

IC Nordics A/S

Roholmsvej 19
2620 Albertslund
Denmark

CVR no. 20 95 01 37

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

27 March 2023

Hans Peter Sørensen

Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of IC Nordics A/S for the financial year 1 January – 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Albertslund, 27 March 2023
Executive Board:

Stefano Izzo
CEO

Board of Directors:

Hans Peter Sørensen
Chairman

Frans Alpaert

Paola Ghinamo

Independent auditor's report

To the shareholder of IC Nordics A/S

Opinion

We have audited the financial statements of IC Nordics A/S for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 March 2023

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Mogens Andreasen
State Authorised
Public Accountant
mne28603

Allan Nørgaard
State Authorised
Public Accountant
mne35501

IC Nordics A/S
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Management's review

Company details

IC Nordics A/S
Roholmsvej 19
2620 Albertslund
Denmark

CVR no.:	20 95 01 37
Established:	22 June 1998
Registered office:	Albertslund
Financial year:	1 January – 31 December

Board of Directors

Hans Peter Sørensen, Chairman
Frans Alpaert
Paola Ghinamo

Executive Board

Stefano Izzo, CEO

Auditor

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg
CVR no: 30 70 02 28

Management's review

Operating review

Principal activities

The Company's activity is mainly financing of agricultural and construction machines as well as commercial vehicles, in cooperation with consolidated enterprise, including retail financing of purchase contracts and lease contracts as well as stock financing for consolidated enterprise and dealers.

It is the opinion of Management that all material information for the assessment of the Company's financial position and the profit for the year appears from the annual report and this management commentary.

Development in activities and finances

In 2022, the retail lending business originations reached a level of 224,4M. This is a decrease of 5.7% compared to previous year. In 2021, retail originations were 237.8M. The drop in originations is mainly driven by a decrease in the retail business in Sweden.

This market is shown a big decrease in new AG retail business.

This evolution of the business is also being reflected in a decreasing vendor fee income. While in 2021, IC Nordics realized a vendor fee income of 1.257k Eur, this vendor fee income decreased to 1.111k Eur in 2022.

We noticed that the agricultural business in Denmark, which suffered the most from the Covid-19 pandemic in 2021, has fully recovered in 2022 while the AG business in Sweden is now under pressure. The AG retail originations in Sweden dropped from 91M in 2021 to 66M in 2022, which represent a decrease of 28%.

On the commercial lending side, we notice an increase on the income from our loan facilities offered to dealers. In addition, also the income from the factoring activities is generating an increased income.

Particular risks

For its retail financing activities, the company is operating on all markets through a vendor program. In Denmark, there is an agreement with Nordea Finance Denmark and on the Swedish market with Nordea Finans Sweden. In the Baltics there is a vendor program with Luminor for the AG/CE segment and with Citadele for the CV segment. This allows the company to cope with potential future financial risks.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2022	2021
Gross profit	2	12,613,316	13,600,338
Staff costs	3	-6,556,992	-6,092,172
Depreciation, amortisation and impairment losses		<u>-1,416</u>	<u>-1,416</u>
Profit before tax		6,054,908	7,506,750
Tax on profit for the year	4	<u>-1,664,602</u>	<u>-1,677,397</u>
Profit for the year		<u>4,390,306</u>	<u>5,829,353</u>
Proposed profit appropriation			
Proposed dividends for the year		3,725,000	5,580,000
Retained earnings		<u>665,306</u>	<u>249,353</u>
		<u>4,390,306</u>	<u>5,829,353</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		<u>4,604</u>	<u>6,020</u>
Total fixed assets		<u>4,604</u>	<u>6,020</u>
Current assets			
Receivables			
Receivables from group entities		88,905,217	135,508,202
Other receivables		24,388,892	23,809,149
Deferred tax asset	6	0	98,934
Corporation tax		1,212,000	129,751
Prepayments		<u>30,717</u>	<u>36,019</u>
		<u>114,536,826</u>	<u>159,582,055</u>
Cash at bank and in hand		0	13,604,346
Total current assets		<u>114,536,826</u>	<u>173,186,401</u>
TOTAL ASSETS		<u><u>114,541,430</u></u>	<u><u>173,192,421</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital	7	500,000	500,000
Retained earnings		30,434,717	29,769,411
Proposed dividends for the financial year		<u>3,725,000</u>	<u>5,580,000</u>
Total equity		<u>34,659,717</u>	<u>35,849,411</u>
Provisions			
Provisions for deferred tax	6	<u>251,040</u>	<u>0</u>
Total provisions		<u>251,040</u>	<u>0</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		404,911	877,932
Payables to group entities		73,478,431	133,270,281
Corporation tax		1,311,950	329,348
Other payables		<u>4,435,381</u>	<u>2,865,449</u>
		<u>79,630,673</u>	<u>137,343,010</u>
Total liabilities other than provisions		<u>79,630,673</u>	<u>137,343,010</u>
TOTAL EQUITY AND LIABILITIES		<u>114,541,430</u>	<u>173,192,421</u>
Contractual obligations, contingencies, etc.	8		
Mortgages and collateral	9		
Related party disclosures	10		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2022	500,000	29,769,411	5,580,000	35,849,411
Ordinary dividends paid	0	0	-5,580,000	-5,580,000
Transferred over the profit appropriation	0	665,306	3,725,000	4,390,306
Equity at 31 December 2022	500,000	30,434,717	3,725,000	34,659,717

