IVECO • GROUP

2024 Semi-Annual Report

Second quarter 2024

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Iveco Group N.V.

Corporate Seat: Amsterdam, the Netherlands

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

Share Capital: €3,454,589.70 (as of 30 June 2024)

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

BOARD OF DIRECTORS AND AUDITOR

BOARD OF DIRECTORS[a]

Chairperson

Suzanne Heywood

Chief Executive Officer[b]

Olof Persson

Senior Non-Executive Director

Lorenzo Simonelli[1][*]

Non-Executive Directors

Judy Curran[1][*][c]

Tufan Erginbilgic[2][3][*]

Essimari Kairisto[1][*]

Linda Knoll[2][3][*]

Alessandro Nasi[2][3]

(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

(a) As appointed by the Annual General Meeting held on 17 April 2024.
(b) Mr. Gerrit Marx has been Chief Executive Officer and member of the Board until 30 June 2024. Mr. Olof Persson succeeded Mr. Gerrit Marx as Chief Executive Officer, effective 1 July 2024.
(c) Judy Curran Member of the Board since 17 April 2024.

INDEPENDENT AUDITOR

Deloitte Accountants B.V.

Disclaimer

Statements other than statements of historical fact contained in this report, 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. 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 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 difficult to predict and/or are outside the Company’s control. If any of these risks and uncertainties materialise (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 ongoing and/or threatened international conflicts and geopolitical tensions; supply chain disruptions and global logistic constraints, including, industry capacity constraints, supplier viability issues, material availability and relevant price volatility; increased vulnerability to cybersecurity or data privacy incidents, also due to potential massive availability of Generative Artificial Intelligence; the many interrelated factors that affect consumer confidence and worldwide demand for capital goods and capital goods-related products, including demand uncertainty caused by current macroeconomic and geopolitical issues; changes in government policies regarding banking, monetary and fiscal policy; legislation, particularly pertaining to capital goods-related issues such, 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; labour relations; interest rates and currency exchange rates; inflation and deflation; energy prices; 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; further developments of geopolitical threats which could impact 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 or acts of war in Europe and elsewhere; our ability to realise the anticipated benefits from our business initiatives as part of our strategic plan; our failure to realise, or a delay in realising, 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.

Further information concerning factors, risks, and uncertainties that could materially affect Iveco Group's financial results is included in Iveco Group Annual Report at 31 December 2023, prepared in accordance with EU-IFRS. Investors are expressly invited to refer to and consider the information on risks, factors, and uncertainties incorporated in the above-mentioned document, in addition to the information presented here.

Forward-looking statements are based upon assumptions relating to the factors described in this report, 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. Except as otherwise required by applicable rules, Iveco Group expressly disclaims any intention to provide, update or revise any forward-looking statements in this report 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 public filings under applicable regulations.

SEMI-ANNUAL MANAGEMENT REPORT

(Unaudited)

GENERAL

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). Unless otherwise indicated or the context otherwise requires, the terms “we”, “us” and “our” refer to Iveco Group N.V. together with its subsidiaries.

The Company was formed in the context of the separation ("the Demerger") of the Commercial and Specialty Vehicles business, the Powertrain business as well as the related Financial Services business from CNH Industrial N.V. 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.

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. As a result of the listing, the Company became a Dutch Public Interest Entity (OOB) on 3 January 2022.

Iveco Group reports quarterly and annual consolidated financial results in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU-IFRS) for European listing proposes and for Dutch law requirements. This Semi-Annual Report is prepared using the euro as the presentation currency.

On 14 March 2024, during its Capital Markets Day, Iveco Group released a new segment reporting structure for its Continuing Operations, expanding its reportable segments from three segments (Commercial & Specialty Vehicles, Powertrain and Financial Services) to five reportable segments (Truck, Bus, Defence, Powertrain and Financial Services). The Truck, Bus and Defence business units, along with the Fire Fighting business unit (now reported as Discontinued Operations - see paragraph "Discontinued Operations - Fire Fighting Business" of section "Results of Operations" for details on Discontinued Operations), were previously part of the Commercial and Specialty Vehicles segment. Iveco Group has the following operating segments:

- ***Truck*** designs, manufactures and distributes a full range of light, medium, and heavy vehicles for the transportation and distribution of goods under the IVECO brand;
- ***Bus*** designs, manufactures and distributes minibuses, city-buses, intercity buses and coaches under the IVECO BUS and HEULIEZ brands;
- ***Defence*** designs, manufactures and distributes vehicles for civil defense and peace-keeping missions under the IDV brand, as well as large-scale heavy-duty quarry and construction vehicles under the ASTRA brand;
- ***Powertrain*** designs, manufactures and distributes, under the FPT Industrial brand, a range of combustion engines, alternative propulsion systems, transmission systems and axles for on- and off-road applications, as well as for marine and power generation; and
- ***Financial Services*** offers a range of financial products and services to dealers and customers. Financial Services provides and administers retail financing to customers for the purchase or lease of new and used vehicles sold by brand dealers and distributors of the Group or directly by subsidiaries of the Group. In addition, Financial Services provides wholesale financing to brand dealers and distributors of the Group. Wholesale financing consists primarily of floor plan financing and allows the dealers to purchase and maintain a representative inventory of products. Financial Services also provides trade receivables factoring services to Iveco Group Industrial Activities legal entities. Additionally, Financial Services grants support to CNH Industrial Group (CNH), by providing financial services for its European brands, dealers and customers under a vendor and service agreement, receiving a fee for the services rendered.

