, Europe, and Asia. This led him to the role of President and Chief Executive Officer at Daimler Trucks China in 2009 and subsequently, President of Skoda China with Volkswagen AG, overseeing imports and joint venture business relations in both roles. In 2012 Mr. Marx joined the European leadership team of Bain Capital as a member of their portfolio group, driving and leading transformational change programs. This role also encompassed due diligence and merger and acquisition activities, with specific focus on automotive and industrial assets, and also included interim roles such as Chief Executive Officer of Wittur Group, a global Tier-1 supplier to the elevator industry. Gerrit Marx joined CNH Industrial in January 2019 as President of Commercial and Specialty Vehicles. Since the spin-off of Iveco Group from CNH Industrial on 1 January 2022, Mr. Marx has served as Chief Executive Officer of the newly formed Company. Male. Born in 1975, German citizenship. Date of first appointment: 1 January 2022.



## Biographical Details of the Non-Executive Directors

### ▪ Tufan Erginbilgic (Non-Executive Director - independent), Member of the ESG Committee, Member of the Compensation Committee

Tufan Erginbilgic is a partner at Global Infrastructure Partners (GIP) based in London. In 2014, he became the Chief Executive, Downstream, at BP, the company's customer facing arm comprising a diverse portfolio of five core business: Retail, Refining, Aviation, Lubricants and Petrochemicals. He held this position until April 2020. Prior to this he was the Chief Operating Officer of BP's Global Fuels Business. In 2009 he became the Chief Operating Officer for the Eastern Hemisphere Fuel value chains and global Lubricant businesses and prior to his move to the Group Chief Executive's office in 2007, he assumed leadership of BP's global lubricant business in 2006. In 2004 Mr. Erginbilgic was appointed head of the Company's European Fuels Business. He joined BP in 1997, holding a wide variety of roles in refining and marketing in Turkey, and in various European countries, including the UK. Mr. Erginbilgic started his career with Mobil in 1990. Tufan Erginbilgic serves on the Strategic Advisory Board of the University of Surrey, U.K., and joined the board of DCC PLC in April 2020 and Türkiye Petrol Rafinerileri A.Ş. in March 2021. Mr. Erginbilgic holds a Bachelor of Science in Engineering degree from Istanbul Technical University, Turkey, a Masters of Business Administration degree from Bosphorous University, Turkey and a Master in Economics degree from Ohio State University, U.S. Since April 2020, Tufan Erginbilgic has been an independent non-executive director at CNH Industrial. Male. Born in 1959, British and Turkish citizenship. Date of first appointment: 1 January 2022.

### ▪ Essimari Kairisto (Non-Executive Director - independent), Chair of the Audit Committee

Essimari Kairisto has a diploma in Business Administration from the University of Fachhochschule Bielefeld (Germany). Ms. Kairisto was the Chief Financial Officer and a Board Director for Hochtief Solutions AG until 2016 after which she has taken on independent consulting roles. These include, since 2015, a Supervisory Board Member and a member of the Audit Committee of Freudenberg SE, the privately owned German technology company, and since 2018, a Non-Executive Director and chair of the Audit and Risk Committee of Fortum Oyj, a clean energy generation and distribution company which is listed on the Helsinki stock exchange. Additionally, Ms. Kairisto is member of the Supervisory Board, chair of the Audit Committee and member of the Strategy and Investment Committee of TenneT B.V., a Dutch state owned leading European electricity transmission system operator with its main activities in the Netherlands and Germany. She is also a director and member of the Audit Committee of Applus+ S.A., a Spanish company, listed on the Madrid Stock Exchange, that is a worldwide leader in the testing, inspection and certification sector. Prior to her move to Hochtief Solutions AG in 2013, Ms. Kairisto had several high profile roles in finance and general management including at Sasol, RWE and Schlumberger. Female. Born in 1966, Finnish and German citizenship. Date of first appointment: 1 January 2022.

### ▪ Linda Knoll (Non-Executive Director), Member of the ESG Committee, Chair of the Compensation Committee

Linda Knoll holds a Bachelor of Science Degree in Business Administration from Central Michigan University. After a career in the land systems division of General Dynamics, Linda Knoll honed her career in the predecessor companies to Fiat Chrysler Automobiles (FCA) and CNH Industrial through numerous operational assignments, accumulating a wealth of relevant industrial industry experience spanning more than 25 years (including Vice-President and General Manager of the Crop Production Global Product Line, Vice-President North America Agricultural Industrial Operations, Executive Vice-President Agricultural Product Development, President Parts and Service (ad interim) and Executive Vice-President Worldwide Agricultural Manufacturing). Linda Knoll has been CHRO in CNH Industrial (from 2007 to 2019) and FCA (from 2011 to March 2021). Linda Knoll currently serves as director at Schneider Electric SE, and Comau. Female. Born in 1960, American citizenship. Date of first appointment: 1 January 2022.

### ▪ Alessandro Nasi (Non-Executive Director), Chair of the ESG Committee, Member of the Compensation Committee

Alessandro Nasi started his career as a financial analyst in several banks, gaining experience at Europlus Asset Management, a division of Unicredit in Dublin, Ireland, PricewaterhouseCoopers in Turin, Italy, Merrill Lynch and JP Morgan in New York, U.S. He also worked as an Associate in the Private Equity Division of JP Morgan Partners in New York, U.S. Mr. Nasi joined the Fiat Group in 2005 as manager of Corporate and Business Development, heading the APAC division and supporting Fiat Group sectors in Asia Pacific. In 2007, Mr. Nasi was appointed Vice President of Business Development and a member of the Steering Committee of Fiat Powertrain Technologies. In 2008, he joined CNH in the role of Senior Vice President of Business Development and from 2009 to 2011 he also served as Senior Vice President of Network Development. In January 2011, he was also appointed Secretary of the Industrial Executive Council of Fiat Industrial, continuing in the role of Executive Coordinator to the successor Group Executive Council of CNH Industrial until January 2019. In 2013 he was appointed President Specialty Vehicles, a role he held until January 2019. Mr. Nasi is a Director of Giovanni Agnelli B.V., Vice Chairman of the Board of Directors of EXOR N.V., Chairman of Comau, Chairman of Iveco Defence Vehicles (an affiliate of Iveco Group), Chairman of Astra Veicoli Industriali (an affiliate of Iveco Group), Director of CNH Industrial and Chair of its Environmental, Social, and Governance Committee. In November 2019, he was appointed a member of the Advisory Board of the Lego Brand Group. In June 2020, Mr. Nasi was appointed a Non-Executive, Independent Director of GVS S.p.A. Mr. Nasi obtained a degree in Economics from the University of Turin. Male. Born in 1974, Italian citizenship. Date of first appointment: 1 January 2022.

### ▪ Olof Persson (Non-Executive Director - independent), Member of the Audit Committee

Olof Persson is currently Senior Advisor. Mr. Persson is also currently Chairman of the Board of New Wave Group and non-executive director of World Flight Services. In the course of his career Mr. Persson held various positions at ABB and was appointed Division President at Bombardier Transportation in 2004. In 2006, he joined Volvo Group as President of Volvo Aero and subsequently President of Volvo Construction Equipment in 2008. In 2011 he became President and CEO of the AB Volvo Group. In 2015 Mr. Persson was appointed Senior Operating Executive at Cerberus

Capital Management. Mr. Persson holds a Bachelor of Business Administration, BBA – Ekonomi 1988, at Karlstads University. Male. Born in 1964, Swedish citizenship. Date of first appointment: 1 January 2022.

▪ **Lorenzo Simonelli (Senior Non-Executive Director - independent), Member of the Audit Committee**

Lorenzo Simonelli was appointed independent non-executive director at CNH Industrial in April 2019. He is the Chairman, President and CEO of Baker Hughes, an energy technology company that combines innovation, expertise and scale to provide solutions for energy and industrial customers worldwide. In October 2017 he was named Chairman of the Board of Baker Hughes, and has been President and CEO since the Company's creation in 2017, where he oversaw the successful merger of GE Oil & Gas with Baker Hughes Inc. In 2013 he was appointed President and CEO of GE Oil & Gas. Previously, Mr. Simonelli served as President and CEO of GE Transportation, a global transportation leader in the rail, mining, marine and energy storage industries. During his five-year tenure, he expanded and diversified GE Transportation by focusing on advanced technology manufacturing, intelligent control systems and a diverse approach to new propulsion solutions. He served as Chief Financial Officer for the Americas for GE Consumer & Industrial, as well as General Manager, Product Management for GE Appliances, Lighting, Electrical Distribution and Motors. Lorenzo Simonelli joined GE's Financial Management Program in 1994, where he worked on assignments in GE International, GE Shared Services, GE Oil & Gas and Consolidated Financial Insurance. Mr. Simonelli currently serves on the board of C3 AI and CNH Industrial. He graduated in Business & Economics from Cardiff University, Wales and received a master's degree honoris causa in Chemical Sciences from the University of Florence, Italy. Male. Born in 1973, Italian citizenship. Date of first appointment: 1 January 2022

### Committees

After the completion of the Demerger, the Board appointed among its Non-Executive Directors three committees to assist it to discharge its duties: an audit committee (the Audit Committee), an environmental, social and governance committee (the ESG Committee), and a human capital and compensation committee (the Human Capital and Compensation Committee). Unless disclosed otherwise the members of each committee are independent pursuant to the Dutch Corporate Governance Code. The Board is expected to reassess the composition of its committees in the course of 2022.

The Board may appoint additional committees from time to time, as it deems necessary and appropriate to carry out its responsibilities and oversight function. The Board, at establishment of each committee, set their terms of reference further setting out the tasks of the relevant committee and providing for the internal rules and procedures for the functioning of the relevant committee.

The Board shall remain accountable for the work carried out by committees of the Board and the performance and affairs of the Company notwithstanding the establishment of committees to assist the Board on certain specified matters. Except as otherwise required by applicable law, the Articles of Association or the resolution of the Board designating the committee, the presence in person of a majority of the total number of members of a committee shall be required and constitute a quorum for the transaction of business, including the adoption of resolutions. If any meeting of a committee a quorum is not present, a majority of the committee members present may adjourn the meeting from time to time, without notice other than adjournment at the meeting, until a quorum shall be present. Whenever a quorum cannot be secured for any meeting of a committee from the members of such committee, the member or members thereof present and not disqualified from voting may unanimously appoint one or more Non-Executive Directors who are not regular members of the committee to act at the meeting in the place of any absent or disqualified member or members of the committee.

### Audit Committee

The Audit Committee advises the Board in relation to its responsibilities, undertakes preparatory work for the Board's decision-making regarding the supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems and shall prepare resolutions of the Board in relation thereto.

The Audit Committee consists of at least three Non-Executive Directors to be appointed by the Board, the majority of whom, including the chair of the Audit Committee, must be independent Non-Executive Directors. The Audit Committee may not be chaired by the chair of the Board or by a former Executive Director. At least one member of the Audit Committee has competence in accounting and/or auditing. The members as a whole must have competence relevant to the sector in which the Company is operating. The Audit Committee shall meet at such time and place as the chairperson or a majority of the members of the Audit Committee shall determine, but normally at least four times every year. The quorum of any meeting shall be a majority of the members of the Audit Committee. and if there is a tie in a vote, the chairperson of the Audit Committee shall have a casting vote. The Audit Committee shall meet with the external auditor as often as it considers necessary, but at least once a year, outside the presence of the Executive Directors.

The chief financial officer, the internal auditor and the external auditor shall attend the Audit Committee meetings, unless the Audit Committee determines otherwise. The Audit Committee shall decide whether and, if so, when the chair of the Board shall attend its meetings.