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of IC Nordics A/S for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Gross profit comprises revenue, cost of sales and other external costs.

Revenue

The finance income is recognized in the income statement concurrently with interest being earned according to contracts

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cost of sales

Cost of sales is finance cost recognized at cost.

Other external costs

Other external costs comprise losses on receivables and expenses for running the Company other than wages and cost for personnel, and depreciation on fixed assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Tax on profit for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Fixtures and fittings, tools and equipment	4-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Equity

Dividends

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities other than provisions

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

DKK	<u>31/12 2022</u>	<u>31/12 2021</u>
2 Gross profit		
Interest income	12,856,924	13,130,334
Interest income from group enterprises	29,922,189	26,792,698
Sundry	-1,216,164	-2,105,106
Interest expenses to group enterprises	-20,398,887	-14,535,114
Losses and provisions for loss	944,950	-1,087,378
Other external costs	<u>-9,495,696</u>	<u>-8,595,096</u>
	<u>12,613,316</u>	<u>13,600,338</u>
3 Staff costs		
Wages and salaries	6,032,250	5,605,083
Pensions	451,317	442,274
Other social security costs	<u>73,425</u>	<u>44,815</u>
	<u>6,556,992</u>	<u>6,092,172</u>
Average number of full-time employees	<u>6</u>	<u>6</u>
4 Tax on profit for the year		
Current tax for the year	1,311,950	1,623,597
Deferred tax for the year	20,958	21,008
Adjustment of tax concerning previous years	2,678	32,792
Adjustment of deferred tax concerning previous years	<u>329,016</u>	<u>0</u>
	<u>1,664,602</u>	<u>1,677,397</u>
5 Property, plant and equipment		
DKK		<u>Fixtures and fittings, tools and equipment</u>
Cost at 1 January 2022		<u>571,955</u>
Cost at 31 December 2022		<u>571,955</u>
Depreciation and impairment losses at 1 January 2022		-565,935
Depreciation for the year		<u>-1,416</u>
Depreciation and impairment losses at 31 December 2022		<u>-567,351</u>
Carrying amount at 31 December 2022		<u>4,604</u>

Financial statements 1 January – 31 December

Notes

6 Deferred tax assets

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

7 Equity

The contributed capital consists of 500 shares of a nominal value of DKK 1.000 each.

The share capital of the company has remained unchanged for an amount of DKK 500,000 during the last 5 years.

8 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has entered into lease agreements on company cars with a total value of DKK 570 thousand.

The Entity participates in a Danish joint taxation arrangement where IVECO Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9 Mortgages and collateral

No mortgages and securities.

10 Related party disclosures

IC Nordics A/S' related parties comprise the following:

Control

Iveco Group N.V., Via Puglia 35, 10156 Turin, Italy.

Iveco Group N.V. holds the majority of the contributed capital in the Company.

IC Nordics A/S is part of the consolidated financial statements of Iveco Group N.V., Via Puglia 35, 10156 Turin, Italy, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Iveco Group N.V. can be obtained by contacting the company at the address above.