

Iveco Group 2021 Full Year Combined Results

**Iveco Group consolidated revenues of €12.6 billion (up 22% year on year).
Net income of €76 million and adjusted EBIT of Industrial Activities of €302 million.
Industrial Activities net cash at €1.1 billion.**

Unaudited combined financial results presented under EU-IFRS⁽¹⁾



«Today is our first earnings call as a newly listed company and 2022 is Year 1 for Iveco Group. We started this new chapter encouraged by the tireless effort of our employees, particularly in managing the continued challenges posed by the supply chain and the pandemic: I personally want to thank the entire team. Looking forward, our expectation for the current year is positive. We closed 2021 with a 77% increase in our worldwide order intake, and we are striving to run our production footprint at its full capacity. At the start of our journey as an independent organisation, we have all it takes to deliver on our commitments.»

Gerrit Marx, Chief Executive Officer

2021 Full Year Results

(all amounts € million, unless otherwise stated – comparison vs FY 2020)

EU-IFRS FINANCIAL MEASURES			NON IFRS FINANCIAL MEASURES ⁽²⁾		
Consolidated revenues	12,651	+22%	Adjusted EBIT of Industrial Activities	302	+391
of which Net revenues of Industrial Activities	12,520	+21%	Adjusted EBIT Margin of Industrial Activities	2.4%	+330 bps
Net income	76	+448	Adjusted net income	140	+307
Diluted EPS €	0.19	+1.69	Adjusted diluted EPS €	0.43	+1.19
Cash flow from operating activities	539	-20	Free cash flow of Industrial Activities	(125)	-7
Cash and cash equivalents	897	+434 (*)	Available liquidity	1,436	-183 (*)

() comparison vs 31st December 2020*

Net revenues of Industrial Activities of €12,520 million, up 21%, mainly due to higher volumes and positive price realization.

Adjusted EBIT of Industrial Activities of €302 million (€89 million loss in 2020), with €403 million increase in Commercial and Specialty Vehicles. Powertrain adjusted EBIT of €208 million (€195 million in 2020).

Adjusted net income of €140 million, with **adjusted diluted earnings per share** of €0.43 (adjusted net loss of €167 million in 2020, with adjusted diluted loss per share of €0.76).

Reported income tax expense of €104 million, with **adjusted effective tax rate** (adjusted ETR⁽²⁾) of 47% for the year ended 31st December 2021. The ETR reflects the impact of unbenefited losses in certain jurisdictions and certain other discrete items.

Free cash flow of Industrial Activities was **negative €125 million** due to working capital affected by higher inventory driven by supply chain disruptions. Total third-party Debt of €2.7 billion at 31st December 2021 (€2.8 billion at 31st December 2020).

Industrial Activities net cash⁽²⁾ position at **€1.1 billion**, a decrease of €0.1 billion from 31st December 2020.

Available liquidity at **€1.4 billion** as of 31st December 2021, including net financial receivables from CNH Industrial Post-Demerger.

On 4th 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 13th January 2022, Fitch Ratings assigned Iveco Group N.V. a final Long-Term Issuer Default Rating (IDR) of 'BBB-'. The outlook is Stable.

Notes, see page 3

2021 Overall Performance and Results by Segments

Iveco Group recorded a solid performance in 2021 as a result of end-demand for its products rebounding from the first phase of the COVID-19 pandemic and demand for fuel efficient transportation equipment.

Global **supply chain** represented the main challenge for our operations in the year, with multiple bottlenecks resulting in increased raw material prices, subcomponent availability issues, notably for semiconductors, and increased transportation costs.

Truck order intake in Europe up 81% year over year, with light duty trucks up 76%, and medium & heavy duty trucks up 94%. **Truck book-to-bill** in Europe at 1.57.