The activities carried out by the Truck, Bus, Defence and Powertrain business units, as well as by the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations), are collectively referred to as “Industrial Activities”.

Certain financial information in this report has been presented by geographic area. Our geographical regions are: (1) Europe; (2) South America; (3) North America and (4) Rest of World. The geographic designations have the following meanings:

- *Europe*: member countries of the European Union, European Free Trade Association, the United Kingdom, Ukraine, and Balkans;
- *South America*: Central and South America, and the Caribbean Islands;
- *North America*: United States, Canada and Mexico; and
- *Rest of World*: Continental Asia (including Türkiye and Russia), Oceania and member countries of the Commonwealth of Independent States, the African continent, and Middle East.

This Semi-Annual Report is unaudited.

ALTERNATIVE PERFORMANCE MEASURES (OR "NON-EU-IFRS FINANCIAL MEASURES")

Iveco Group monitors its operations through the use of several non-EU-IFRS financial measures. Iveco Group's management believes that these non-EU-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-EU-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-EU-IFRS financial measures have no standardised 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-EU-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 Income/(Loss):* is defined as profit/(loss) for the period, 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 Iveco Group provides guidance for adjusted diluted EPS, the Group does not provide guidance on an earnings per share basis because the EU-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) profit (loss) before income taxes, less restructuring expenses and non-recurring items;
- *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;
- *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, Derivative assets and other current financial assets (primarily current securities, short-term deposits and investments towards high-credit rating counterparties) and financial receivables from CNH deriving from financing activities and sale of trade receivables. 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; and
- *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 financial receivables from CNH deriving from financing activities and sale of trade receivables.

RESULTS OF OPERATIONS

INTRODUCTION

The operations, key financial measures, and financial analysis differ significantly for manufacturing and distribution businesses and financial services businesses; therefore, for a better understanding of our operations and financial results, we present the following commentary split by Industrial Activities and Financial Services. Industrial Activities represent the activities carried out by Truck, Bus, Defence, and Powertrain business units, as well as the holding company Iveco Group N.V., that also provides centralised treasury services, and the Fire Fighting business unit (classified as Discontinued Operations).

Data included in this section reflects the new reporting structure as released by Iveco Group during its Capital Markets Day. Comparative data has been recast to conform the current year's presentation.

DISCONTINUED OPERATIONS - FIRE FIGHTING BUSINESS

On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. Subject to regulatory approval, the transaction is expected to be completed no later than January 2025.

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, as the sale became highly probable in March, the Fire Fighting business met the criteria to be classified as a disposal group held for sale; it also met the criteria to be classified as Discontinued Operations. That presentation of the Fire Fighting business has resulted in the following:

- the operating results of the Fire Fighting business have been excluded from the Group's Continuing Operations and are presented as a single line item "Profit/(Loss) from Discontinued Operations, net of tax" within the Semi-Annual Condensed Consolidated Income Statement for the three and six months ended 30 June 2024 and 2023 (the latter presented for comparative purposes). In order to present the financial effects of the Discontinued Operations, revenues and expenses arising from intercompany transactions were eliminated except for those revenues and expenses that are considered to continue after the disposal of the Discontinued Operations. Eliminations from transactions between Continuing and Discontinued Operations have been allocated in full to Discontinued Operations. However, no profit or loss has been recognised for intercompany transactions within the Consolidated Income Statement;
- the assets and liabilities of the Fire Fighting business have been classified as Assets held for sale and Liabilities held for sale within the Semi-Annual Condensed Consolidated Statement of Financial Position at 30 June 2024, while the comparative amounts at 31 December 2023 have not been reclassified;
- all cash flows arising from the Fire Fighting business have been presented separately in the appropriate items as Cash flows from operating, investing and financing activities, respectively, from Discontinued Operations within the Semi-Annual Condensed Consolidated Statement of Cash Flows for the three and six months ended 30 June 2024 and 2023 (the latter presented for comparative purposes). These cash flows represent those arising from transactions with third parties.

According to IFRS 5, when non-current assets and disposal groups are classified as held for sale, they are required to be measured at the lower of their carrying amount and fair value less costs to sell. This measurement treatment resulted in the recognition, in the first quarter of 2024, of a pre- and after-tax loss of €115 million in the Condensed Consolidated Income Statement.

See the Notes to the Semi-Annual Condensed Consolidated Financial Statements, paragraph "Discontinued Operations – Fire Fighting Business" for additional details.

Unless otherwise stated, the figures and comments included in this section exclude results from Discontinued Operations.

