

IC Nordics A/S

Roholmsvej 19
2620 Albertslund
CVR No. 20950137

Annual report 2021

The Annual General Meeting adopted the
annual report on 30.03.2022

Hans Peter Sørensen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Notes	12
Accounting policies	15

Entity details

Entity

IC Nordics A/S

Roholmsvej 19

2620 Albertslund

Business Registration No.: 20950137

Date of foundation: 22.06.1998

Registered office: Albertslund

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Hans Peter Sørensen, Chairman

Francois Thierry Millot

Frans Alpaert

Executive Board

Stefano Izzo, CEO

Auditors

EY Godkendt Revisionspartnerselskab

Dirch Passers Allé 36

2000 Frederiksberg

CVR No.: 30700228

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of IC Nordics A/S for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Albertslund, 25.03.2022

Executive Board

Stefano Izzo
CEO

Board of Directors

Hans Peter Sørensen
Chairman

Francois Thierry Millot

Frans Alpaert

Independent auditor's report

To the shareholders of IC Nordics A/S

Opinion

We have audited the financial statements of IC Nordics A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Management's responsibilities 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 as 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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 the 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 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.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

København, 25.03.2022

EY Godkendt Revisionspartnerselskab

CVR No. 30700228

Mogens Andreasen

State Authorised Public Accountant

Identification No (MNE) mne28603

Allan Nørgaard

State Authorised Public Accountant

Identification No (MNE) mne35501

Management commentary

Primary 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.

The company name has changed in 2022 from CNH Industrial Financial Services A/S to IC Nordics A/S.

Development in activities and finances

During 2021 the retail lending business has increased compared to 2020. Total retail originations in 2021 reached 237.8M EUR compared to 204.5M EUR in 2020. This increase in volume results in an increase of 6% on vendor fee income, moving from 1.188k EUR to 1.257k EUR. The segment which suffered the most from the COVID-19 pandemic is the agricultural business in Denmark which decreased from 79.6M EUR originations in 2020 to 64.3M EUR of originations in 2021. Since Q4 2020 the Baltics retail business has been incorporated in IC Nordics A/S which is triggering also the higher income compared to 2020.

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.

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.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss	1	13,622,958	14,696,057
Staff costs	2	(6,114,792)	(4,923,671)
Depreciation, amortisation and impairment losses	3	(1,416)	(1,416)
Operating profit/loss		7,506,750	9,770,970
Profit/loss before tax		7,506,750	9,770,970
Tax on profit/loss for the year	4	(1,677,397)	(2,151,069)
Profit/loss for the year		5,829,353	7,619,901
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		5,580,000	15,000,000
Retained earnings		249,353	(7,380,099)
Proposed distribution of profit and loss		5,829,353	7,619,901

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Other fixtures and fittings, tools and equipment		6,020	7,436
Property, plant and equipment	5	6,020	7,436
Fixed assets		6,020	7,436
Receivables from group enterprises		135,508,202	20,664,252
Deferred tax	6	98,934	119,943
Other receivables		23,809,149	26,873,273
Income tax receivable		129,751	0
Prepayments		36,019	2,086,281
Receivables		159,582,055	49,743,749
Cash		13,604,346	5,201,297
Current assets		173,186,401	54,945,046
Assets		173,192,421	54,952,482

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	7	500,000	500,000
Retained earnings		29,769,411	29,520,058
Proposed dividend		5,580,000	15,000,000
Equity		35,849,411	45,020,058
Trade payables		877,932	494,863
Payables to group enterprises		133,270,281	203,062
Income tax payable		329,348	580,065
Other payables		2,865,449	4,966,573
Deferred income	8	0	3,687,861
Current liabilities other than provisions		137,343,010	9,932,424
Liabilities other than provisions		137,343,010	9,932,424
Equity and liabilities		173,192,421	54,952,482
Contingent liabilities	9		
Assets charged and collateral	10		
Related parties with controlling interest	11		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	29,520,058	15,000,000	45,020,058
Ordinary dividend paid	0	0	(15,000,000)	(15,000,000)
Profit/loss for the year	0	249,353	5,580,000	5,829,353
Equity end of year	500,000	29,769,411	5,580,000	35,849,411

Notes

1 Gross profit/loss

	2021 DKK	2020 DKK
Interest income	13.130.334	12.388.118
Interest income from group enterprises	26.792.698	20.576.500
Sundry	(2.105.106)	(1.101.665)
Interest expenses to group enterprises	(14.535.114)	(12.326.623)
Losses and provisions for loss	(1.087.378)	21.678
Other External expenses	(8.572.476)	(4.861.951)
	13.622.958	14.696.057

2 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	5,605,083	4,414,252
Pension costs	442,274	409,512
Other social security costs	44,815	75,620
Other staff costs	22,620	24,287
	6,114,792	4,923,671

Average number of full-time employees	6	6
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3 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Depreciation of property, plant and equipment	1,416	1,416
	1,416	1,416

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	1,623,597	2,098,065
Change in deferred tax	21,008	51,462
Adjustment concerning previous years	32,792	1,542
	1,677,397	2,151,069

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	571,955
Cost end of year	571,955
Depreciation and impairment losses beginning of year	(564,519)
Depreciation for the year	(1,416)
Depreciation and impairment losses end of year	(565,935)
Carrying amount end of year	6,020

6 Deferred tax

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 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	500	1.000	500,000
	500		500,000

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

8 Deferred income

Deferred income comprises income received to be recognised in the subsequent financial year.

9 Contingent liabilities

The company has entered into lease agreements on company cars with a total value of DKK 447 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.

10 Assets charged and collateral

No mortgages and securities.

11 Related parties with controlling interest

Consolidated financial statements for the foreign parent companies can be ordered from the following addresses:

CNH Industrial NV
Cranes Farm Road
Basildon
Essex SS14 3AD
U.K

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied 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 or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

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

Cost of sales

Cost of sales is finance cost recognized at cost.

Other external expenses

Other external expenses 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.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of a nd property, plant and equipment.

Tax on profit/loss 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**

Other 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:

Other 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.

Receivables

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

Deferred tax

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.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.