Commercial and Specialty Vehicles

	2021	2020	Change	
Net revenues (€ million)	10,318	8,247	+25.1%	European truck market was up 11% year over year, with light-duty trucks ("LCV") up 8%, and medium and heavy trucks ("M&H") up 19%. South American truck market was up 28% in LCV and up 42% in M&H. Order book is strong across all regions. Bus registrations decreased 1% in Europe and increased 4% in South America. Net revenues were up 25.1%, primarily driven by higher truck volumes and positive price realization. Adjusted EBIT was €254 million, with Adjusted EBIT margin at 2.5%. The €403 million increase was driven by higher volumes and positive price realization, partially offset by increased raw material costs, freight costs, and rework costs due to components shortages. SG&A costs increase was driven by higher variable compensation. R&D spend returned to more normal levels from the lows of the prior year.
Adjusted EBIT (€ million)	254	(149)	+403	
Adjusted EBIT margin	2.5%	(1.8)%	+430 bps	

Powertrain

	2021	2020	Change	
Net revenues (€ million)	3,750	3,180	+17.9%	Net revenues were up 17.9% due to higher volumes. Sales to external customer accounted for 61% (67% in 2020). Adjusted EBIT was €208 million, with an increase of €13 million compared to prior year, mainly due to favorable volume and mix in the first half of the year, almost offset by unfavorable raw material costs, higher freight costs due to logistics constraints, higher SG&A costs, and lower absorption of fixed cost in the second half of the year due to certain third-party sales discontinuation. Adjusted EBIT margin at 5.5%. R&D spend returned to a pre-pandemic level.
Adjusted EBIT (€ million)	208	195	+13	
Adjusted EBIT margin	5.5%	6.1%	-60 bps	

Financial Services

	2021	2020	Change	
Net revenues (€ million)	195	165	+18.2%	Net revenues were up €30 million primarily due to higher volumes from financing activities. Net income increased €46 million to €59 million, primarily due to higher volumes from financing activities in 2021 and lower risk costs reflecting better conditions after 2020 COVID-19 pandemic peak. The managed portfolio (including unconsolidated joint ventures) was €5.4 billion at the end of the year (of which retail was 51% and wholesale 49%), up €0.1 billion compared to 31 st December 2020. The receivable balance greater than 30 days past due as a percentage of portfolio was 3.9% (5.8% as of 31 st December 2020).
Net income (€ million)	59	13	+46	
Equity at year-end (€ million)	740	705	+35	
Retail loan originations (€ million)	1,422	1,380	flat	

Notes

- (1) The financial information provided in this press release has been prepared to represent the combined historical results of operations, financial position and cash flows of the Iveco Group Business structure that is now controlled by Iveco Group N.V. following the demerger (the "Demerger") of CNH Industrial N.V. occurred on 1st January 2022. This financial information has been derived from the consolidated financial statements and accounting records of CNH Industrial. The IFRS financial measures for the year ended 31st December 2020 have been derived from the audited Combined Financial Statements included in the Iveco Group N.V. Prospectus, published on 11th November 2021. The financial information included in this press release (1) is presented based on information currently available, (2) is intended for informational purposes, only, (3) is not necessarily indicative of and does not purport to represent what the Iveco Group operating results would have been had the Demerger occurred as described or what the future operating results will be after having given effect to the Demerger and (4) does not reflect any actions that might be taken by management after the Demerger.
- (2) Non-IFRS financial measures: refer to the "Non-IFRS Financial Information" section of this press release for information regarding non-IFRS financial measures. Refer to the specific table in the "Other Supplemental Financial Information" section of this press release for the reconciliation between the non-IFRS financial measure and the most comparable IFRS financial measure.

Non-IFRS Financial Information

Iveco Group monitors its operations through the use of several non-IFRS financial measures. Iveco Group's management believes that these non-IFRS financial measures provide useful and relevant information regarding its operating results and enhance the readers' ability to assess Iveco Group's financial performance and financial position. Management uses these non-IFRS measures to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions as they provide additional transparency with respect to our core operations. These non-IFRS financial measures have no standardized meaning under EU-IFRS and are unlikely to be comparable to other similarly titled measures used by other companies and are not intended to be substitutes for measures of financial performance and financial position as prepared in accordance with EU-IFRS.