In short, the Audit Committee's main responsibilities include, among others: (i) supervising and monitoring, and discussing with and advising the Board on, the effectiveness of the design and operation of the internal risk management and control systems and supervising material ethics matters; (ii) supervising the submission of financial information by the Company; (iii) supervising the compliance with recommendations and observations of the Company's internal and external auditor; (iv) supervising the functioning of the internal audit department (if present); (v) supervising the Company's tax policy; (vi) supervising the financing of the Company; (vii) supervising the applications of information and communication technology, including risks relating to cybersecurity; (viii) maintaining frequent contact and supervising the relationship with the external auditor; (ix) implementing the procedure for the selection of a statutory auditor and submitting a recommendation to the Non-Executive Directors for the (re)appointment or dismissal of a 120 statutory auditor by the General Meeting; (x) informing the Board of the outcome of the



statutory audit and explaining how the statutory audit contributed to the integrity of financial reporting and what the role of the audit Committee was in that process; (xi) monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity; (xii) determining whether, and if so, how the external auditor shall be involved in the content and publication of financial reports other than the financial statements; (xiii) issuing a recommendation on the appointment and dismissal of the senior internal auditor (if present); (xiv) if there is no separate department for the internal audit function, issuing a recommendation to the Board whether adequate alternative measures have been taken; (xv) submitting a proposal to the Board for the external auditor's engagement to audit the financial statements; and (xi) advising the Board as to the approval of the financial statements of the Company.

The Audit Committee has the power, without the Board's approval and at the Company's expense, to engage any independent legal counsel and other advisors as it deems necessary or appropriate and shall have the sole authority to approve such firms' fees and other retention terms.

The Audit Committee is currently composed of: Essimari Kairisto as chair, and Olof Persson and Lorenzo Simonelli as members, all of whom are independent.

#### **ESG Committee**

The ESG Committee advises the Board in relation to its responsibilities and shall prepare resolutions of the Board in relation thereto.

The ESG Committee consists of at least three Non-Executive Directors to be appointed by the Board. The ESG Committee shall meet at such time and place as the chairperson or a majority of the members of the ESG Committee may determine, but at least once every year. The quorum of any meeting shall be a majority of the members of the ESG Committee and if there is a tie in a vote, the chairperson of the ESG Committee shall have a casting vote.

In short, the ESG Committee's main responsibilities include, among other things: (i) overseeing the Company's environmental, social, and governance risks, strategies and practices; (ii) overseeing the Company's commitment to environmental stewardship and corporate social responsibility; (iii) overseeing and evaluating the policies, procedures, and practices related to the health and safety of Company employees; (iv) monitoring, evaluating and reporting on the sustainability strategy, governance, practices and performance globally of the Company; (v) drawing up selection criteria and appointment procedures for the Directors; (vi) periodically assessing the size and composition of the Board, and making a proposal for a composition profile of the Non-Executive Directors; (vii) periodically assessing the functioning of individual Directors and the Board as a whole, and reporting on this to the Board; (viii) making recommendations for appointments and reappointments; (ix) supervising the policy of the Board on the selection criteria and appointment procedures for senior management; and (x) supervising the Company's main initiatives and reporting on ESG matters.

The ESG Committee has the power, without the Board's approval and at the Company's expense, to appoint, compensate and oversee the work of any outside advisor to assist the ESG Committee in connection with its responsibilities.

The ESG Committee is currently composed of: Mr. Alessandro Nasi as chair, and Tufan Erginbilgic and Linda Knoll as members, all of whom, except for Mr. Alessandro Nasi and Ms. Linda Knoll, are independent.

#### **Human Capital and Compensation Committee**

The Human Capital and Compensation Committee advises the Board in relation to its responsibilities and shall prepare resolutions of the Board in relation thereto.

The Human Capital and Compensation Committee consists of at least three Non-Executive Directors appointed by the Board. The Human Capital and Compensation Committee may not be chaired by the chairperson of the Board or by a former Executive Director. The Human Capital and Compensation Committee shall meet at such time and place as the chairperson or a majority of the members of the Human Capital and Compensation Committee shall determine, but at least once every year. The quorum of any meeting shall be a majority of the members of the Human Capital and Compensation Committee and if there is a tie in a vote, the chairperson of the Human Capital and Compensation Committee shall have a casting vote. In short, the Human Capital and Compensation Committee's main responsibilities include, among other things: (i) every four years, submitting a proposal to the Board for the Remuneration Policy to be pursued; (ii) preparing the Board's decision making regarding the determination of remuneration of the individual Executive Directors; (iii) preparing the decision-making by the Non-Executive Directors regarding the determination of remuneration of the individual Non-Executive Directors; and (iv) annually preparing the remuneration report to be tabled at the General Meeting.

The Human Capital and Compensation Committee has the power, without the Board's approval and at the Company's expense, to appoint, compensate and oversee the work of any outside advisor to assist the Human Capital and Compensation Committee in connection with its responsibilities.

The Human Capital and Compensation Committee is currently composed of: Ms. Linda Knoll, as chair, and Tufan Erginbilgic and Alessandro Nasi as members, all of whom, except for Ms. Linda Knoll and Mr. Alessandro Nasi, are independent.

#### **Senior Leadership Team**

On certain key industrial matters, the Board is advised by the Company's Senior Leadership Team (the "SLT"). The SLT serves to strengthen the quality of the Company's decision-making and the implementation of its strategy. The SLT is an operational decision-making body of the Company, which is responsible for reviewing the operating performance of the segments and making decisions on certain operational matters. The Board remains accountable for the decisions of the SLT and has ultimate responsibility for the Company's management and external reporting. The SLT is comprised of the Company's Chief Executive Officer and certain key senior managers. The SLT is effectively supervised by the Non-Executive

Directors of the Board. For this purpose, the SLT, either directly or through the Executive Directors, must provide the Non-Executive Directors with all information the Non-Executive Directors require to fulfil their responsibilities. The SLT consists of key members, each of whom oversees a specific aspect of the business.

## Potential Conflicts of Interest of Directors and members of the SLT

### *Directors*

Other than as described below, no Director has a conflict of interest (actual or potential) between his or her duties to the Company and his or her private interests and/or other duties.

Suzanne Heywood, who was appointed executive director and Chairperson of the Company effective upon completion of the Demerger, is also executive director and chair of CNH Industrial. In addition, Alessandro Nasi, who was appointed non-executive director of the Board of Directors effective upon completion of the Demerger, is also a non-executive director of the board of directors of EXOR and CNH Industrial and it is expected that he will continue to stand for re-election as a director of CNH Industrial at the next general meeting of shareholders to be held in mid-April 2022. Suzanne Heywood and Alessandro Nasi owe duties both to Iveco Group and to CNH Industrial, which may raise potential conflicts of interest should the Company have to enter into new transactions (or amend existing transactions as the case may be) with CNH Industrial.

Considering also that the Company and CNH Industrial operate in different product markets, the Company does not expect that the circumstances described above will cause any of the Directors to have a conflict with the duties they owe to the Company. However, the Board Regulations will include arrangements to ensure that the Board will in each relevant situation handle and decide on any (potential) conflict of interest.

### *SLT members*

None of the members of the SLT have a conflict of interest (actual or potential) between his or her duties to the Company and his or her private interests and/or other duties.

## Related Party Transactions

### *Related Party Transaction Policy*

The Board shall draw up a related party transaction policy in accordance with Dutch law, for the purpose of providing a procedure that prevents related parties from taking advantage of their position and provide adequate protection for the interests of the Company and its stakeholders. CNH Industrial is specifically considered a related party for the purpose of this policy, given the Demerger and the background as former group company of the Company as referred to in Section 2:24b DCC. A Director shall not participate in the discussions and/or decision-making process on a subject or transaction in the event of being involved in a related party transaction within the meaning of Section 2:169 paragraph 4 DCC. The related party transaction policy provides procedures for members of the Board to notify a potential related party transaction. Potential related party transactions shall be subject to review by the Board. The related party transaction policy stipulates when a transaction qualifies as a related party transaction. No such related party transactions shall be undertaken without the approval of the Board.

### *Agreements between the Company and the CNH Industrial Group post-Demerger*

Prior to the completion of the Demerger, the Company was a wholly-owned directly and indirectly held subsidiary of CNH Industrial. The CNH Industrial Group post-Demerger and the Company entered into agreements, primarily of commercial nature, but also covering general administrative and specific technical matters as well as services provided by CNH Industrial and vice versa.

### *Master Service Agreements*

In relation to services (related to lease of premises, IT services, promotion and marketing activities, warehouse management, human resources, and other corporate functions) provided by either the Company to CNH Industrial Group post-Demerger and vice versa, in connection with the execution of the Demerger Deed, the Company and CNH Industrial Group post-Demerger entered into a two-year Master Services Agreement (MSA) whereby each Party (and its subsidiaries) may provide services to the other (and its subsidiaries).

The reason for both parties of entering into the MSA is the result of the realization that in certain areas (and namely lease of premises, IT services, promotion and marketing activities, warehouse management, human resources, and other corporate functions) a complete duplication of the entire range of in-house services currently existing before the Demerger would result in unnecessary separation costs. The MSA is intended to constitute an umbrella agreement allowing both parties to continue receiving (or providing as the case may be) such services substantially at the same terms and conditions in place before the Demerger for an interim period. The identification of each of the services and their peculiar terms and conditions is governed by ad hoc Opt-in arrangements. The term of the MSA is two years, with the possibility of renewals, but it is expected that a substantial part of these services will be provided for a shorter period of time, whereas services related to premises and warehouses are expected to continue in the medium-long term. Upon termination of the MSA (or of each of the Opt-in letter) the receiving party may be required either to purchase the line of business providing such services at fair market value or to indemnify the service provider from any direct cost incurred as a result of such termination.

### *Engine Supply Agreement*

In relation to the design and supply of off-road engines from the Company to CNH Industrial Group post-Demerger, in connection with the execution of the Demerger Deed, the Company and CNH Industrial Group post-Demerger entered into a ten-year Engine Supply Agreement (ESA) whereby the Company will sell to CNH Industrial Group post-Demerger diesel, CNG and LNG engines and provide post-sale services. Prices of the current engines have been agreed in consistency with past practices and will be subject to revision for raw material cost fluctuations. The price of future engines will be agreed between the parties. The ESA provides for mechanisms incentivizing both parties to maximize efficiencies and quality improvements, such as bonus-malus arrangements to incentivize FPT to reach or exceed predetermined targets in warranty costs and reduction of prices (or, as the case may be, to penalize FPT in case of failure to reach the same predetermined targets) with the ultimate result of fostering the

reduction over time of warranty costs and the quality and technical improvement on a continuous basis of the engines and related spare parts supplied under the ESA.

#### *Financial Service Agreement*

In relation to financial services activities to be carried out post-Demerger by either the Company in favour of CNH Industrial Group or vice versa, in connection with the execution of the Demerger Deed, the Company and CNH Industrial Group post-Demerger entered into a Master Services Agreement (FS MSA), whereby each Party (and its subsidiaries) may provide services to the other (and its subsidiaries) and/or financial services activities to their customers, distribution networks, and suppliers. Neither Party has taken funding commitments in favour of the other party nor its suppliers, dealers, and networks. The FS MSA is intended to provide to both the Company and CNH Industrial Group access to such ancillary services substantially at the same terms and conditions in place before the Demerger. The FS MSA term is three years and it may be renewed for additional terms with the consent of both parties. Upon termination the party receiving such services may be required either to purchase the line of business providing such services at fair market value or to indemnify the service provider from any direct cost incurred as a result of such termination.

Further, under the terms of the FS MSA, the servicing of the receivable portfolios related to the captive activity of each group (Off-Highway and Iveco Group), as attributed to each group, will be performed by Iveco Group's Financial Services segment insofar as it relates to the European operations of both groups, whereas CNH Industrial post-Demerger will provide financial services to Iveco Group companies in the rest of the world.

Agreements with EXOR subsidiaries and associates.

EXOR is an investment holding company and it is the major shareholder of CNH Industrial and of the Company after the Demerger. As of the date of this Annual Report, among other things, EXOR managed a portfolio that includes the investment in Stellantis.