THREE MONTHS ENDED 30 JUNE 2024 COMPARED TO THE THREE MONTHS ENDED 30 JUNE 2023

Consolidated Results of Operations

	Three months ended 30 June 2024				Three months ended 30 June 2023			
(€ million)	Industrial Activities[(1)]	Financial Services	Eliminations	Consolidated	Industrial Activities[(1)]	Financial Services	Eliminations	Consolidated
Net revenues	3,819	142	(42) [(2)]	3,919	4,052	117	(45) [(2)]	4,124
Cost of sales	3,150	93	(42) [(3)]	3,201	3,389	57	(45) [(3)]	3,401
Selling, general and administrative costs	223	22	—	245	225	21	—	246
Research and development costs	160	—	—	160	141	—	—	141
Result from investments	2	4	—	6	2	3	—	5
Restructuring costs	4	1	—	5	6	—	—	6
Other income/(expenses)	(30)	—	—	(30)	(29)	(2)	—	(31)
EBIT	**254**	**30**	**—**	**284**	**264**	**40**	**—**	**304**
Financial income/(expenses)	(49)	—	—	(49)	(82)	—	—	(82)
PROFIT/(LOSS) BEFORE TAXES	**205**	**30**	**—**	**235**	**182**	**40**	**—**	**222**
Income tax (expense) benefit	(54)	(9)	—	(63)	(48)	(13)	—	(61)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**151**	**21**	**—**	**172**	**134**	**27**	**—**	**161**
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	**(10)**	**—**	**—**	**(10)**	**(11)**	**—**	**—**	**(11)**
PROFIT/(LOSS) FOR THE PERIOD	**141**	**21**	**—**	**162**	**123**	**27**	**—**	**150**

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations).
(2) Elimination of Financial Services' interest income earned from Industrial Activities.
(3) Elimination of Industrial Activities' interest expense to Financial Services.

Net revenues

Net revenues were €3,919 million in the three months ended 30 June 2024, a decrease of 5.0% compared to the three months ended 30 June 2023.

Cost of sales

Cost of sales was €3,201 million for the three months ended 30 June 2024 compared with €3,401 million for the three months ended 30 June 2023. As a percentage of net revenues, cost of sales of Industrial Activities was 82.5% in the three months ended 30 June 2024 (83.6% for the three months ended 30 June 2023).

Selling, general and administrative costs

Selling, general and administrative costs were €245 million during the three months ended 30 June 2024 (6.3% of net revenues) compared to €246 million for the three months ended 30 June 2023 (6.0% of net revenues).

Research and development costs

In the three months ended 30 June 2024, research and development costs were €160 million (€141 million in the three months ended 30 June 2023), and included all the research and development costs not recognised as assets in the period, amounting to €99 million (€85 million in the three months ended 30 June 2023), the amortisation of capitalised development costs of €59 million (€56 million in the three months ended 30 June 2023) and an impairment of capitalised development costs of €2 million (nil in the three months ended 30 June 2023). During the three months ended 30 June 2024, Iveco Group capitalised new expenditures for development costs for €88 million (€108 million in the three months ended 30 June 2023). The costs in both periods were primarily attributable to spending on engine development associated with emission requirements and continued investment in new products.

Result from investments

Result from investments was a net gain of €6 million in the three months ended 30 June 2024 compared to a net gain of €5 million for the three months ended 30 June 2023.

Restructuring costs

Restructuring costs for the three months ended 30 June 2024 were €5 million compared to €6 million for the three months ended 30 June 2023.

Other income/(expenses)

Other expenses were €30 million for the three months ended 30 June 2024 and €31 million in the three months ended 30 June 2023. In both periods, this item primarily included legal costs, indirect taxes, and separation costs related to the spin-off of the Iveco Group business.

Financial income/(expenses)

Net financial expenses were €49 million for the three months ended 30 June 2024, compared to €82 million for the three months ended 30 June 2023. The decrease year over year was mainly due to more contained cost of hedge impact in Argentina, resulting from the implemented hedging strategy, and an improvement in the Argentinian hyperinflation accounting impact.

Income tax (expense) benefit

	Three months ended 30 June	
(€ million)	**2024**	**2023**
Profit (loss) before taxes	235	222
Income tax (expense) benefit	(63)	(61)
Effective tax rate	**26.8 %**	**27.5 %**

Income tax expense for the three months ended 30 June 2024 was €63 million based on profit before taxes of €235 million, compared to tax expense of €61 million for the three months ended 30 June 2023, based on profit before taxes of €222 million. The effective tax rates for the three months ended 30 June 2024 and 2023 were 26.8% and 27.5%, respectively. Excluding the impact of restructuring costs, separation costs and other minor items, the effective tax rate was 26% for the three months ended 30 June 2024. Excluding the impact of cost related to certain claims arising from the EU Commission's 2016 antitrust settlement decision, the positive impact from the release of provisions related to Russia and Ukraine conflict, as well a restructuring costs and cost related to the spin-off of the Iveco Group business, the effective tax rate was 27% for the three months ended 30 June 2023.

Profit/(loss) from Continuing Operations

Net profit from Continuing Operations was €172 million for the three months ended 30 June 2024 compared to a net profit of €161 million for the three months ended 30 June 2023, primarily due to profitability improvements.