Iveco Group's non-IFRS financial measures are defined as follows:

- Adjusted EBIT: is defined as EBIT before restructuring costs and non-recurring items. In particular, non-recurring items are specifically disclosed items that management considers rare or discrete events that are infrequent in nature and not reflective of on-going operational activities.
- Adjusted Net Profit/ (Loss): is defined as net profit/ (loss), less restructuring costs and non-recurring items, after tax.
- Adjusted Diluted EPS: is computed by dividing Adjusted Net Income (loss) attributable to Iveco Group N.V. by a weighted-average number of common shares outstanding during the period that takes into consideration potential common shares outstanding deriving from the Iveco Group share-based payment awards, when inclusion is not anti-dilutive. When we provide guidance for adjusted diluted EPS, we do not provide guidance on an earnings per share basis because the IFRS measure will include potentially significant items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end.
- Adjusted Income Taxes: is defined as income taxes less the tax effect of restructuring expenses and non-recurring items, and non-recurring tax charges or benefits.
- Adjusted Effective Tax Rate (Adjusted ETR): is computed by dividing a) adjusted income taxes by b) income (loss) before income taxes, less restructuring expenses and non-recurring items.
- Net Cash (Debt) and Net Cash (Debt) of Industrial Activities: Net Cash (Debt) is defined as total Debt plus Derivative liabilities, net of Cash and cash equivalents, Current securities, Derivative assets and other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties) and net financial amounts receivable from the CNH Industrial Group Post-Demerger. Iveco Group provides the reconciliation of Net Cash (Debt) to Total (Debt), which is the most directly comparable EU-IFRS financial measure included in the Group's consolidated statement of financial position. Due to different sources of cash flows used for the repayment of the debt between Industrial Activities and Financial Services (by cash from operations for Industrial Activities and by collection of financing receivables for Financial Services), management separately evaluates the cash flow performance of Industrial Activities using Net Cash (Debt) of Industrial Activities.
- Free Cash Flow of Industrial Activities (or Industrial Free Cash Flow): refers to Industrial Activities, only, and is computed as consolidated cash flow from operating activities less: cash flow from operating activities of Financial Services; investments of Industrial Activities in property, plant and equipment and intangible assets; as well as other changes and intersegment eliminations.
- Available Liquidity: is defined as cash and cash equivalents, including restricted cash, undrawn medium-term unsecured committed facilities, other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties), and net financial amounts receivable from CNH Industrial Group Post-Demerger.

Forward-looking statements

All statements other than statements of historical fact contained in this earning release, including competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, earnings (or loss) per share, capital expenditures, dividends, liquidity, capital structure or other financial items; costs; and plans and objectives of management regarding operations and products, are forward-looking statements. Forward looking statements also include statements regarding the future performance of Iveco Group and its subsidiaries on a standalone basis. These statements may include terminology such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "outlook", "continue", "remain", "on track", "design", "target", "objective", "goal", "forecast", "projection", "prospects", "plan", or similar terminology. Forward-looking statements, including those related to the COVID-19 pandemic, are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside our control and are difficult to predict. If any of these risks and uncertainties materialize (or they occur with a degree of severity that the Company is unable to predict) or other assumptions underlying any of the forward-looking statements prove to be incorrect, including any assumptions regarding strategic plans, the actual results or developments may differ materially from any future results or developments expressed or implied by the forward-looking statements. Factors, risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others: the continued uncertainties related to the unknown duration and economic, operational and financial impacts of the global COVID-19 pandemic and the actions taken or contemplated by governmental authorities or others in connection with the pandemic on our business, our employees, customers and suppliers; supply chain disruptions, including delays caused by mandated shutdowns, industry capacity constraints, material availability, and global logistics delays and constraints; disruption caused by business responses to COVID-19, including remote working arrangements, which may create increased vulnerability to cybersecurity or data privacy incidents; our ability to execute business continuity plans as a result of COVID-19; the many interrelated factors that affect