In connection with the establishment of Fiat Industrial (now CNH Industrial) through the demerger from Fiat (which was subsequently merged into Fiat Chrysler Automobiles N.V. which is now Stellantis), the two companies entered into a Master Services Agreement (the Stellantis MSA) which sets forth the primary terms and conditions pursuant to which the service provider subsidiaries of CNH Industrial and Stellantis provide services to the service receiving subsidiaries. As structured, the applicable service provider and service receiver subsidiaries become parties to the Stellantis MSA through the execution of an Opt-in letter that may contain additional terms and conditions. Pursuant to the Stellantis MSA, service receivers are required to pay to service providers the actual cost of the services plus a negotiated margin. Stellantis subsidiaries are continuing to provide the Company with administrative services such as accounting, maintenance of plant and equipment, security, information systems and training under the terms and conditions of the Stellantis MSA and the applicable Opt-in letters. The Stellantis MSA has a two-year term renewable upon agreement of both parties. In the event the Stellantis MSA is not renewed the Group may be required (or has the option to require as the case may be) to either purchase at fair market value the line of business dedicated to providing such services for the benefit of the Group or to indemnify the service provider from any direct cost incurred as a result of such termination.

Furthermore, the Company and Stellantis may engage in other minor transactions in the ordinary course of business.

#### **General Meeting of Shareholders**

At least one general meeting of Company shareholders shall be held every year, which meeting shall be held within six months after the close of the prior financial year. In addition, general meetings of shareholders shall be held in the situations referred to in Article 2:108a of the Dutch Civil Code and as often as the Board of Directors, the Chair, the Senior Non-Executive Director or the Chief Executive Officer deems it necessary to hold them, without prejudice to what has been provided in the next paragraph hereof.

Shareholders solely or jointly representing at least ten percent (10%) of the Company's issued share capital may request the Board of Directors, in writing, to call a general meeting of shareholders, stating the matters to be dealt with. If the Board of Directors fails to call a meeting, then such shareholders may, on their application, be authorized by the interim provisions judge of the court (*voorzieningenrechter van de rechtbank*) to convene a general meeting of the Company's shareholders. The interim provisions judge (*voorzieningenrechter van de rechtbank*) shall reject the application if he/she is not satisfied that the applicants have previously requested the Board of Directors in writing, stating the exact subjects to be discussed, to convene a general meeting of shareholders.

General meetings of shareholders shall be held in Amsterdam or Haarlemmermeer (Schiphol Airport), and shall be called by the Board of Directors, the Chairperson, the Senior Non-Executive Director or the Chief Executive Officer, in such manner as is required to comply with the law and the applicable stock exchange regulations, not later than on the forty-second (42<sup>nd</sup>) day prior to the meeting.

All convocations of meetings of shareholders and all announcements, notifications and communications to Company shareholders shall be made by means of an announcement on the Company's website and such announcement shall remain accessible until the relevant general meeting of shareholders. Any communication to be addressed to the general meeting of shareholders by virtue of law or the Articles of Association, may be either included in the notice (referred to in the preceding sentence) or, to the extent provided for in such notice, on the Company's website and/or in a document made available for inspection at the office of the Company and such other place(s) as the Board of Directors shall determine.

Convocations of meetings of shareholders may be sent to shareholders through the use of an electronic means of communication to the address provided by such shareholders to the Company for this purpose. The notice shall state the place, date and hour of the meeting and the agenda of the meeting as well as the other information required by law.

An item proposed in writing by such number of shareholders who, by law, are entitled to make such proposal, shall be included in the notice or shall be announced in a manner similar to the announcement of the notice, provided that the Company has received the relevant shareholder's request, including the reasons for putting the relevant item on the agenda, no later than the sixtieth (60<sup>th</sup>) day before the day of the meeting.

The agenda of the Annual General Meeting shall contain, inter alia, the following items:

- a) adoption of the Company's annual accounts;
- b) granting of discharge to the members of the Board of Directors in respect of the performance of their duties in the relevant financial year;
- c) the policy of the Company on additions to reserves and on dividends, if any;
- d) as required by Dutch law, the Company's Remuneration Policy;
- e) if applicable, the proposal to pay a dividend;
- f) if applicable, discussion of any substantial change in the corporate governance structure of the Company;
- g) the appointment of Directors; and
- h) any matters decided upon by the person(s) convening the meeting and any matters placed on the agenda with due observance of applicable Dutch laws.

The Board of Directors shall provide the general meeting of shareholders with all requested information, unless this would be contrary to an overriding interest of the Company. If the Board of Directors invokes an overriding interest, it must provide shareholders with details of the overriding interest.

When convening a general meeting of shareholders, the Board of Directors shall determine that, for the purpose of Article 18 and Article 19 of the Articles of Association, persons with the right to vote or attend meetings shall be considered those persons who have these rights at the twenty-eighth (28<sup>th</sup>) day prior to the day of the meeting (the "Record Date") and are registered as such in a register to be designated by the Board of Directors for such purpose, irrespective of whether they will have these rights at the date of the meeting. In addition to the Record Date, the notice of the meeting shall further state the manner in which Company shareholders and other parties with meeting rights may have themselves registered and the manner in which those rights can be exercised.

The general meeting of shareholders shall be presided over by the Senior Non-Executive Director or, in his/her absence, by the person chosen by the Board of Directors to act as chairperson for such meeting.

One of the persons present designated for that purpose by the chairperson of the meeting shall act as secretary and take minutes of the business transacted. The minutes shall be confirmed by the chairperson of the meeting and the secretary and signed by them in witness thereof.

The minutes of the general meeting of shareholders shall be made available, on request, to the shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the minutes in the following three months. The minutes shall then be adopted in the manner as described in the preceding paragraph.

If an official notarial record is made of the business transacted at the shareholders' meeting, then minutes need not be drawn up and it shall suffice that the official notarial record be signed by the notary. Each Director shall at all times have power to give instructions for having an official notarial record made at the Company's expense.

As a prerequisite to attending the meeting and, to the extent applicable, exercising voting rights, shareholders entitled to attend the meeting shall be obliged to inform the Board of Directors in writing within the time mentioned in the convening notice. At the latest, this notice must be received by the Board of Directors on the day specified in the convening notice.

Shareholders and those permitted by law to attend the shareholders' meeting may cause themselves to be represented at any meeting by a proxy duly authorized in writing, provided they shall notify the Company in writing of their wish to be represented at such time and place as shall be stated in the notice of the meeting. For the avoidance of doubt, such attorney is also authorized in writing if the proxy is documented electronically. The Board of Directors may determine further rules concerning the deposit of the powers of attorney and any such additional rules shall be mentioned in the notice of the meeting.

The chairperson of the meeting of shareholders shall decide on the admittance to the meeting of persons other than those who are entitled to attend.

For each general meeting of shareholders, the Board of Directors may decide that shareholders shall be entitled to attend, address and exercise voting rights at such meeting through the use of electronic means of communication, provided that shareholders who participate in the meeting are capable of being identified through the electronic means of communication and have direct cognizance of the discussions at the meeting and the exercising of voting rights (if applicable). The Board of Directors may set requirements for the use of electronic means of communication and state these in the convening notice. Furthermore, the Board of Directors may for each meeting of shareholders decide that votes cast by the use of electronic means of communication prior to the meeting and received by the Board of Directors shall be considered to be votes cast at the meeting. Such votes may not be cast prior to the Record Date. Whether the provision of the foregoing sentence applies and the procedure for exercising the rights referred to in that sentence shall be stated in the notice.

Prior to being allowed admittance to a meeting, a shareholder or its attorney shall sign an attendance list, stating his/her/its name and, to the extent applicable, the number of votes to which he/she/it is entitled. Each shareholder attending a meeting by the use of electronic means of communication and identified in accordance with the above shall be registered on the attendance list by the Board of Directors. In the event that it concerns an attorney of a shareholder, the name(s) of the person(s) on whose behalf the attorney is acting shall also be stated. The chairperson of the meeting may decide that the attendance list must also be signed by other persons present at the meeting.

The chairperson of the meeting may determine the time for which shareholders and others who are permitted to attend the general meeting of shareholders may speak if he/she considers this desirable with a view to the orderly conduct of the meeting.

Every share (whether common or special voting) shall confer the right to cast one vote.

Shares in respect of which the law determines that no votes may be cast shall be disregarded for the purposes of determining the proportion of shareholders voting, present or represented or the proportion of the share capital provided or represented.

All resolutions shall be passed with an absolute majority of the votes validly cast unless otherwise specified.

Blank votes shall not be counted as votes cast.

All votes shall be cast in writing or electronically. The chairperson of the meeting may, however, determine that voting by raising hands or in another manner shall be permitted.

Voting by acclamation shall be permitted if none of the shareholders present objects.

No voting rights shall be exercised in the general meeting of shareholders for shares owned by the Company or by a subsidiary of the Company. Usufructuaries of shares owned by the Company and its subsidiaries shall however not be excluded from exercising their voting rights, if the usufruct was created before the shares were owned by the Company or a subsidiary.

Without prejudice to the other provisions of the Articles of Association, the Company shall determine for each resolution passed:

- a) the number of shares on which valid votes have been cast;
- b) the percentage that the number of shares as referred to under a. represents in the issued share capital;
- c) the aggregate number of votes validly cast; and
- d) the aggregate number of votes cast in favor of and against a resolution, as well as the number of abstentions.

#### **Code of Conduct**

The Company has adopted a Code of Conduct that describes the Company's values that contribute to a culture focused on long-term value creation. The Company periodically reviews and updates the Code of Conduct to ensure it is consistent with applicable laws and best practices. The Code of Conduct forms an integral part of the internal control system and sets out the principles of business ethics to which Iveco Group adheres and which Directors, officers, employees, consultants and business "partners" are required to observe. The Code of Conduct covers topics such as the environment, health and safety, antitrust/competition, anti-corruption, data privacy, management of human resources, communities and respect of human rights.

Iveco Group uses its best endeavors to ensure that suppliers, consultants and any third party with whom Iveco Group has a business relationship be informed of the principles set forth in the Code of Conduct.

In addition, the Company issued its Supplier Code of Conduct, which includes the Company's guidelines and expectations for suppliers with regard to such areas as labor and human rights, the environment, trade restrictions and export controls, business ethics and anti-corruption, and reporting matters to the Company.

The Code of Conduct is available in seven languages on the Governance section of the Company's website, ([www.ivecogroup.com](http://www.ivecogroup.com)), and on the Company's intranet site.

The Supplier Code of Conduct is available on the Governance section of the Company's website and on the Company's intranet site and is available in six languages.

The Company has established dedicated channels of communication to enable Iveco Group's employees, customers, suppliers, and other third parties to report alleged irregularities of a general, operational, and financial nature with the Company. The Company's Compliance Helpline is managed by an independent third party. Reports may be submitted through a dedicated web portal ([www.ivecogroupcompliancehelpline.com](http://www.ivecogroupcompliancehelpline.com)), by phone (to a call center managed by a third party), or in person to a manager or other Company representative. Company employees are required to report compliance issues. Where legally permissible, reports may be submitted on an anonymous basis. In addition, where legally required, the nature of the reports may be limited to certain subject matters. The Company investigates reports submitted and, in appropriate cases, implements corrective and/or disciplinary actions.

The Group's ethics and compliance program is managed by the Chief Legal & Compliance Officer (the "CLCO"). The Company's CLCO reports to the Company's Chief Executive Officer. In addition, the CLCO reports on (at least) a quarterly basis to the Audit Committee. The CLCO's reports to the Audit Committee include such things as compliance training and communications activities, material compliance and ethics trends and topics, matters reported to the Compliance Helpline, the status of material investigations, and the effectiveness of the compliance and ethics program. The CLCO is responsible for, among other things, maintaining the Code of Conduct, creating and deploying compliance training, managing the Compliance Helpline (including investigating reported matters), creating and maintaining compliance-related corporate policies, and assessing legal and compliance risks and working with stakeholders to develop policies, procedures and controls to effectively manage such risks.