Profit/(loss) from Discontinued Operations, net of tax

Net loss from Discontinued Operations was €10 million for the three months ended 30 June 2024 compared to a net loss of €11 million for the three months ended 30 June 2023.

Profit/(loss) for the period

Net profit was €162 million for the three months ended 30 June 2024 compared to net profit of €150 million for the three months ended 30 June 2023.

Reconciliation of Adjusted net profit/(loss) from Continuing Operations to Profit/(loss) from Continuing Operations

The following table summarises the reconciliation of Adjusted net profit/(loss) from Continuing Operations, a non-EU-IFRS financial measure, to Profit/(loss) from Continuing Operations, the most comparable EU-IFRS financial measure, for the three months ended 30 June 2024 and 2023.

	Three months ended 30 June	
(€ million)	**2024**	**2023**
Profit/(loss) from Continuing Operations	**172**	**161**
Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations (a)	11	7
Adjustments impacting Income tax (expense) benefit from Continuing Operations (b)	(1)	(1)
Adjusted net profit/(loss) from Continuing Operations	**182**	**167**
Adjusted net profit/(loss) attributable to Iveco Group N.V. from Continuing Operations	172	167
Weighted average shares outstanding – diluted (million)	274	274
Adjusted diluted EPS from Continuing Operations (€)	**0.63**	**0.61**
Profit/ (loss) before income tax (expense) benefit from Continuing Operations	**235**	**222**
Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations (a)	11	7
Adjusted profit/(loss) before income tax (expense) benefit from Continuing Operations (A)	**246**	**229**
Income tax (expense) benefit from Continuing Operations	**(63)**	**(61)**
Adjustments impacting Income tax (expense) benefit from Continuing Operations (b)	(1)	(1)
Adjusted Income tax (expense) benefit from Continuing Operations (B)	**(64)**	**(62)**
Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A) from Continuing Operations	**26 %**	**27 %**
a) Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations		
Restructuring costs	5	6
Negative impact from the agreement to transfer the Fire Fighting business	—	—
Spin-off costs	5	1
Impacts from Russia and Ukraine conflict	—	(5)
Costs related to certain claims arising from the EU Commission's 2016 antitrust settlement	1	5
Total	**11**	**7**
b) Adjustments impacting Income tax (expense) benefit from Continuing Operations		
Tax effect of adjustments impacting Profit/(loss) before income tax (expense) benefit	(1)	(1)
Total	**(1)**	**(1)**

Industrial Activities and Business Segments - Continuing Operations

The following tables show net revenues and Adjusted EBIT by business segment. Also included is a discussion of results by Industrial Activities and each business segment.

Net revenues by business segment

	Three months ended 30 June		
(€ million)	**2024**	**2023**	**% change**
Truck	2,565	2,849	-10.0
Bus	612	500	22.4
Defence	285	220	29.5
Powertrain	980	1,135	-13.7
Eliminations and Other	(623)	(652)	—
Total Net revenues of Industrial Activities	**3,819**	**4,052**	**-5.8**
Financial Services	142	117	21.4
Eliminations and Other	(42)	(45)	—
Total Net revenues	**3,919**	**4,124**	**-5.0**

Adjusted EBIT by business segment

	Three months ended 30 June				
(€ million)	**2024**	**2023**	**Change**	**2024 Adjusted EBIT margin**	**2023 Adjusted EBIT margin**
Truck	190	225	-35	7.4 %	7.9 %
Bus	32	16	16	5.2 %	3.2 %
Defence	28	20	8	9.8 %	9.1 %
Powertrain	65	66	-1	6.6 %	5.8 %
Unallocated items, eliminations and other	(51)	(51)	—	—	—
Adjusted EBIT of Industrial Activities	**264**	**276**	**-12**	**6.9 %**	**6.8 %**
Financial Services	31	35	-4	21.8 %	29.9 %
Eliminations and Other	—	—	—	—	—
Total Adjusted EBIT	**295**	**311**	**-16**	**7.5 %**	**7.5 %**

Net revenues of Industrial Activities were €3,819 million during the three months ended 30 June 2024, a decrease of 5.8% compared to the three months ended 30 June 2023, due to lower volumes mainly in Europe, negative mix and an adverse foreign exchange impact compared to the same period last year, partially offset by a positive price realisation.

Adjusted EBIT of Industrial Activities was €264 million during the three months ended 30 June 2024, compared to €276 million during the three months ended 30 June 2023, due to a continuously positive price realisation offset mainly by lower volumes and an adverse foreign exchange impact.

Reconciliation of EBIT and Adjusted EBIT

The following tables summarise the reconciliation of Adjusted EBIT, a non-EU-IFRS financial measure, to EBIT, the most comparable EU-IFRS financial measure, for the three months ended 30 June 2024 and 2023.