consumer confidence and worldwide demand for capital goods and capital goods-related products, including demand uncertainty caused by COVID-19; general economic conditions in each of our markets, including the significant economic uncertainty and volatility caused by COVID-19; travel bans, border closures, other free movement restrictions, and the introduction of social distancing measures in our facilities may affect in the future our ability to operate as well as the ability of our suppliers and distributors to operate; changes in government policies regarding banking, monetary and fiscal policy; legislation, particularly pertaining to capital goods-related issues such as agriculture, the environment, debt relief and subsidy program policies, trade and commerce and infrastructure development; government policies on international trade and investment, including sanctions, import quotas, capital controls and tariffs; volatility in international trade caused by the imposition of tariffs, sanctions, embargoes, and trade wars; actions of competitors in the various industries in which we compete; development and use of new technologies and technological difficulties; the interpretation of, or adoption of new, compliance requirements with respect to engine emissions, safety or other aspects of our products; production difficulties, including capacity and supply constraints and excess inventory levels; labor relations; interest rates and currency exchange rates; inflation and deflation; energy prices; prices for agricultural commodities; housing starts and other construction activity; our ability to obtain financing or to refinance existing debt; price pressure on new and used vehicles; the resolution of pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, follow-on private litigation in various jurisdictions after the settlement of the EU antitrust investigation of the Iveco Group announced on 19th July 2016, intellectual property rights disputes, product warranty and defective product claims, and emissions and/or fuel economy regulatory and contractual issues; security breaches, cybersecurity attacks, technology failures, and other disruptions to the information technology infrastructure of Iveco Group and its suppliers and dealers; security breaches with respect to our products; our pension plans and other post-employment obligations; further developments of the COVID-19 pandemic on our operations, supply chains, distribution network, as well as negative evolutions of the economic and financial conditions at global and regional levels; political and civil unrest; volatility and deterioration of capital and financial markets, including other pandemics, terrorist attacks in Europe and elsewhere; our ability to realize the anticipated benefits from our business initiatives as part of our strategic plan; our failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures, strategic alliances or divestitures and other similar risks and uncertainties, and our success in managing the risks involved in the foregoing.

Forward-looking statements are based upon assumptions relating to the factors described in this earnings release, which are sometimes based upon estimates and data received from third parties. Such estimates and data are often revised. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Iveco Group's control. Iveco Group expressly disclaims any intention or obligation to provide, update or revise any forward-looking statements in this announcement to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Further information concerning Iveco Group, including factors that potentially could materially affect Iveco Group's financial results, is included in Iveco Group's reports and filings with the Autoriteit Financiële Markten ("AFM") and Commissione Nazionale per le Società e la Borsa ("CONSOB").

Conference Call and Webcast

Today, at 4.45 p.m. CET / 3.45 p.m. GMT/ 10.45 a.m. EST, management will hold a conference call to present the full year 2021 combined financial results to financial analysts and institutional investors. The call can be followed live online at https://bit.ly/IVG_2021_Combined_FY_Results and a recording will be available later on the Company's website www.ivecogroup.com. A presentation will be made available on the Company's website prior to the call.

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Iveco Group N.V.
Condensed Combined Income Statement for the years ended 31st December 2021 and 2020
(Unaudited)

<i>(€ million)</i>	2021	2020
Net revenues vs third parties	11,850	9,885
Net revenues vs CNH Industrial Group Post-Demerger	801	526
Net revenues	12,651	10,411
Cost of sales	10,881	9,462
Selling, general and administrative costs	825	705
Research and development costs	481	436
Result from investments:	27	(43)
Share of the profit/(loss) of investees accounted for using the equity method	27	(43)
Gains/(losses) on the disposal of investments	8	-
Restructuring costs	36	32
Other income/(expenses)	(168)	(109)
EBIT	295	(376)
Financial income/(expenses)	(115)	(112)
PROFIT/(LOSS) BEFORE TAXES	180	(488)
Income tax (expense) benefit	(104)	116
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	76	(372)
PROFIT/(LOSS) FOR THE PERIOD	76	(372)
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:		
Owners of the parent	52	(408)
Non-controlling interests	24	36
<i>(in €)</i>		
Earning (loss) per share attributable to common shareholders		
Basic	0.19	(1.50)
Diluted	0.19	(1.50)

Iveco Group N.V.
Condensed Combined Statement of Financial Position as of 31st December 2021 and 2020
(Unaudited)