The Group's Code of Conduct is supplemented by additional corporate policies, guidelines and procedures that provide greater detail than is contained in the Code of Conduct. Corporate policies cover areas of higher risk given the nature and extent of the Company's business such as: conflicts of interest, bribery and corruption, antitrust/competition law, international trade compliance, and data privacy. Each year certain categories of employees (i.e. those deemed to have responsibilities presenting potentially greater risk to the Company) are required to certify that (1) they



have read and understand the Code of Conduct and the Company's Conflict of Interest Policy, and (2) they have not violated, and are not aware of a violation of, the Code of Conduct or the Conflict of Interest Policy.

### Company Share Capital

Until 31 December 2021, the Company's issued share capital, composed of 25,000,000 common shares, each with a nominal value of €0.01, was entirely held by CNH Industrial. Those shares were transferred from CNH Industrial to the Company as part of the Demerger by universal title succession. Immediately upon the Demerger having become effective, the Company canceled all those shares acquired as part of the Demerger by virtue of Section 2:334x, paragraph 3 DCC. The aggregate nominal value of those shares was added to the share premium reserve attached to the Common Shares.

At the Effective Date, the Company's issued share capital was divided into 271,215,400 Common Shares and 74,243,570 Special Voting Shares. All Shares are in registered form (*op naam*) and are only available in the form of an entry in the Company's shareholders' register. No certificates (*aandeelbewijzen*) were issued. On the Settlement Date, Monte Titoli credited the Common Shares to the accounts of the financial intermediaries participating with Monte Titoli with respect to the Common Shares distributed to beneficiaries holding CNH Common Shares and Computershare registered the Special Voting Shares in the Loyalty Register (as defined below) in the name of the holders of CNH Special Voting Shares. Application has been made for the Common Shares to be accepted for clearance through the book-entry facilities of Monte Titoli which has its offices at Piazza degli Affari 6, Milan, Italy.

### Special Voting Shares

Effective from the Demerger, the Company has in place a loyalty voting program. The loyalty voting program effectively awards one additional vote for each Qualifying Common Share by means of the issue of Special Voting Shares. The Special Voting Shares carry the same voting rights as Common Shares.

In connection with the Demerger, the Company registered to the Loyalty Register, for the corresponding number of Common Shares pursuant to the Allotment Ratio, each CNH Shareholder that, in addition to holding CNH Common Shares, was registered in the CNH Loyalty Register. If such CNH shareholder also held CNH Special Voting Shares, it, by operation of law, received a number of Special Voting Shares equal to the number of Common Shares for which it was registered in the Loyalty Register. If such CNH Shareholder was registered in the CNH Loyalty Register electing to receive CNH Special Voting Shares upon completion of the required holding, it also was registered in the Loyalty Register electing to receive Special Voting Shares upon completion of the required holding period, whereby the holding period to receive Special Voting Shares shall be shortened with the period for which such holder of Common Shares had already been registered in the CNH Loyalty Register. At any time, a holder of Common Shares that subject to meeting certain conditions, can be registered in the Loyalty Register and may qualify as qualifying common shares (Qualifying Common Shares) or any Electing Common Shares (as defined below) that would become Qualifying Common Shares if held in such register after an uninterrupted period of at least three years after registration (i.e. the Loyalty Register) wishing to transfer such Common Shares other than in limited specified circumstances (i.e., transfers to affiliates or to relatives through succession, donation or other transfers) must first request a de-registration of such shares from the Loyalty Register and if held outside the system maintained and operated by Monte Titoli S.p.A. or the direct registration system maintained by the Agent, as applicable (the Regular Trading System), transfer such Common Shares back into the Regular Trading System. After de-registration from the Loyalty Register, such Common Shares no longer qualify as Electing Common Shares or Qualifying Common Shares and the holder of such Common Shares is required to offer and transfer the Special Voting Shares associated with such Common Shares to the Company for no consideration (*om niet*).

Subject to meeting certain conditions, the Common Shares can be registered in the Company's Loyalty Register and all such Common Shares may qualify as Qualifying Common Shares. The holder of Qualifying Common Shares is entitled to receive without consideration one special voting share in respect of each such Qualifying Common Share. Pursuant to the Terms and Conditions of the Special Voting Shares, and for so long as the Common Shares remain in the Loyalty Register, such Common Shares shall not be sold, disposed of, transferred, except in very limited circumstances (i.e. transfers to affiliates or to relatives through succession, donation or other transfers (defined in the Terms and Conditions of the Special Voting Shares as Loyalty Transferee)), but a Shareholder may create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over such Common Shares, provided that the voting rights in respect of such Common Shares and any corresponding Special Voting Shares remain with such Shareholder at all times. Shareholders who want to directly or indirectly sell, dispose of, trade or transfer such Common Shares or otherwise grant any right or interest therein, or create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over such Common Shares with a potential transfer of voting rights relating to such encumbrances will need to submit a de-registration request as referred to in the Terms and Conditions of the Special Voting Shares, in order to transfer the relevant Common Shares to the Regular Trading System except that a Shareholder may transfer Common Shares included in the Loyalty Register to a Loyalty Transferee (as defined in the Terms and Conditions of the Special Voting Shares) of such Shareholder without transferring such shares from the Loyalty Register to the Regular Trading System.

Shareholders who seek to qualify to receive Special Voting Shares can also request to have their Common Shares registered in the Loyalty Register. Upon registration in the Loyalty Register such shares will be eligible to be treated as Qualifying Common Shares, provided they meet the specified conditions. Notwithstanding the fact that article 11 of the Articles of Association will permit the Board to approve transfers of Special Voting Shares, the Special Voting Shares cannot be traded and will be transferable only in very limited circumstances (i.e. to a Loyalty Transferee described above, or to the Company for no consideration (*om niet*)).

Any transfer of Common Shares that are registered on the Loyalty Register will trigger the de-registration of such Common Shares from that register and any associated Special Voting Shares will automatically be surrendered to the Company for no consideration.

The purpose of the loyalty voting program is to grant long-term Shareholders an extra voting right (as qualifying shareholders are entitled to exercise an additional vote through the Common Share and the associated Special Voting Share held). The Special Voting Shares will not entitle the long-term Shareholder to additional economic entitlement. The entitlement to dividend and other distribution will effectively be calculated on the basis of the number of Common Shares held by a Shareholder, irrespective of the number of Special Voting Shares may also hold. Notwithstanding, under Dutch law, for a public company (*naamloze vennootschap*) such as the Company, no shares can be entirely excluded from economic entitlements. As a result, in accordance with Dutch law, the Articles of Association provide that holders of Special Voting Shares will be entitled to a minimal dividend per Special Voting Share of 1% of the nominal value of such Special Voting Share, which is then allocated to the Special Dividend Reserve. Only the holders of Special Voting Shares hold entitlement to the balance of the Special Dividend Reserve. The distribution of any amounts from the Special Dividend Reserve can only be authorized with the approval of the general meeting of the holders of Special Voting Shares upon proposal of the Board. The power to vote upon the distribution from the Special Dividend Reserve will be the only power that is granted to that meeting and which meeting can only be convened by the Board as it deems necessary. The Special Voting Shares will not have any other economic entitlement.

Further, pursuant to article 21 of the Articles of Association, the Company shall have to maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of Special Voting Shares. No payments will be made to the holders of Special Voting Shares upon their cancellation. Also, the obligation to pay up the Special Voting Shares upon their issuance will be fully settled against the special capital reserve. There will not be any additional payments required from those being issued the Special Voting Shares.

Considering the purpose of the Loyalty Voting Program to only grant additional voting rights to long-term Shareholders while at the same time keeping the entitlement to dividend distributions equally for all shareholders, both the provisions described above, Special Voting Shares establish immaterial economic entitlements for the Special Voting Shares. Such economic entitlements are designed only to comply with Dutch law but are immaterial for investors.

Section 9 of the Terms and Conditions of the Special Voting Shares include liquidated damages provisions intended to deter any attempt by holders to circumvent the Terms and Conditions of the Special Voting Shares. Such liquidated damages provisions may be enforced by the Company by means of a legal action brought by the Company before competent courts of Amsterdam, the Netherlands. In particular, a violation of the provisions of the Terms and Conditions of the Special Voting Shares concerning the transfer of Special Voting Shares, Common Shares registered in the Loyalty Register for the purpose of becoming Qualifying Common Shares in accordance with the Articles of Association (Electing Common Shares) and Qualifying Common Shares may lead to the imposition of liquidated damages. Because the Company expects the restrictions on transfers of the Special Voting Shares to be effective in practice, it does not expect the liquidated damages provisions to be used.

Pursuant to section 11 of the Terms and Conditions, any amendment to the Terms and Conditions of the Special Voting Shares (other than merely technical, non-material amendments and unless such amendment is required to ensure compliance with applicable law or regulations or the listing rules of any securities exchange on which the Common Shares are listed) may only be made with the approval of the General Meeting. At any time, a holder of Qualifying Common Shares or Electing Common Shares may request the de-registration of such shares from the Loyalty Register to enable free trading thereof in the Regular Trading System. Upon the de-registration from the Loyalty Register, such shares will cease to be Electing Common Shares or Qualifying Common Shares as the case may be and will be freely tradable and voting rights attached to the corresponding Special Voting Shares will be suspended with immediate effect and such Special Voting Shares shall be transferred to the Company for no consideration (*om niet*).

#### Disclosures pursuant to Decree Article 10 EU-Directive on Takeovers

The following disclosures are provided as a consequence of the current status of the Company following the admission of its common shares to trading on Euronext Milan.

In accordance with the Dutch *Besluit artikel 10 overnamerichtlijn* (the "Decree"), the Company makes the following disclosures:

- a) For information on the capital structure of the Company, the composition of the issued share capital and the existence of the two classes of shares, refer to Note 8 "Equity" to the Financial Statements in this Annual Report. For information on the rights attached to the common shares, please refer to the Articles of Association which can be found on the Company's website. To summarize, the rights attached to common shares comprise pre-emptive rights upon issue of common shares, the entitlement to attend the general meeting of shareholders and to speak and vote at that meeting and the entitlement to distributions of such amount of the Company's profit as remains after allocation to reserves. For information on the rights attached to the special voting shares, refer to the Articles of Association and the Terms and Conditions for the Special Voting Shares which can both be found on the Company's website and more in particular to the paragraph "Loyalty Voting Program" of this Annual Report. Immediately prior to the Demerger becoming effective, as at 31 December 2021, the issued share capital of the Company consisted of 25,000,000 common shares, representing 100% of the issued share capital. Immediately after the Demerger became effective, as at 1 January 2022, the issued share capital of the Company consisted of 271,215,400 common shares, representing 78.51% of the aggregate issued share capital and 74,243,570 special voting shares, representing 21.49% of the aggregate issued share capital.
- b) The Company has imposed no limitations on the transfer of common shares. The Articles of Association provide in Article 11 for transfer restrictions for special voting shares. The Company is not aware of any depository receipts having been issued for shares in its capital.
- c) For information on participations in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*) notification requirements apply, refer to the chapter "Major Shareholders" of this Annual Report. There you will find a list of shareholders who are known to the Company to have holdings of 3% or more.
- d) No special control rights or other rights accrue to shares in the capital of the Company.