	Three months ended 30 June 2024								
(€ million)	**Truck**	**Bus**	**Defence**	**Powertrain**	**Unallocated items, eliminations and other**	**Total Industrial Activities**	**Financial Services**	**Eliminations**	**Total**
EBIT	**186**	**32**	**28**	**64**	**(56)**	**254**	**30**	**—**	**284**
Adjustments:									
Restructuring costs	4	—	—	1	(1)	4	1	—	5
Other discrete items(1)	—	—	—	—	6	6	—	—	6
Adjusted EBIT	**190**	**32**	**28**	**65**	**(51)**	**264**	**31**	**—**	**295**

(1) In the three months ended 30 June 2024, this item mainly includes €5 million separation costs related to the spin-off of the Iveco Group business.

	Three months ended 30 June 2023								
(€ million)	**Truck**	**Bus**	**Defence**	**Powertrain**	**Unallocated items, eliminations and other**	**Total Industrial Activities**	**Financial Services**	**Eliminations**	**Total**
EBIT	**221**	**16**	**20**	**64**	**(57)**	**264**	**40**	**—**	**304**
Adjustments:									
Restructuring costs	4	—	—	2	—	6	—	—	6
Other discrete items(1)	—	—	—	—	6	6	(5)	—	1
Adjusted EBIT	**225**	**16**	**20**	**66**	**(51)**	**276**	**35**	**—**	**311**

(1) In the three months ended 30 June 2023, this item primarily included €5 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement decision and €5 million positive impact from the release of provisions related to the Russia and Ukraine conflict.

Industrial Activities Performance - Continuing Operations

Truck

Net revenues

The following table shows Truck's net revenues by geographic region for the three months ended 30 June 2024 compared to the three months ended 30 June 2023:

Truck Net revenues – by geographic region:

	Three months ended 30 June		
(€ million)	**2024**	**2023**	**% change**
Europa	1,930	2,217	-12.9
South America	312	336	-7.1
Rest of World	323	296	9.1
Total	**2,565**	**2,849**	**-10.0**

Truck's net revenues were €2,565 million in the three months ended 30 June 2024, a decrease of 10.0% compared to the three months ended 30 June 2023, with positive price realisation partially offsetting lower volumes and an adverse foreign exchange rate impact, mainly in Argentina, compared to the prior period.

During the three months ended 30 June 2024, the European truck market (GVW ≥3.5 tons), excluding U.K. and Ireland, increased 17% compared to the same period in 2023. In Europe, the light commercial vehicles (LCV) market (GVW 3.5-7.49 tons) increased 22% and the Medium & Heavy (M&H) truck market (GVW ≥7.5 tons) increased 8%. In South America, new truck registrations (GVW ≥3.5 tons) increased 17% over the same period of 2023, with an increase of 26% in Brazil and a decrease of 25% in Argentina. In Rest of World, new truck registrations were flat year-over-year.

In the three months ended 30 June 2024, trucks' estimated market share in the European truck market (GVW ≥3.5 tons), excluding U.K. and Ireland, was 13.2%, up 1.5 percentage points (p.p.) compared to the three months ended 30 June 2023. In the three months ended 30 June 2024, trucks' market share in South America was 10.7%, down 4.0 p.p. compared to the three months ended 30 June 2023.

Truck delivered approximately 37,250 vehicles in the three months ended 30 June 2024, down 18% compared to the three months ended 30 June 2023. Further, volumes were 15% and 23% lower in LCV and in M&H truck segments, respectively. Truck's deliveries were down 22% and 13% in Europe and Rest of World, respectively, and up 15% in South America.

Adjusted EBIT

Adjusted EBIT was €190 million in the three months ended 30 June 2024, a decrease of €35 million compared to the three months ended 30 June 2023, mainly due to lower volumes, negative mix and an adverse foreign exchange rate impact, partially offset by a continuously positive price realisation. Adjusted EBIT margin was 7.4% in the three months ended 30 June 2024 (7.9% in the three months ended 30 June 2023).

Bus

Net revenues

The following table shows Bus' net revenues by geographic region for the three months ended 30 June 2024 compared to the three months ended 30 June 2023:

Bus Net revenues – by geographic region:

	Three months ended 30 June		
(€ million)	**2024**	**2023**	**% change**
Europa	540	479	12.7
South America	64	18	255.6
Rest of World	8	3	166.7
Total	**612**	**500**	**22.4**

Bus' net revenues were €612 million in the three months ended 30 June 2024, an increase of 22.4% compared to the three months ended 30 June 2023, primarily driven by higher volumes, a better mix and a positive price realisation.

Bus registrations were up 11% vs the previous year in Europe and decreased 7% in both South America and Rest of World.

In the three months ended 30 June 2024, Bus delivered approximately 3,670 vehicles, representing a 32% increase compared to the same period of 2023. Bus deliveries increased 2% in Europe and 196% in South America.

Adjusted EBIT

Adjusted EBIT was €32 million in the three months ended 30 June 2024, an increase of €16 million compared to the three months ended 30 June 2023, driven by higher volumes, a better mix and a positive price realisation. Adjusted EBIT margin was 5.2% in the three months ended 30 June 2024 (3.2% in the three months ended 30 June 2023).