(€ million)	31 st December 2021	31 st December 2020
ASSETS		
Intangible assets	1,314	1,260
Property, plant and equipment and Leased assets	3,113	3,105
Inventories	2,651	2,246
Financial receivables from CNH Industrial Group Post-Demerger	3,520	3,543
Receivables from financing activities	2,909	2,831
Cash and cash equivalents	897	463
Other receivables and assets	2,156	2,183
TOTAL ASSETS	16,560	15,631
EQUITY AND LIABILITIES		
Invested capital and reserves attributable to owners of the parent	2,289	2,268
Non-controlling interests	22	68
Total Equity	2,311	2,336
Debt payables to CNH Industrial Group Post-Demerger	3,076	2,563
Other debt	2,709	2,750
Other payables and liabilities	8,464	7,982
Total Liabilities	14,249	13,295
TOTAL EQUITY AND LIABILITIES	16,560	15,631

Iveco Group N.V.
Condensed Combined Statement of Cash Flows for the year ended 31st December 2021 and 2020
(Unaudited)

(€ million)	2021	2020
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	463	417
Profit/(loss)	76	(372)
Adjustment to reconcile profit/(loss) to cash flows from/(used in) operating activities	463	931
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	539	559
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(45)	(90)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(88)	(407)
Translation exchange differences	28	(16)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	434	46
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	897	463

Iveco Group N.V.
Supplemental Combined Statements of Operations for the years ended 31st December 2021 and 2020

(Unaudited)

(€ million)	2021				2020			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
Net revenues vs third parties	11,763	151	(64) ⁽²⁾	11,850	9,833	120	(68) ⁽²⁾	9,885
Net revenues vs CNH Industrial Group Post-Demerger	757	44	-	801	481	45	-	526
Total Net revenues	12,520	195	(64) ⁽²⁾	12,651	10,314	165	(68) ⁽²⁾	10,411
Cost of sales	10,866	79	(64) ⁽³⁾	10,881	9,425	105	(68) ⁽³⁾	9,462
Selling, general and administrative costs	769	56	-	825	645	60	-	705
Research and development costs	481	-	-	481	436	-	-	436
Result from investments:	13	14	-	27	(57)	14	-	(43)
Share of the profit/(loss) of investees accounted for using the equity method	13	14	-	27	(57)	14	-	(43)
Gains/(losses) on the disposal of investments	8	-	-	8	-	-	-	-
Restructuring costs	36	-	-	36	32	-	-	32
Other income/(expenses)	(168)	-	-	(168)	(110)	1	-	(109)
EBIT	221	74	-	295	(391)	15	-	(376)
Financial income/(expenses)	(115)	-	-	(115)	(112)	-	-	(112)
PROFIT/(LOSS) BEFORE TAXES	106	74	-	180	(503)	15	-	(488)
Income tax (expense) benefit	(89)	(15)	-	(104)	118	(2)	-	116
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	17	59	-	76	(385)	13	-	(372)
PROFIT/(LOSS) FOR THE PERIOD	17	59	-	76	(385)	13	-	(372)

Notes:

- (1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Commercial and Specialty Vehicles and Powertrain segments, as well as the holding company Iveco Group N.V.
- (2) Elimination of Financial Services' interest income earned from Industrial Activities.
- (3) Elimination of Industrial Activities' interest expense to Financial Services.

Iveco Group N.V.
Supplemental Combined Statement of Financial Position as of 31st December 2021 and 2020
 (Unaudited)