- e) Current equity incentive plans adopted by the Company are administered by the Compensation Committee.
- f) No restrictions apply to voting rights attached to shares in the capital of the Company, nor are there any deadlines for exercising voting rights. The Articles of Association do not allow the Company to cooperate with the issue of depository receipts for shares.
- g) The Company is not aware of the existence of any agreements with shareholders which may result in restrictions on the transfer of shares or limitation of voting rights.
- h) The rules governing the appointment and dismissal of members of the board of directors of the Company are stated in the Articles of Association of the Company. All members of the Board of Directors are appointed by the general meeting of shareholders. The term of office of all members of the Board of Directors is for a period of approximately one year after appointment, such period expiring on the day the first Annual General Meeting of Shareholders is held in the following calendar year. The general meeting of shareholders has the power to dismiss any member of the Board of Directors at any time. The rules governing an amendment of the Articles of Association are stated in the Articles of Association and require a resolution of the general meeting of shareholders which can only be passed pursuant to a prior proposal of the Board of Directors of the Company.
- i) The general powers of the Board of Directors are stated in the Articles of Association of the Company. For a period of five years from 3 January 2022 up to and including 3 January 2027, the Board of Directors has been irrevocably authorized through article 5, paragraph 8 of the Articles of Association to issue special voting shares up to the maximum aggregate amount of special voting shares as provided for in the Company's authorized share capital as set forth in Article 3, paragraph 1 of the Articles of Association. For a period of five years from 1 January 2022 and therefore ending 1 January 2027, the Board of Directors has been authorized by the general meeting shareholders by way of written resolution adopted on 30 December 2021 as authorized body to issue common shares and to grant rights to acquire common shares in the capital of the Company, which authorization is limited to: (i) the issuance of 15% of the total number of common shares issued in the capital of the Company as of 1 January 2022. The general meeting shareholders by way of written resolution adopted on 30 December 2021 for a period of five years starting from 1 January 2022 and therefore ending 1 January 2027, the Board of Directors has been also authorized by the shareholders as authorized body to limit or exclude the statutory preemptive rights of shareholders in connection with the issuance of common shares or rights to acquire shares in the capital of the Company, pursuant the share issuance authorization described above. The Board of Directors is authorized to acquire special voting shares in the capital of the Company for no consideration. Further rules governing the acquisition of shares by the Company in its own share capital are set out in article 5 of the Articles of Association of the Company.
- j) The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), provided that some of the loan agreements guaranteed by the Company contain clauses that, as it is customary for such financial transactions, may require early repayment or termination in the event of a change of control of the guarantor or the borrower. In certain cases, that requirement may only be triggered if the change of control event coincides with other conditions, such as a credit rating downgrade.
- k) Under the terms of the Iveco Group Equity Incentive Plan ("Iveco Group EIP") and the terms of engagement entered into with certain executive officers, executives may be entitled to receive severance payments of up to one (1) times their annual cash compensation and accelerated vesting of awards under plans issued under the Iveco Group EIP if, within twenty-four (24) months of a Change of Control (as defined therein), the executive's employment is involuntarily terminated (other than for Cause -as defined therein-) by the relevant entity of the Iveco Group or is terminated by the participant for Good Reason (as defined therein).

#### Public tender offers and private bids

Pursuant to Section 5:70 of the DFSA, and in accordance with Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (the Takeover Directive), any party, acting alone or in concert with others, that, directly or indirectly, acquires 30% or more of the Company's voting rights at the General Meeting will be obliged to launch a public takeover bid for all outstanding Common Shares. Under the DFSA, "persons with whom a party is acting in concert" has been defined as natural persons, legal persons or companies collaborating under a contract with the aim to acquire predominant control in a Dutch listed company or, if the target company is one of the collaborators, to frustrate the success of an announced public takeover bid for that company. The following categories of natural persons, legal persons or companies are deemed in any case to act in concert: (i) legal persons or companies which together form part of a group as referred to in Section 2:24b of the Dutch Civil Code; and (ii) natural persons, legal persons or companies and the undertakings controlled by these persons or companies.

Exceptions are made for, amongst others, Shareholders who, whether alone or acting in concert with others (i) have an interest of at least 30% of the Company's voting rights before the Common Shares are first admitted to trading on Euronext Milan and who still have such an interest after such first admittance to trading, and (ii) reduce their holding to 15% below 30% of the voting rights within 30 days of the acquisition of the controlling interest provided that (a) the reduction of their holding was not effected by a transfer of Common Shares to an exempted party and (b) during such period such Shareholders or group of Shareholders did not exercise their voting rights.

Further, certain rules provided for under Italian law with respect to both voluntary and mandatory public tender offers will apply to any offer launched for Common Shares. In particular, among other things, the provisions concerning the tender offer price and the procedure, including the obligation to communicate the decision to launch a tender offer, the content of the offer document and the disclosure of the tender offer will be supervised by CONSOB and will be subject to Italian law.

## RISK MANAGEMENT

The Company was incorporated on 16 June 2021 with the only purpose of performing preparatory activities until 31 December 2021, waiting for the effectiveness of the Demerger (occurred on 1 January 2022): as a consequence, in 2021 the risk management objectives focused on compliance with laws, regulations and local standards. Additionally, risk management objectives during the period included certain applicable financial risks, such as the safeguarding and use of the Company's cash and cash equivalents, as well as quality of financial reporting.

During the period covered by this Annual Report, cash and cash equivalents and trade payables did not lead to significant risks and/or risk management requirements.

Credit risk associated with cash and cash equivalents is considered limited as the counterparties are leading national and international banks.

Following the Demerger, the Company has adopted an Enterprise Risk Management ("ERM") process designed to assist in the identification, evaluation and prioritization of business risks (including environmental, social, and governance) followed by a coordinated and balanced application of resources to minimize, monitor, and control the probability or impact of adverse events or to maximize the realization of opportunities.

Iveco Group's ERM process is based on the framework published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), as well as the principles of the Dutch Corporate Governance Code, and adapted for specific business requirements by incorporating Company management knowledge and best practices identified by third-party risk consulting firms inside CNH Industrial before the Demerger.

## REMUNERATION REPORT

The General Meeting of Shareholders adopted a remuneration policy outlining the framework to determine the remuneration for the Company's Executive Directors and Non-Executive Directors of the Company effective 1 January 2022 (the Remuneration Policy).

The remuneration report has been prepared in accordance with article 2:135b of the Dutch Civil Code and the Dutch Corporate Governance Code. It will be presented for an advisory vote to the shareholders at the 2022 General Meeting of Shareholders.

### Remuneration for the Executive and Non-Executive Directors in 2021

As the Executive and Non-Executive Directors have only been appointed effective 1 January 2022 and as the Remuneration Policy only applies effective 2022, there has been no application of the policy for the year 2021.

None of the Directors has received any compensation in the capacity as director of the Company over the year 2021.

### Remuneration of the Board of Directors before the Demerger

Before the Demerger, the Company had the following four managing directors, who all resigned effective 1 January 2022: Oddone Incisa Della Rocchetta, Monica Ciceri, Roberto Russo, Andreas Georg Weishaar. None of these individuals received any remuneration from the Company over the year 2021 concerning their role with the Company.

### Malus and Clawback

In 2021, no application of claw-back was applied on any kind of variable payments for the Executive Directors.

### Severance payments

Over 2021, no severance payments were made to any Executive Director.

### Deviation from Remuneration Policy since last shareholders' vote

As the 2021 Remuneration Report is the first remuneration report that is subject to an advisory vote since the public listing of the Company, there have been no deviations and there is no previous advisory vote of the General Meeting of Shareholders to take into account this year.

## MAJOR SHAREHOLDERS

On 31 December 2021, the Company was 100% owned by CNH Industrial. Following the Demerger becoming effective on 1 January 2022, the allotment, delivery and settlement of the Common Shares to the shareholders of CNH Industrial took place on 5 January 2022 through the book-entry systems of Monte Titoli S.p.A. ("Settlement Date").

For the purposes of transparency, the following table set forth the shareholders of the Company which, directly or indirectly, had a notifiable interest in the Company's capital and voting rights as at the Settlement Date:

Shareholder	Number of Common Shares held	Percentage of issued shares held <sup>(1)</sup>	Number of votes held in relation to Common Shares	Number of Special Voting Shares held	Percentage of Total Voting rights
EXOR N.V.	73,385,580	42.49 %	73,385,580	73,385,580	42.49 %
Harris Associates L.P.	—	— %	14,614,800 <sup>(2)</sup>	—	4.23 %
BlackRock, Inc	8,935,884 <sup>(3)</sup>	2.59 %	10,505,832 <sup>(4)</sup>	—	3.04 %

- (1) For the purposes of this column of the table, the percentages of the Iveco Group shares refer to both the Iveco Group Common Shares and the Iveco Group Special Voting Shares.
- (2) Based on the allocation rate and the filing made by Harris Associates L.P. with the public register substantial holdings and gross short positions held by the AFM on 3 January 2022, Harris Associates L.P. (i) did not hold Common Shares, but (i) did hold indirectly (real) 14.614.800 voting rights in relation to Common Shares.
- (3) Based on the filing made by BlackRock, Inc with the public register substantial holdings and gross short positions held by the AFM on 5 January 2022, BlackRock, Inc held (i) indirectly (real) 8.706.257 Common Shares, (ii) indirectly (potential) 223.459 Common Shares, and (iii) indirectly (potential) 6.168 Common Shares through (a) contract(s) for difference.
- (4) Based on the filing made by BlackRock, Inc with the public register substantial holdings and gross short positions held by the AFM on 5 January 2022, BlackRock, Inc held (i) indirectly (real) 10.273.668 voting rights in relation to Common Shares, (ii) indirectly (potential) 223.459 voting rights in relation to Common Shares, and (iii) indirectly (potential) 8.705 Common Shares through (a) contract(s) for difference.

## SUBSEQUENT EVENTS AND OUTLOOK

### The Demerger

Until 31 December 2021, CNH Industrial owned and controlled the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business (together the “Iveco Group Business” or the “On-Highway Business”), as well as the Agriculture business, the Construction business, and the related Financial Services business (collectively, the “Off-Highway Business”). Effective 1 January 2022, the Iveco Group Business was separated from CNH Industrial by way of a legal statutory demerger to Iveco Group (the Demerger) and Iveco Group became a public listed company independent from CNH Industrial.

The separation occurred in accordance with Section 2:334a (3) of the Dutch Civil Code (*Burgerlijk Wetboek*) by way of a statutory demerger (*juridische afsplitsing*), governed by the laws of the Netherlands, of: a) equity investments attributable to the Iveco Group Business operations, b) the portion of CNH Industrial’s financial payables attributable to the Iveco Group Business operations, and 3) all issued and paid up 25,000,000 common shares, each with a nominal value of €0.01, held by CNH Industrial in the share capital of the Company, from CNH Industrial in favor of Iveco Group (the “Demerger”). As part of the Demerger and by operation of law, each holder of common shares in the share capital of CNH Industrial (the “CNH Common Shares”) received one common share of the Company (the “Common Shares”) for every five CNH Common Shares which it held (the “Allotment Ratio”) on 31 December 2021 (the “Demerger Record Date”) (such holder of CNH Common Shares on the Demerger Record Date being a “CNH Shareholder”). Each CNH Shareholder that, in addition to holding CNH Common Shares, was registered in the loyalty register of CNH Industrial (the “CNH Loyalty Register”) had been registered in the loyalty register of the Company (the “Loyalty Register”) for the corresponding number of Common Shares pursuant to the Allotment Ratio. If such CNH shareholder also held CNH special voting shares, it received, by operation of law, a number of special voting shares of the Company (the “Special Voting Shares”) that is equal to the number of Common Shares for which it had been registered in the Loyalty Register. The Demerger became effective on 1 January 2022.

Additionally, as the Demerger is a “business combination involving entities or businesses under common control”, it is outside the scope of application of IFRS 3 – Business Combinations and IFRIC 17- Distributions of Non-cash Assets to Owners. Accordingly, in the 2022 consolidated financial statements of Iveco Group, the opening position for items in the statement of financial position will be equivalent to the carrying amounts reported in the consolidated financial statements of CNH Industrial Pre-Demerger.