Defence

Net revenues

The following table shows Defence' net revenues by geographic region for the three months ended 30 June 2024 compared to the three months ended 30 June 2023:

Defence Net revenues – by geographic region:

	Three months ended 30 June		
(€ million)	**2024**	**2023**	**% change**
Europa	194	129	50.4
South America	23	29	-20.7
North America	35	31	12.9
Rest of World	33	31	6.5
Total	**285**	**220**	**29.5**

Defence's net revenues were €285 million in the three months ended 30 June 2024, an increase of 29.5% compared to the three months ended 30 June 2023, primarily driven by higher volumes and a better mix.

In the three months ended 30 June 2024, Defence delivered approximately 1,100 vehicles, representing a 17% increase compared to the three months ended 30 June 2023. Defence's deliveries increased 34% and 53% in Europe and North America, respectively, and decreased 46% and 11% in South America and in Rest of World, respectively.

Adjusted EBIT

Adjusted EBIT was €28 million in the three months ended 30 June 2024, an increase of €8 million compared to the three months ended 30 June 2023, driven by higher volumes and a better mix. Adjusted EBIT margin was 9.8% in the three months ended 30 June 2024 (9.1% in the three months ended 30 June 2023).

Powertrain

Net revenues

Powertrain's net revenues were €980 million in the three months ended 30 June 2024, a decrease of 13.7% compared to the three months ended 30 June 2023, mainly due to lower volumes. Sales to external customers accounted for 48% of total net revenues (51% in the three months ended 30 June 2023).

During the three months ended 30 June 2024, Powertrain sold approximately 103,100 engines, a 18% decrease compared to the three months ended 30 June 2023. In terms of customers, 40% of engine units were supplied to Truck, 4% to Bus, 1% to Defence, and 55% to external customers. Additionally, Powertrain delivered approximately 16,400 transmissions and 60,900 axles, a decrease of 10% and 3%, respectively, compared to the three months ended 30 June 2023. Powertrain sold approximately 2,600 E-Powertrain units (of which 700 E-axles and 1,900 batteries).

Adjusted EBIT

Adjusted EBIT was €65 million for the three months ended 30 June 2024, flat compared to the three months ended 30 June 2023, with the reduction in product costs fully offsetting the impact of lower volumes. Adjusted EBIT margin was 6.6% in the three months ended 30 June 2024 (5.8% in the three months ended 30 June 2023).

Financial Services Performance

(€ million)	Three months ended 30 June 2024	2023	Change
Net revenues	142	117	21.4%
Adjusted EBIT	31	35	-4

Net revenues

Financial Services' net revenues were €142 million in the three months ended 30 June 2024, up 21.4% compared to the three months ended 30 June 2023, mainly driven by a higher base rate and a higher receivable portfolio.

Adjusted EBIT

Adjusted EBIT was €31 million in the three months ended 30 June 2024, a decrease of €4 million compared to the three months ended 30 June 2023, primarily as a result of higher costs related to the development of GATE.

In the three months ended 30 June 2024, retail loan originations, including unconsolidated joint ventures, were €572 million, up €203 million compared to the three months ended 30 June 2023. The Iveco Group managed portfolio, including unconsolidated joint ventures, was €7,929 million as of 30 June 2024 (of which retail was 40% and wholesale 60%), up €839 million compared to 30 June 2023.

At 30 June 2024, the receivable balance greater than 30 days past due as a percentage of receivables was 2.0% (2.3% as of 30 June 2023).

SIX MONTHS ENDED 30 JUNE 2024 COMPARED TO THE SIX MONTHS ENDED 30 JUNE 2023

Consolidated Results of Operations

	Six months ended 30 June 2024				Six months ended 30 June 2023			
(€ million)	Industrial Activities[1]	Financial Services	Eliminations	Consolidated	Industrial Activities[1]	Financial Services	Eliminations	Consolidated
Net revenues	7,102	287	(103) [(2)]	7,286	7,342	216	(72) [(2)]	7,486
Cost of sales	5,851	185	(103) [(3)]	5,933	6,177	111	(72) [(3)]	6,216
Selling, general and administrative costs	440	45	—	485	425	42	—	467
Research and development costs	303	—	—	303	262	—	—	262
Result from investments	3	9	—	12	(7)	7	—	—
Restructuring costs	9	1	—	10	8	—	—	8
Other income/(expenses)	(184)	(3)	—	(187)	(114)	5	—	(109)
EBIT	**318**	**62**	**—**	**380**	**349**	**75**	**—**	**424**
Financial income/(expenses)	(70)	—	—	(70)	(154)	—	—	(154)
PROFIT/(LOSS) BEFORE TAXES	**248**	**62**	**—**	**310**	**195**	**75**	**—**	**270**
Income tax (expense) benefit	(98)	(18)	—	(116)	(64)	(22)	—	(86)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**150**	**44**	**—**	**194**	**131**	**53**	**—**	**184**
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	**(20)**	**—**	**—**	**(20)**	**(24)**	**—**	**—**	**(24)**
PROFIT/(LOSS) FOR THE PERIOD	**130**	**44**	**—**	**174**	**107**	**53**	**—**	**160**

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations).
(2) Elimination of Financial Services' interest income earned from Industrial Activities.
(3) Elimination of Industrial Activities' interest expense to Financial Services.