(€ million)	31 st December 2021				31 st December 2020			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
ASSETS								
Intangible assets	1,301	13	-	1,314	1,247	13	-	1,260
Property, plant and equipment and Leased assets	3,077	36	-	3,113	3,060	45	-	3,105
Inventories	2,650	1	-	2,651	2,244	2	-	2,246
Financial receivables from CNH Industrial Group Post-Demerger	2,896	624	-	3,520	3,125	418	-	3,543
Receivables from financing activities	67	2,954	(112) ⁽²⁾	2,909	80	2,897	(146) ⁽²⁾	2,831
Cash and cash equivalents	726	171	-	897	366	97	-	463
Other receivables and assets	1,869	345	(58) ⁽³⁾	2,156	1,924	319	(60) ⁽³⁾	2,183
TOTAL ASSETS	12,586	4,144	(170)	16,560	12,046	3,791	(206)	15,631
EQUITY AND LIABILITIES								
Invested capital and reserves attributable to owners of the parent	1,549	740	-	2,289	1,563	705	-	2,268
Non-controlling interests	22	-	-	22	68	-	-	68
Total Equity	1,571	740	-	2,311	1,631	705	-	2,336
Debt payables to CNH Industrial Group Post-Demerger	2,370	706	-	3,076	2,192	371	-	2,563
Other debt	291	2,530	(112) ⁽²⁾	2,709	321	2,575	(146) ⁽²⁾	2,750
Other payables and liabilities	8,354	168	(58) ⁽³⁾	8,464	7,902	140	(60) ⁽³⁾	7,982
Total Liabilities	11,015	3,404	(170)	14,249	10,415	3,086	(206)	13,295
TOTAL EQUITY AND LIABILITIES	12,586	4,144	(170)	16,560	12,046	3,791	(206)	15,631

Notes:

- (1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Commercial and Specialty Vehicles and Powertrain segments, as well as the holding company Iveco Group N.V.
 (2) This item includes the elimination of receivables/payables between Industrial Activities and Financial Services.
 (3) This item primarily represents the reclassification of deferred taxes assets/liabilities in the same taxing jurisdiction and elimination of intercompany activity between Industrial Activities and Financial Services.

Iveco Group N.V.
Supplemental Combined Statement of Cash Flows for the years ended 31st December 2021 and 2020
 (Unaudited)

(€ million)	2021				2020			
	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated	Industrial Activities ⁽¹⁾	Financial Services	Eliminations	Consolidated
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	366	97	-	463	271	146	-	417
Profit/(loss)	17	59	-	76	(385)	13	-	(372)
Adjustment to reconcile profit/(loss) to cash flows from/(used in) operating activities	460	5	(2)	463	893	38	-	931
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	477	64	(2)	539	508	51	-	559
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(85)	35	5	(45)	(308)	218	-	(90)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	(61)	(24)	(3)	(88)	(86)	(321)	-	(407)
Translation exchange differences	29	(1)	-	28	(19)	3	-	(16)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	360	74	-	434	95	(49)	-	46
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	726	171	-	897	366	97	-	463

Notes:

- (1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Commercial and Specialty Vehicles and Powertrain segments, as well as the holding company Iveco Group N.V.

Other Supplemental Financial Information

(Unaudited)

Reconciliation of EBIT to Adjusted EBIT by segment (€ million)

							2021
	Commercial and Specialty Vehicles	Powertrain	Unallocated items, eliminations and other	Total Industrial Activities	Financial Services	Eliminations	Total
EBIT	239	206	(224)	221	74	-	295
<i>Adjustments:</i>							
Restructuring costs	34	2	-	36	-	-	36
Other discrete items ⁽¹⁾	(19)	-	64	45	-	-	45
Adjusted EBIT	254	208	(160)	302	74	-	376
							2020
	Commercial and Specialty Vehicles	Powertrain	Unallocated items, eliminations and other	Total Industrial Activities	Financial Services	Eliminations	Total
EBIT	(437)	181	(135)	(391)	15	-	(376)
<i>Adjustments:</i>							
Restructuring costs	18	14	-	32	-	-	32
Other discrete items ⁽¹⁾	270	-	-	270	-	-	270
Adjusted EBIT	(149)	195	(135)	(89)	15	-	(74)

(1) In the year ended 31st December 2021, this item includes the pre- and after-tax gain of €8 million from the sale of the 30.1% interest in Naveco, as well as the positive impact of €11 million from the sale of investments by a joint venture accounted for under the equity method, presented in column "Commercial and Specialty Vehicles". This item also includes €43 million separation costs in connection with the spin-off of the Iveco Group business, and a loss of €21 million due to the valuation, at their recoverable amount, of certain assets classified as held for sale presented in column "Unallocated items, eliminations and other". In the year ended 31st December 2020, this item primarily included asset optimization charges of €247 million, other asset impairment charges of €6 million, and €17 million negative impact from the costs recognized by a Chinese joint venture, accounted for under the equity method, for valuation allowances against deferred tax assets and restructuring actions.