Effective 1 January 2022, the Company became the holding company controlling the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business (“the Iveco Group”). The summarized combined consolidated statement of financial position at 31 December 2021 and the summarized combined consolidated income statement for the year ended 31 December 2021 of the Iveco Group are as follows:

### Iveco Group Summarized Combined Consolidated Statement of Income

(€ million)	For the year ended 31 December 2021
Net Revenues	12,651
EBIT	295
Profit /(loss) before taxes	180

### Iveco Group Summarized Combined Consolidated Statement of Financial Position

(€ million)	31 December 2021
Total Assets	16,560
Total Equity	2,311
Total Liabilities	14,249

Iveco Group  
Other combined financial measures

(€ million)

Net revenues of Industrial Activities in 2021	12,520
SG&A as a percentage of Net revenues of Industrial Activities in 2021	6.1 %
Net cash of Industrial Activities at 31 December 2021	1,063

#### Other subsequent events

Iveco Group N.V. has evaluated subsequent events through 1 March 2022, which is the date the financial statements were authorized for issuance, and, in addition to the above, identified the following:

- On 4 January 2022, Iveco Group signed a €1.9 billion syndicated facility, which includes a €1.4 billion committed revolving credit facility with a 5-year tenor with two extension options of 1-year each, as well as a €0.5 billion committed term facility with a 12-month tenor, extendable for up to an additional 12 months at the Company's sole option;
- On 13 January 2022, the Company announced that Fitch Ratings assigned the Company a final Long-Term Issuer Default Rating (IDR) of 'BBB-'. The outlook is stable.

#### Outlook

The Company's preliminary 2022 expectations are as follows:

- Net revenues of Industrial Activities to increase up to 5%;
- SG&A of Industrial Activities as a percentage of Net revenues to remain around 6.5%;
- Net cash of Industrial Activities equal or above 31 December 2021 amount.

This outlook doesn't reflect possible consequences and impacts deriving from the global geopolitical scenario determined by the Ukraine-Russia crisis.

## RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT

The Board of Directors is responsible for preparing the Annual Report for the period from 16 June 2021 to 31 December 2021, inclusive of the Company Financial Statements and Board Report, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union ("EU-IFRS").

In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Company Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss for the period of the Company and that the Board Report provides a true and a fair view of the performance of the business during the period and the position at balance sheet date of the Company, together with a description of the principal risks and uncertainties that the Company faces.

1 March 2022

*The Board of Directors*

Suzanne Heywood

Gerrit Andreas Marx

Lorenzo Simonelli

Tufan Erginbilgic

Essimari Kairisto

Linda Knoll

Alessandro Nasi

Olof Persson



# IVECO GROUP N.V. FINANCIAL STATEMENTS AT 31 DECEMBER 2021

# INCOME STATEMENT

(in euro)	Note	For the period from 16 June 2021 to 31 December 2021
Selling, general and administrative costs	1	(212,601)
Other operating income/(expenses)	2	(10,786,916)
Financial income/(expenses)		(2,987)
<b>PROFIT/(LOSS) BEFORE TAXES</b>		<b>(11,002,504)</b>
Income tax benefit/(expense)	3	2,610,601
<b>NET PROFIT/(LOSS)</b>		<b>(8,391,903)</b>
<hr/>		
(in euro)		
<b>BASIC AND DILUTED (LOSS) PER COMMON SHARE (*)</b>		<b>(0.34)</b>

(\*) Calculated on the basis of the average number of common shares outstanding during 2021 of 25,000,000. This number is not representative of the expected average number of outstanding common shares after the Demerger.

# STATEMENT OF FINANCIAL POSITION

(in euro)	Note	At 31 December 2021
<b>ASSETS</b>		
Other current assets	5	123,283
Cash and cash equivalents	6	14,665,601
<b>Total Current assets</b>		<b>14,788,884</b>
Deferred Tax Assets	7	2,610,601
<b>Total Non Current assets</b>		<b>2,610,601</b>
<b>TOTAL ASSETS</b>		<b>17,399,485</b>
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Share capital		250,000
Share premium reserve		15,000,000
Profit/(loss) for the year		(8,391,903)
<b>Total Equity</b>	8	<b>6,858,097</b>
Trade payables	9	10,527,517
Other liabilities	10	13,871
<b>Total Current liabilities</b>		<b>10,541,388</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>		<b>17,399,485</b>

# STATEMENT OF CASH FLOWS

(in euro)	For the period from June 16, 2021 to 31 December 2021
<b>A) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (1)</b>	—
<b>B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:</b>	
Profit/(loss)	(8,391,903)
Change in deferred income taxes	(2,610,601)
Change in working capital	10,417,626
<b>TOTAL</b>	<b>(584,878)</b>
<b>C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:</b>	
<b>TOTAL</b>	—
<b>D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:</b>	
Common shares issued	250,000
Cash contribution from the Parent	15,000,000
<b>TOTAL</b>	<b>15,250,000</b>
Translation exchange differences	478
<b>E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>14,665,601</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>14,665,601</b>

(1) Cash at incorporation date was nil.

# STATEMENT OF CHANGES IN EQUITY

(in euro)	Share capital	Share premium reserve	Net profit/(loss)	Total
<b>AT 16 JUNE 2021</b>	—	—	—	—
Common share issued	250,000	—	—	<b>250,000</b>
Cash-contribution from the Parent	—	15,000,000	—	<b>15,000,000</b>
Total comprehensive income/(loss) for the period	—	—	(8,391,903)	<b>(8,391,903)</b>
<b>AT 31 DECEMBER 2021</b>	<b>250,000</b>	<b>15,000,000</b>	<b>(8,391,903)</b>	<b>6,858,097</b>

# NOTES TO THE COMPANY FINANCIAL STATEMENTS

## CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Iveco Group N.V. (the “Company” and together with its subsidiaries the “Iveco Group” or the “Group”) was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 16 June 2021. The Company’s corporate seat is in Amsterdam, the Netherlands, and its principal office and business address is Via Puglia n. 35, Turin, Italy. The Company is registered with the trade register of the Chamber of Commerce of the Netherlands (*Kamer van Koophandel*) under number 83102701. The Netherlands is the Company’s home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended by Directive 2013/50/EU).

The Company, 100% owned by CNH Industrial N.V. (“CNH Industrial” and together with its subsidiaries the “CNH Industrial Group”) upon incorporation, was formed in the context of the separation of the Commercial and Specialty Vehicles business, the Powertrain business as well as the related Financial Services business (together the “Iveco Group Business”) from CNH Industrial N.V.. The separation was realized in accordance with Section 2:334a (3) of the Dutch Civil Code (*Burgerlijk Wetboek*) by way of a legal statutory demerger (*juridische afsplitsing*) (the “Demerger”). The Demerger became effective on 1 January 2022 (the “Effective Date”), and the Company ultimately began to act as a holding for the Iveco Group, also providing for central treasury activity in the interest of Group’s subsidiaries.

As part of the Demerger and by operation of law, each holder of common shares in the share capital of CNH Industrial (the CNH Common Shares) received one Common Share for every five CNH Common Shares held (the Allotment Ratio) on 31 December 2021 (the Demerger Record Date) (such holder of CNH Common Shares on the Demerger Record Date being a CNH Shareholder). Each CNH Shareholder that, in addition to holding CNH Common Shares, was registered in the loyalty register of CNH Industrial (the CNH Loyalty Register) was registered in the loyalty register of the Company (the Loyalty Register) for the corresponding number of Common Shares pursuant to the Allotment Ratio. If such CNH shareholder also held CNH Special Voting Shares, it, by operation of law, received a number of Special Voting Shares equal to the number of Common Shares for which it was registered in the Loyalty Register (the receipt of Common Shares and, if applicable, Special Voting Shares by CNH Shareholders as part of the Demerger being the Share Allocation). If such CNH Shareholder was registered in the CNH Loyalty Register electing to receive CNH Special Voting Shares upon completion of the required holding, it also is registered in the Loyalty Register electing to receive Special Voting Shares upon completion of the required holding period, whereby the holding period to receive Special Voting Shares shall be shortened by the period of time by which such holder of Common Shares had already been registered in the CNH Loyalty Register. Following the Demerger (and as a result of the same), CNH Shareholders at the Demerger Record Date were the shareholders of two independent public companies: CNH Industrial and the Company.

On 3 January 2022, the Company’s common shares started trading on Euronext Milan (previously named the Mercato Telematico Azionario), a regulated market operated by Borsa Italiana S.p.A. in Milan, Italy. Effective from the Demerger, Iveco Group N.V. is not anymore owned by CNH Industrial N.V.. All shares in the Company issued upon incorporation to CNH Industrial were cancelled as part of the Demerger. As a result of the listing, the company became a Dutch Public Interest Entity (OOB) on 3 January 2022.

During 2021, the Company only incurred certain expenses, principally relating to legal and professional services in connection with its start-up activities as future holding and treasury of the Iveco Group, without performing any other activities.

At 31 December 2021, the Company had 3 employees; none of these employees are based in the Netherlands, but they are based in Italy.

## BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### Date of authorization of issue

The Company financial statements of the Company (the “Company Financial Statements”) for the period from 16 June 2021 to 31 December 2021, together with the notes thereto were authorized for issuance by the Board of Directors on 1 March 2022.

### Statement of Compliance

The Company Financial Statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU-IFRS”) and the legal requirements of Part 9 of Book 2 of the Dutch Civil Code in accordance with article 362 sections 8 and 9 of the Dutch Civil Code for entities that prepare their financial statements in accordance with EU-IFRS. The designation “IFRS” also includes International Accounting Standards (“IAS”), as well as all interpretations of the IFRS Interpretations Committee (“IFRIC”).

### Going concern

At 31 December 2021, the Company had positive equity and €14.7 million in cash and cash equivalents. The Company’s assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern also considering the subsequent events described in Note 14.



### Measurement basis

The Company Financial Statements are prepared under the historical cost method and on a going concern basis. Except as otherwise indicated, the Company Financial Statements are presented in euro, which is the Company's functional and presentation currency.

### Format of the Company Financial Statements

The Company presents the income statement by nature as this is believed to provide information that is more relevant. The statement of cash flows is presented using the indirect method.

### Cash and cash equivalents

Cash and cash equivalents include cash at banks, units in liquidity funds, and other cash equivalents. Cash and cash equivalents are subject to an insignificant risk of changes in value. Cash at banks and Other cash equivalents are measured at amortized cost.

### Dividends

Dividends payable by the Company are reported as a change in equity in the period in which they are approved by the Company's shareholders at the Annual General Meeting of Shareholders ("AGM").

### Income taxes

Income taxes are calculated on the basis of the provisions of the Italian tax law (art. 72 and following D.P.R 917/ 1986), as the tax residence of the Company is in Italy.

Following a positive answer of a tax ruling from the Italian Tax Authorities, starting from 2022 the Company will partially continue the fiscal unit of CNH Industrial, managing the Federal Tax consolidation with its Italian subsidiaries (art. 117 -129 DPR 917/1986). Based on the fiscal unit agreement, if a company achieves taxable income, the tax cost is included in the profit and loss. If the company achieves fiscal losses, the remuneration of these, due to the use inside the unit, is included as revenue in profit and loss.

Income taxes are recognized in profit and loss, except where they relate to items charged or credited directly to other comprehensive income, in which case the tax effect is also recognized directly in other comprehensive income.

The calculation of the deferred tax assets and liabilities is based on the temporary differences existing between the carrying amount of an asset or liability in the financial statement and its corresponding tax basis. Deferred tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and that are expected to apply to taxable income when the deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets resulting from unused tax losses and temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Other taxes not based on taxable profits, such as property taxes, indirect taxes and taxes on capital, are included in the operating expenses.

### Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period are recognized in profit or loss.

### Liabilities

Liabilities are measured at amortised cost. The Company's liabilities comprise trade and other payables in the Statement of Financial Position.