Net revenues

Net revenues were €7,286 million in the six months ended 30 June 2024, down 2.7% compared to the six months ended 30 June 2023.

Cost of sales

Cost of sales was €5,933 million for the six months ended 30 June 2024, compared with €6,216 million for the six months ended 30 June 2023. As a percentage of net revenues, cost of sales of Industrial Activities was 82.4% in the six months ended 30 June 2024, compared to 84.1% for the six months ended 30 June 2023.

Selling, general and administrative costs

Selling, general and administrative costs were €485 million during the six months ended 30 June 2024 (6.7% of net revenues) compared to €467 million for the six months ended 30 June 2023 (6.2% of net revenues).

Research and development costs

In the six months ended 30 June 2024, research and development costs were €303 million (€262 million in the six months ended 30 June 2023) and included all the research and development costs not recognised as assets in the period amounting to €184 million (€154 million in the six months ended 30 June 2023), the amortisation of capitalised development costs of €117 million (€108 million in the six months ended 30 June 2023) and an impairment of capitalised development costs of €2 million (nil in the six months ended 30 June 2023). During the six months ended 30 June 2024, Iveco Group capitalised new expenditures for development costs for €163 million (€203 million in the six months ended

30 June 2023). The costs in both periods were primarily attributable to spending on engine development associated with emission requirements and continued investment in new products.

Result from investments
Result from investments was a net gain of €12 million in the six months ended 30 June 2024 (nil in the six months ended 30 June 2023).

Restructuring costs
Restructuring costs were €10 million for the six months ended 30 June 2024 and €8 million in the six months ended 30 June 2023.

Other income/(expenses)
Other expenses were €187 million for the six months ended 30 June 2024 and included €115 million loss from the definitive agreement to transfer the Fire Fighting business, as well as €18 million cost related to certain claims arising from the EU Commission's 2016 antitrust settlement. In the six months ended 30 June 2023, Other expenses were €109 million and included the negative impact of €43 million from the acquisition of full ownership of Nikola Iveco Europe GmbH, as well as €12 million cost related to certain claims arising from the EU Commission's 2016 antitrust settlement.

Financial income/(expenses)
Net financial expenses were €70 million in the six months ended 30 June 2024, compared to €154 million in the six months ended 30 June 2023. The decrease year over year was mainly due to a more contained cost of hedge impact in Argentina, resulting from the implemented hedging strategy, and an improvement in the Argentinian hyperinflation accounting impact.

Income tax (expense) benefit

	Six months ended 30 June	
(€ million)	**2024**	**2023**
Profit (loss) before taxes	310	270
Income tax (expense) benefit	(116)	(86)
Effective tax rate	**37.4 %**	**31.9 %**

Income tax expense for the six months ended 30 June 2024 was €116 million based on profit before taxes of €310 million, compared to tax expense of €86 million for the six months ended 30 June 2023, based on profit before taxes of €270 million. The effective tax rates for the six months ended 30 June 2024 and 2023 were 37.4% and 31.9%, respectively. Excluding the negative impact of the pre- and after-tax loss of €115 million relating to the Fire Fighting business disposal agreement, as well as €18 million cost related to certain claims arising from the EU Commission's 2016 antitrust settlement, the separation costs and restructuring costs, the effective tax rate was 27% in the six months ended 30 June 2024. Excluding the negative impact of €43 million from the acquisition of full ownership of Nikola Iveco Europe GmbH, the pre-tax and corresponding tax impact of cost related to certain claims arising from the EU commission's 2016 antitrust settlement decision, the positive impact from the release of provisions related to Russia and Ukraine conflict, restructuring costs, and the cost related to the spin-off of the Iveco Group business, the effective tax rate was 27% in the six months ended 30 June 2023.

Profit/(loss) from Continuing Operations
Net profit from Continuing Operations was €194 million for the six months ended 30 June 2024, compared to €184 million for the six months ended 30 June 2023, primarily due to profitability improvements.

Profit/(loss) from Discontinued Operations, net of tax
Net loss from Discontinued Operations was €20 million for the six months ended 30 June 2024 compared to a net loss of €24 million for the six months ended 30 June 2023.

Profit/(loss) for the period
Net profit was €174 million for the six months ended 30 June 2024 compared to a net profit of €160 million for the six months ended 30 June 2023.