Other Supplemental Financial Information

(Unaudited)

Reconciliation of Total (Debt) to Net Cash (Debt) (€ million)

	Consolidated		Industrial Activities		Financial Services	
	31 st December 2021	31 st December 2020	31 st December 2021	31 st December 2020	31 st December 2021	31 st December 2020
Third party (debt)	(2,709)	(2,750)	(220)	(235)	(2,489)	(2,515)
Intersegment notes payable ⁽¹⁾	-	-	(71)	(86)	(41)	(60)
(Debt) payables to CNH Industrial Group Post-Demerger ⁽²⁾	(3,076)	(2,563)	(2,370)	(2,192)	(706)	(371)
Total (Debt)	(5,785)	(5,313)	(2,661)	(2,513)	(3,236)	(2,946)
Cash and cash equivalents	897	463	726	366	171	97
Intersegment notes receivables ⁽¹⁾	-	-	41	60	71	86
Financial receivables from CNH Industrial Group Post-Demerger ⁽³⁾	3,520	3,543	2,896	3,125	624	418
Other current financial assets ⁽⁴⁾	54	128	54	128	-	-
Derivatives assets ⁽⁵⁾	50	28	49	21	1	7
Derivatives liabilities ⁽⁵⁾	(43)	(27)	(42)	(22)	(1)	(5)
Net Cash (Debt)⁽⁶⁾	(1,307)	(1,178)	1,063	1,165	(2,370)	(2,343)

(1) As a result of the role played by the central treasury, debt for Industrial Activities also includes funding raised by the central treasury on behalf of Financial Services (included under Intersegment financial receivables). Intersegment financial receivables for Financial Services, on the other hand, represent loans or advances to Industrial Activities – for receivables sold to Financial Services that do not meet the derecognition requirements – as well as cash deposited temporarily with the central treasury. Total Debt of Industrial Activities includes Intersegment notes payable to Financial Services of €71 million and €86 million as of 31 December 2021, and 2020, respectively. Total Debt of Financial Services includes Intersegment notes payable to Industrial Activities of €41 million and €60 million as of 31 December 2021, and 2020, respectively.

(2) It mainly includes overdraft and advances/utilizations under cash management and/or cash pooling arrangements and loans granted by the CNH Industrial Group Post-Demerger central treasury.

(3) It mainly refers to cash balances deposited with the CNH Industrial Group Post-Demerger central treasury, including cash management and/or cash pooling arrangements.

(4) This item includes short-term deposits and investments towards high-credit rating counterparties.

(5) Derivative assets and Derivative liabilities include, respectively, the positive and negative fair values of derivative financial instruments.

(6) The net intersegment receivable/(payable) balance recorded by Financial Services relating to Industrial Activities was €30 million and €26 million as of 31 December 2021 and 2020, respectively.

Reconciliation of Cash and cash equivalents to Available liquidity (€ million)

	31 st December 2021	31 st December 2020
Cash and cash equivalents	897	463
Undrawn committed facilities	41	48
Other current financial assets ⁽¹⁾	54	128
Net financial receivables from CNH Industrial Group Post-Demerger ⁽²⁾	444	980
Available liquidity	1,436	1,619

(1) This item includes short-term deposits and investments towards high-credit rating counterparties.

(2) This item includes cash deposited in the central treasury of CNH Industrial Post-Demerger.

Other Supplemental Financial Information

(Unaudited)

Change in Net Cash (Debt) of Industrial Activities (€ million)

	2021	2020
Net Cash (Debt) of Industrial Activities at beginning of period	1,165	1,302
Adjusted EBIT of Industrial Activities	302	(89)
Depreciation and Amortization	565	578
Depreciation of assets under operating leases and assets sold with buy-back commitments	227	249
Cash interest and taxes	(155)	(77)
Changes in provisions and similar ⁽¹⁾	(159)	(350)
Change in working capital	(303)	197
Operating cash flow of Industrial Activities	477	508
Investments in property, plant and equipment, and intangible assets ⁽²⁾	(563)	(400)
Other changes	(39)	(226)
Free Cash Flow of Industrial Activities	(125)	(118)
Capital increases and dividends	-	-
Currency translation differences and other	23	(19)
Change in Net Cash (Debt) of Industrial Activities	(102)	(137)
Net Cash (Debt) of Industrial Activities at end of period	1,063	1,165

(1) Including other cash flow items related to operating lease and buy-back activities.