### Short term employee benefits

Short term employee benefits, such as salaries, paid absences, and other benefits, are accounted for on an accruals basis. Bonuses are recognised to the extent the Company has a present obligation to its employees that can be measured reliably. All expenses related to employee benefits are recognised in the income statement in staff costs, which is included within administrative expenses.

### New standards and amendments effective from 1 January 2021

Several new standards or amendments to existing standards have been published that are mandatory for reporting periods commencing on or after 1 January 2021. The new standards or amendments did not have a material impact on the Company Financial Statements in the current reporting periods.

### Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

The Company is currently evaluating the impact of the adoption of the following amendments and improvements on its financial statements or disclosures:

- On 14 May 2020 the IASB issued Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IAS 16) to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use and clarifying the meaning of "testing whether an asset is functioning properly". These amendments are effective retrospectively from 1 January 2022.
- On 14 May 2020, the IASB issued Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37) specifying that the cost of fulfilling a contract comprises the costs that relate directly to the contract, including both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. These amendments are effective retrospectively from 1 January 2022.
- On 14 May 2020 the IASB issued the Annual Improvements to IFRS 2018-2020 Cycle. The most important topics addressed in these amendments are: (i) on IFRS 9 - Financial Instruments clarifying which fees an entity includes when it applies the "10 per cent" test in assessing whether to derecognize a financial liability; and (ii) on IFRS 16 - Leases removing the illustration of the reimbursement of leasehold improvements. These improvements are effective from 1 January 2022.
- On 12 February 2021 the IASB issued the Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies, requiring to disclose the material accounting policy information rather than the significant accounting policies. Furthermore, the amendments to IFRS Practice Statement provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is effective from 1 January 2023.
- On 12 February 2021 the IASB issued the Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates. The amendments clarify how to distinguish changes in accounting policies (generally also applied retrospectively to past transactions and other past events) from changes in accounting estimates (applied prospectively only to future transactions and other future events). This amendment is effective from 1 January 2023.
- On 7 May 2021 the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12), which specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligations. The amendments clarify that no exemption applies on such transactions and that companies are required to recognize deferred tax when they recognize the related assets or liabilities for the first time. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. At the date of the Company Financial Statements, the European Union has not yet completed its endorsement process for these amendments.

### Use of estimates

The Company Financial Statements have been prepared in accordance with EU-IFRS and Part.9 of Book 2 of the Dutch Civil Code, which requires the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the amounts of income and expenses recognized. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience, and on any other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed periodically and continuously by the Company. If the items subject to estimates do not perform as assumed, then the actual results could differ from the estimates, which would require adjustment accordingly. The effects of any changes in estimate are recognized in the income statement in the period in which the adjustment is made, if the adjustment affects only that period, or in the period of the adjustment and future periods, if the adjustment affects both current and future periods.

## COMPOSITION AND PRINCIPAL CHANGES

### 1. Selling, general and administrative costs

This item mainly comprises staff costs, administrative costs and membership fees.

### 2. Other operating expenses

This item consists of miscellaneous costs which cannot be allocated to specific functional areas. It primarily includes costs associated with the Demerger, in particular, recharges from CNH Industrial, listing expenses, ICT expenses as well as indirect taxes and duties. Recharges from CNH Industrial N.V. relate to costs borne for the benefit of the Company and are mainly referred to strategic consulting expenses for an amount of €3.7 million, ICT expenses for an amount of €1.4 million, external communication expenses for an amount of €0.6 million. A breakdown of this item is provided below:

(in euro)	For the period from 16 June 2021 to 31 December 2021
Recharges from CNH Industrial N.V.	(6,167,462)
Listing expenses	(3,865,263)
ICT expenses	(382,822)
Professional costs	(370,807)
Other	(563)
<b>Total Other operating income/(expenses)</b>	<b>(10,786,916)</b>

### 3. Income tax benefit/(expense)

A breakdown of taxes recognized in the income statement is provided below:

(in euro)	For the period from 16 June 2021 to 31 December 2021
Current taxes:	
Italian corporate income taxes	—
<b>Total current taxes</b>	<b>—</b>
Deferred taxes for the period:	
Italian deferred taxes	2,610,601
<b>Total deferred taxes for the period</b>	<b>2,610,601</b>
<b>Taxes relating to prior periods</b>	<b>—</b>
<b>Total Income tax benefit/(expense)</b>	<b>2,610,601</b>

The Italian deferred taxes relates to tax losses that can be carried forward without time limits and set up costs that become deductible when the Company will achieve its first revenues.

Reconciliation between theoretical income taxes determined on the basis of tax rates applicable in Italy and income taxes reported in the financial statements is as follows:

(in euro)	For the period from 16 June 2021 to 31 December 2021
Profit/(loss) before taxes	(11,002,504)
Weighted average Italy statutory main corporate tax rate	24 %
<b>Theoretical income tax (expense)</b>	<b>(2,640,601)</b>
Tax effect of permanent differences	30,000
<b>Current and deferred income tax recognized in the financial statements</b>	<b>(2,610,601)</b>

The Company has incurred significant one-off costs that are linked to the Demerger and the listing process. Tax losses carried forward are recognized based on other convincing evidence of future tax profits.

### 4. Other information by nature of expense

The income statement includes personnel costs of €21.606 which relates to n. 3 employees (all white collars). None of these employees are based in the Netherlands, but they are based in Italy.

## 5. Other current assets

The following table provides a detail of other current assets at 31 December 2021:

(in euro)	At 31 December 2021
VAT receivables	21,954
Prepaid expenses	100,171
Other receivables	1,158
<b>Total Other current assets</b>	<b>123,283</b>

Other current assets are entirely due within one year.

## 6. Cash and cash equivalents

At 31 December 2021, Cash and cash equivalents represented amounts held in euro and other currency denominated current accounts for an amount of €14,665,601. As far as euro accounts are concerned, the Company entered into a zero-balance cash pool agreement with CNH Industrial Finance S.p.A. (CNH Industrial Group central treasury) where the balances of such accounts are automatically transferred to the pool leader account at the end of each day with original value dates. Based on such agreement, the Company had a receivable towards CNH Industrial Finance S.p.A. for an amount of €14,655,297 at 31 December 2021. This receivable was settled in January 2022, following the Demerger and the consequent closing of the cash pooling agreement with CNH Industrial Finance S.p.A.

The carrying amount of cash and cash equivalents is deemed to be in line with their fair value.

Credit risk associated with cash and cash equivalents is considered limited as the counterparties are leading national and international banks.

As at 31 December 2021 there is no restricted cash.

## 7. Deferred Tax Assets

Deferred tax assets amount to €2,610,601 and include deferred tax assets, which can be carried forward indefinitely.

## 8. Equity

### Share capital

As of 31 December 2021, the Company's authorized and issued share capital was €250,000, fully paid-in, and consisted of 25,000,000 common shares, each with a per share par value of €0.01, and no special voting shares. Following the Demerger, the Articles of Association of the Company provide for an authorized share capital of €8,000,000, divided into 400 million common shares and 400 million special voting shares to be held with associated common shares, each with a per share par value of €0.01.

Following the Demerger and the consequent allotment of the Company's common shares and special voting shares to the shareholders of CNH Industrial N.V., the Company is required to maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of special voting shares. The special voting shares do not carry any entitlement to the balance of the special capital reserve. The Board of Directors is authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favor of the share premium reserve.

The Company is required to maintain a separate dividend reserve for the special voting shares. The special voting shares shall not carry any entitlement to any other reserve of the Company. Any distribution out of the special voting shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the general meeting of holders of special voting shares.

From the profits, shown in the annual accounts as adopted, such amounts shall be reserved as the Board of Directors may determine.

The profits remaining thereafter shall first be applied to allocate and add to the special voting shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal amount of all outstanding special voting shares. The calculation of the amount to be allocated and added to the special voting shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the special voting shares dividend reserve in respect of these newly issued special voting shares shall be calculated as from the date on which such special voting shares were issued until the last day of the financial year concerned. The special voting shares shall not carry any other entitlement to the profits.

Any profits remaining thereafter shall be at the disposal of the general meeting of shareholders for distribution of dividend on the common shares only subject to the provision that the distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.

Furthermore, subject to the approval of the general meeting of shareholders and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with Article 5 of the Articles of Association, the Board of Directors may decide that a distribution shall be made in the form of shares or that shareholders shall be given the option to receive a distribution either in cash or in the form of shares.

### Appropriation of the result

The Company incurred a net loss in 2021 which was brought forward to the retained earnings.

### Loyalty voting Program

In order to reward long-term ownership of the Company's common shares and promote stability of its shareholder base, the Articles of Association of the Company provide for a loyalty-voting program that grants eligible long-term shareholders the equivalent of two votes for each the Company common share that they hold. This has been accomplished through the issuance of special voting shares.

A shareholder may at any time elect to participate in the loyalty voting program by requesting the registration of all or some of the common shares held by such shareholder in a separate register (the "Loyalty Register") of the Company. If such common shares have been registered in the Loyalty Register for an uninterrupted period of three years in the name of the same shareholder (including common shares that have been allotted upon Demerger and that have been registered in the Loyalty Register in the name of one and the same shareholder or its loyalty transferees for an uninterrupted period of at least three years, which period is shortened with the period for which the corresponding common shares held in CNH Industrial have been registered in the loyalty register of CNH Industrial N.V. prior to the Demerger, and continue to be so registered provided that a transfer of common shares to a loyalty transferee shall not be deemed to interrupt the three year period), such shares will become "Qualifying Common Shares" and the relevant shareholder will be entitled to receive one special voting share for each such Qualifying Common Share which can be retained only for so long as the shareholder retains the associated common share and registers it in the Loyalty Register.

Shareholders are not required to pay any amount to the Company in connection with the allocation of the special voting shares.

The common shares are freely transferable, while, special voting shares are transferable exclusively in limited circumstances and they are not listed on the Euronext Milan. In particular, at any time, a holder of common shares that are Qualifying Common Shares who wants to transfer such common shares other than in limited specified circumstances (e.g., transfers to affiliates or relatives through succession, donation or other transfers) must request a de-registration of such Qualifying Common Shares from the Loyalty Register. After de-registration from the Loyalty Register, such common shares no longer qualify as Qualifying Common Shares and, as a result, the holder of such common shares is required to transfer the special voting shares associated with the transferred common shares to the Company for no consideration.

The special voting shares have minimal economic entitlements as the purpose of the special voting shares is to grant long-term shareholders with an extra voting right by means of granting an additional special voting share, without granting such shareholders with any additional economic rights. However, as a matter of Dutch law, such special voting shares cannot be fully excluded from economic entitlements. Therefore, the Articles of Association provide that only a minimal dividend accrues to the special voting shares, which is not distributed, but allocated to a separate special dividend reserve. The impact of this special voting dividend reserve on the earnings per share of the common shares is not material.

### Capital reserves

At 31 December 2021, capital reserves amounting to €15 million consist of the share premium reserve deriving from a contribution of cash amounting to €15 million executed by the sole shareholder CNH Industrial on 28 December 2021.

### Legal reserves

As of 31 December 2021, the Company had no legal reserves.

## 9. Trade payables

At 31 December 2021, trade payables totaled €10,528 thousand and consisted of the following:

(in euro)	At 31 December 2021
Trade payables to third parties	4,058,055
Trade payables to related parties	6,469,462
<b>Total Trade payables</b>	<b>10,527,517</b>

The detail of Trade payables toward related parties is as follows:

(in euro)	At 31 December 2021
CNH Industrial N.V.	6,167,462
Iveco S.p.A.	272,000
FCA Item S.p.A.	10,000
FCA Services S.c.p.A.	20,000
<b>Total Trade payables to related parties</b>	<b>6,469,462</b>

Amounts due to related parties substantially correspond to the costs charged to profit or loss and primarily refer to invoice recharges of listing expenses.

Trade payables are due within one year and their carrying amount at the reporting date is deemed to approximate their fair value.