(2) Excluding assets sold under buy-back commitments and assets under operating leases.

Reconciliation of Net cash provided by (used in) Operating Activities to Free Cash Flow of Industrial Activities (€ million)

	2021	2020
Net cash provided by (used in) Operating Activities	539	559
Less: Cash flows from Operating Activities of Financial Services net of eliminations	(62)	(51)
Operating cash flow of Industrial Activities	477	508
Investments in property, plant and equipment, and intangible assets of Industrial Activities	(563)	(400)
Other changes ⁽¹⁾	(39)	(226)
Free Cash Flow of Industrial Activities	(125)	(118)

(1) This item primarily includes change in intersegment financial receivables and capital increases in intersegment investments.

Other Supplemental Financial Information

(Unaudited)

Reconciliation of Adjusted net profit/(loss) and Adjusted income tax (expense) benefit to Consolidated Profit/(loss) and Income tax (expense) benefit and calculation of Adjusted diluted EPS and Adjusted ETR (€ million, except per share data)

	2021	2020
Profit/(loss)	76	(372)
Adjustments impacting Profit/(loss) before income tax (expense) benefit (a)	84	302
Adjustments impacting Income tax (expense) benefit (b)	(20)	(97)
Adjusted net profit/(loss)	140	(167)
Adjusted net profit/(loss) attributable to Iveco Group N.V.	116	(206)
Weighted average shares outstanding – diluted (million)	271	271
Adjusted diluted EPS (€)	0.43	(0.76)
Profit/(loss) before taxes	180	(488)
Adjustments impacting Profit/(loss) before income tax (expense) benefit (a)	84	302
Adjusted profit/(loss) before income tax (expense) benefit (A)	264	(186)
Income tax (expense) benefit	(104)	116
Adjustments impacting Income tax (expense) benefit (b)	(20)	(97)
Adjusted income tax (expense) benefit (B)	(124)	19
Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A)	47%	10%
a) Adjustments impacting Profit/(loss) before income tax (expense) benefit		
Restructuring costs	36	32
Spin-off costs	46	-
Impairment of certain assets held for sale	21	-
Other assets impairment charges	-	6
Asset optimization charges	-	247
Gain from the sale of 30.1% interest in Naveco	(8)	-
Non-recurring expense (income) recognized by Chinese joint ventures ⁽¹⁾	(11)	17
Total	84	302
b) Adjustments impacting Income tax (expense) benefit		
Tax effect of adjustments impacting income tax (expense) benefit	(17)	(57)
Net discrete tax benefit	(3)	(40)
Total	(20)	(97)

(1) In 2021, this item included the positive impact from the sale of investments of a Chinese joint venture accounted for under the equity method. In 2020, this item included the negative impact from the costs recognized by a Chinese joint venture, accounted for under the equity method, for valuation allowances against deferred tax assets and restructuring actions.

Translation of financial statements denominated in a currency other than the Euro

The principal exchange rates used to translate into Euro the financial statements prepared in currencies other than the Euro were as follows:

	Average 2021	At 31 st December 2021	Average 2020	At 31 st December 2020
U.S. dollar	1.183	1.133	1.142	1.227
Pound sterling	0.860	0.840	0.890	0.899
Swiss franc	1.081	1.033	1.071	1.080
Brazilian real	6.378	6.310	5.894	6.373
Polish Zloty	4.565	4.597	4.443	4.560
Czech Koruna	25.640	24.858	26.455	26.242
Argentine peso ⁽¹⁾	116.239	116.239	103.043	103.043

(1) From July 1, 2018, Argentina's economy was considered to be hyperinflationary. After the same date, transactions for entities with the Argentine peso as the functional currency were translated using the closing spot rate.