## 10. Other liabilities

At 31 December 2021, Other liabilities totaled €13,871 and included the following:

(in euro)	At 31 December 2021
Current amounts payable to employees, social security, directors	8,499
Taxes payable-indirect taxes	2,680
Other liabilities	2,692
<b>Total Other liabilities</b>	<b>13,871</b>

Taxes payables refer to withholding taxes related to employees and consultants due in Italy.

Other liabilities and taxes payable are all due within one year and their carrying amount is deemed to approximate their fair value.

## 11. Guarantees, commitments and contingent liabilities

At 31 December 2021, the Company did not issue any guarantee and had no commitment or contingent liability.

## 12. Audit fees

The following table reports fees accrued for to the independent auditor Ernst & Young Accountants LLP for audit activities provided to the Company.

(in euro)	For the period from 16 June 2021 to 31 December 2021
Audit fees of the Company Financial Statements	25,000
<b>Total Audit fees</b>	<b>25,000</b>

## 13. Board remuneration

The Board of Directors received no remuneration from the Company for the period.

## 14. Subsequent events

### The Demerger

Until 31 December 2021, CNH Industrial N.V. owned and controlled the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business (together the "Iveco Group Business" or the "On-Highway Business"), as well as the Agriculture business, the Construction business, and the related Financial Services business (collectively, the "Off-Highway Business"). Effective 1 January 2022, the Iveco Group Business was separated from CNH Industrial N.V. by way of a legal statutory demerger to Iveco Group N.V. (the Demerger) and Iveco Group N.V. became a public listed company independent from CNH Industrial.

The separation occurred in accordance with Section 2:334a (3) of the Dutch Civil Code (*Burgerlijk Wetboek*) by way of a statutory demerger (*juridische afsplitsing*), governed by the laws of the Netherlands, of: a) equity investments attributable to the Iveco Group Business operations, b) the portion of CNH Industrial N.V.'s financial payables attributable to the Iveco Group Business operations, and 3) all issued and paid up 25,000,000 common shares, each with a nominal value of €0.01, held by CNH Industrial N.V. in the share capital of the Company, from CNH Industrial N.V. in favor of Iveco Group N.V. (the "Demerger"). As part of the Demerger and by operation of law, each holder of common shares in the share capital of CNH Industrial N.V. (the "CNH Common Shares") received one common share of Iveco Group N.V. (the "Common Shares") for every five CNH Common Shares which it held (the "Allotment Ratio") on 31 December 2021 (the "Demerger Record Date") (such holder of CNH Common Shares on the Demerger Record Date being a "CNH Shareholder"). Each CNH Shareholder that, in addition to holding CNH Common Shares, was registered in the loyalty register of CNH Industrial (the "CNH Loyalty Register") had been registered in the loyalty register of the Company (the "Loyalty Register") for the corresponding number of Common Shares pursuant to the Allotment Ratio. If such CNH shareholder also held CNH special voting shares, it received, by operation of law, a number of special voting shares of Iveco Group N.V. (the "Special Voting Shares") that is equal to the number of Common Shares for which it had been registered in the Loyalty Register. The Demerger became effective on 1 January 2022.

Additionally, as the Demerger is a "business combination involving entities or businesses under common control", it is outside the scope of application of IFRS 3 – Business Combinations and IFRIC 17- Distributions of Non-cash Assets to Owners. Accordingly, in the 2022 consolidated financial statements of Iveco Group, the opening position for items in the statement of financial position will be equivalent to the carrying amounts reported in the consolidated financial statements of CNH Industrial Pre-Demerger.



Effective 1 January 2022, Iveco Group N.V. became the holding company controlling the Commercial and Specialty Vehicles business, the Powertrain business, and the related Financial Services business (“the Iveco Group”). The summarized combined consolidated statement of financial position at 31 December 2021 and the summarized combined consolidated income statement for the year ended 31 December 2021 of the Iveco Group are as follows:

Iveco Group  
Summarized Combined Consolidated Statement of Income

(€ million)	For the year ended 31 December 2021
Net revenues	12,651
EBIT	295
Profit/(loss) before taxes	180

Iveco Group  
Summarized Combined Consolidated Statement of Financial Position

(€ million)	31 December 2021
Total Assets	16,560
Total Equity	2,311
Total Liabilities	14,249

*Other subsequent events*

Iveco Group N.V. has evaluated subsequent events through 1 March 2022, which is the date the financial statements were authorized for issuance, and, in addition to the above, identified the following:

- On 4 January 2022, Iveco Group signed a €1.9 billion syndicated facility, which includes a €1.4 billion committed revolving credit facility with a 5-year tenor with two extension options of 1-year each, as well as a €0.5 billion committed term facility with a 12-month tenor, extendable for up to an additional 12 months at the Company’s sole option;
- On 13 January 2022, the Company announced that Fitch Ratings assigned Iveco Group N.V. a final Long-Term Issuer Default Rating (IDR) of ‘BBB-’. The outlook is stable.

1 March 2022

*The Board of Directors*

Suzanne Heywood

Gerrit Andreas Marx

Lorenzo Simonelli

Tufan Erginbilgic

Essimari Kairisto

Linda Knoll

Alessandro Nasi

Olof Persson

# OTHER INFORMATION

## *Independent Auditor's Report*

The report of the Company's independent auditor, Ernst & Young Accountants LLP, the Netherlands is set forth following this Annual Report.

## *Appropriation of the result of the year*

Subject to the adoption of the Annual Financial Statements by the Annual General Meeting of shareholders and after the allocation of the relevant amount to the special voting shares dividend reserve in accordance with article 21, paragraph 4, of the Articles of Association, any profits remaining shall be allocated to the Retained earnings and be at the disposal of the general meeting of shareholders for distribution of dividend on the outstanding common shares only, based on the recommendations and proposal of the Board of Directors and subject to the provision of the Article 21, paragraph 8, of the Articles of Association.

## *Dividends under Articles of Association provisions*

Dividends will be determined in accordance with the articles 21 of the Articles of Association of the Company. The relevant provisions of the Articles of Association read as follows:

1. The Company shall maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of special voting shares. The special voting shares shall not carry any entitlement to the balance of the special capital reserve. The Board of Directors shall be authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (i) re-allocation of amounts to credit or debit the special capital reserve against or in favour of the share premium reserve.
2. The Company shall maintain a separate dividend reserve for the special voting shares. The special voting shares shall not carry any entitlement to any other reserve of the Company. Any distribution out of the special voting shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the board of directors and a subsequent resolution of the general meeting of holders of special voting shares.
3. From the profits, shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine.
4. The profits remaining thereafter shall first be applied to allocate and add to the special voting shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal amount of all outstanding special voting shares. The calculation of the amount to be allocated and added to the special voting shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the special voting shares dividend reserve in respect of these newly issued special voting shares shall be calculated as from the date on which such special voting shares were issued until the last day of the financial year concerned. The special voting shares shall not carry any other entitlement to the profits.
5. Any profits remaining thereafter shall be at the disposal of the general meeting of shareholders for distribution of dividend on the common shares only, subject to the provision of paragraph 8 of this article.
6. Subject to a prior proposal of the Board of Directors, the general meeting of shareholders may declare and pay dividends in United States Dollars. Furthermore, subject to the approval of the general meeting of shareholders and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with article 5, the Board of Directors may decide that a distribution shall be made in the form of shares or that shareholders shall be given the option to receive a distribution either in cash or in the form of shares.
7. The Company shall only have power to make distributions to shareholders and other persons entitled to distributable profits to the extent the Company's equity exceeds the sum of the paid-up portion of the share capital and the reserves that must be maintained in accordance with provision of law. No distribution of profits may be made to the Company itself for shares that the Company holds in its own share capital.
8. The distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.
9. The Board of Directors shall have power to declare one or more interim dividends, provided that the requirements of paragraph 5 hereof are duly observed as evidenced by an interim statement of assets and liabilities as referred to in article 2:105 paragraph 4 of the Civil Code and provided further that the policy of the Company on additions to reserves and dividends is duly observed. The provisions of paragraphs 2 and 3 hereof shall apply mutatis mutandis.
10. The Board of Directors may determine that dividends or interim dividends, as the case may be, shall be paid, in whole or in part, from the Company's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the shareholders that are entitled to the relevant reserve upon the dissolution of the Company.
11. Dividends and other distributions of profit shall be made payable in the manner and at such date(s) - within four (4) weeks after declaration thereof - and notice thereof shall be given, as the general meeting of shareholders, or in the case of interim dividends, the Board of Directors shall determine, provided, however, that the Board of Directors shall have the right to determine that each payment of annual dividends in respect of shares be deferred for a period not exceeding five (5) consecutive annual periods.
12. Dividends and other distributions of profit, which have not been collected within five (5) years and one (1) day after the same have become payable, shall become the property of the Company.

# Independent auditor's report

To: the shareholders and audit committee of Iveco Group N.V.

## Report on the audit of the financial statements 2021 included in the annual report

### Our opinion

We have audited the financial statements 2021 of Iveco Group N.V. based in Amsterdam.

In our opinion the financial statements give a true and fair view of the financial position of Iveco Group N.V. as at 31 December 2021 and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The statement of financial position as at 31 December 2021
- The following statements for 2021: the income statement, the statements of cash flows and the statement of changes in equity
- The notes to the company financial statements comprising a summary of the significant 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 Iveco Group N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

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.

### Our understanding of the business

Iveco Group N.V. will be the new holding for the Iveco Group and subsidiaries in combination with providing central treasury activity in the interest of Group's subsidiaries. In this reporting year the company is having limited activities.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Materiality

Materiality	€ 174 thousand
Benchmark applied	Approximately 1% of total assets
Explanation	As Iveco Group N.V. only holds assets and has limited activities, we consider a capital based measure an appropriate basis for determining our overall materiality. We further refer to Note 14: Subsequent events of the financial statements.

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. Our focus on fraud and non-compliance with laws and regulations.

## Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

## Our audit response related to fraud risks

We identify and assess the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Iveco Group N.V. and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how audit committee exercises oversight, as well as the outcomes.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. We did not identify any specific fraud risks in our audit.

We considered available information and made enquiries of relevant executives, directors (including internal audit, legal, compliance, human resources and regional directors) and the audit committee.

## Our audit response related to risks of non-compliance with laws and regulations

We assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, inspection of internal audit and compliance reports.

## Our audit response related to going concern

As disclosed in section 'Going concern' in notes to the financial statements, management made a specific assessment of Iveco Group's ability to continue as a going concern and to continue its operations for at least the next 12 months. We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all 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.

Based on our procedures performed, we did not identify serious doubts on the entity's ability to continue as a going concern for the next 12 months.

## Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have determined that there are no key audit matters to communicate in our report.

## *Report on other information included in the annual report*

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

- The board report
- 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 for the board report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report.

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 and Section 2:135b sub-Section 7 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.

Management is responsible for the preparation of the other information, including the board report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. Management and audit committee are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

## *Report on other legal and regulatory requirements and ESEF*

### **Engagement**

We were engaged by the audit committee as auditor of Iveco Group N.V. on 28 October 2021, as of the audit for the year 2021 and have operated as statutory auditor ever since that date.

### **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 Reporting Format (ESEF)**

Iveco Group N.V. has prepared the annual report in ESEF. The requirements for this are set out in the 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, including the financial statements, prepared in XHTML format by Iveco Group N.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 the NBA (the Netherlands Institute of Chartered Accountants), included amongst others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the annual report in XHTML format
- obtaining the annual report in XHTML format and performing validations to determine whether the annual report in XHTML format, has been prepared in accordance with the technical specifications as included in the RTS on ESEF

# Description of responsibilities regarding the financial statements

## Responsibilities of management and the audit committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management 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, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management 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 engagement 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 judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- 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 Iveco Group N.V.'s internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication

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.

Rotterdam, 1 March 2022

Ernst & Young Accountants LLP

Signed by P.W.J. Laan