Reconciliation of Adjusted net profit/(loss) from Continuing Operations to Profit/(loss) from Continuing Operations

The following table summarises the reconciliation of Adjusted net profit/(loss) from Continuing Operations, a non-EU-IFRS financial measure, to Profit/(loss) from Continuing Operations, the most comparable EU-IFRS financial measure, for the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
(€ million)	**2024**	**2023**
Profit/(loss) from Continuing Operations	**194**	**184**
Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations (a)	148	61
Adjustments impacting Income tax (expense) benefit from Continuing Operations (b)	(7)	(2)
Adjusted net profit/(loss) from Continuing Operations	**335**	**243**
Adjusted net profit/(loss) attributable to Iveco Group N.V. from Continuing Operations	328	237
Weighted average shares outstanding – diluted (million)	274	275
Adjusted diluted EPS from Continuing Operations (€)	**1.20**	**0.86**
Profit/ (loss) before income tax (expense) benefit from Continuing Operations	**310**	**270**
Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations (a)	148	61
Adjusted profit/(loss) before income tax (expense) benefit from Continuing Operations (A)	**458**	**331**
Income tax (expense) benefit from Continuing Operations	**(116)**	**(86)**
Adjustments impacting Income tax (expense) benefit from Continuing Operations (b)	(7)	(2)
Adjusted Income tax (expense) benefit from Continuing Operations (B)	**(123)**	**(88)**
Adjusted Effective Tax Rate (Adjusted ETR) (C=B/A) from Continuing Operations	**27 %**	**27 %**
a) Adjustments impacting Profit/(loss) before income tax (expense) benefit from Continuing Operations		
Restructuring costs	10	8
Negative impact from the agreement to transfer the Fire Fighting business	115	—
Spin-off costs	5	3
Impacts from Russia and Ukraine conflict	—	(5)
Acquisition of full ownership of Nikola Iveco Europe GmbH	—	43
Costs related to certain claims arising from the EU Commission's 2016 antitrust settlement	18	12
Total	**148**	**61**
b) Adjustments impacting Income tax (expense) benefit from Continuing Operations		
Tax effect of adjustments impacting Profit/(loss) before income tax (expense) benefit	(7)	(2)
Total	**(7)**	**(2)**

Industrial Activities and Business Segments - Continuing Operations

The following tables show net revenues and Adjusted EBIT by business segment. Also included is a discussion of results by Industrial Activities and each business segment.

Net revenues by business segment

	Six months ended 30 June		
(€ million)	**2024**	**2023**	**% change**
Truck	4,904	5,136	-4.5
Bus	1,026	907	13.1
Defence	498	379	31.4
Powertrain	1,949	2,248	-13.3
Eliminations and Other	(1,275)	(1,328)	—
Total Net revenues of Industrial Activities	**7,102**	**7,342**	**-3.3**
Financial Services	287	216	32.9
Eliminations and Other	(103)	(72)	—
Total Net revenues	**7,286**	**7,486**	**-2.7**

Adjusted EBIT by business segment

	Six months ended 30 June				
(€ million)	**2024**	**2023**	**Change**	**2024 Adjusted EBIT margin**	**2023 Adjusted EBIT margin**
Truck	342	345	-3	7.0 %	6.7 %
Bus	53	29	24	5.2 %	3.2 %
Defence	50	26	24	10.0 %	6.9 %
Powertrain	125	127	-2	6.4 %	5.6 %
Unallocated items, eliminations and other	(105)	(105)	—	—	—
Adjusted EBIT of Industrial Activities	**465**	**422**	**43**	**6.5 %**	**5.7 %**
Financial Services	63	63	—	22.0 %	29.2 %
Eliminations and Other	—	—	—	—	—
Total Adjusted EBIT	**528**	**485**	**43**	**7.2 %**	**6.5 %**

Net revenues of Industrial Activities were €7,102 million during the six months ended 30 June 2024, a decrease of 3.3% compared to the six months ended 30 June 2023, due to lower volumes, negative mix and an adverse foreign exchange impact, partially offset by a positive price realisation.

Adjusted EBIT of Industrial Activities was €465 million during the six months ended 30 June 2024, compared to €422 million during the six months ended 30 June 2023. The increase was mainly due to a continuously positive price realisation and lower product costs, partially offset by lower volumes and mix and an adverse foreign exchange impact.

Reconciliation of EBIT to Adjusted EBIT

The following tables summarise the reconciliation of Adjusted EBIT, a non-EU-IFRS financial measure, to EBIT, the most comparable EU-IFRS financial measure, for the six months ended 30 June 2024 and 2023.

									Six months ended 30 June 2024
(€ million)	**Truck**	**Bus**	**Defence**	**Powertrain**	**Unallocated items, eliminations and other**	**Total Industrial Activities**	**Financial Services**	**Eliminations**	**Total**
EBIT	**336**	**53**	**50**	**122**	**(243)**	**318**	**62**	**—**	**380**
Adjustments:									
Restructuring costs	6	—	—	3	—	9	1	—	10
Other discrete items(1)	—	—	—	—	138	138	—	—	138
Adjusted EBIT	**342**	**53**	**50**	**125**	**(105)**	**465**	**63**	**—**	**528**

(1) In the six months ended 30 June 2024, this item includes the negative impact of €115 million from the definitive agreement to transfer the Fire Fighting business, €18 million cost related to certain claims arising from EU Commission's 2016 antitrust settlement decision, as well as €5 million separation costs related to the spin-off of the Iveco Group business.

									Six months ended 30 June 2023
(€ million)	**Truck**	**Bus**	**Defence**	**Powertrain**	**Unallocated items, eliminations and other**	**Total Industrial Activities**	**Financial Services**	**Eliminations**	**Total**
EBIT	**339**	**29**	**26**	**125**	**(170)**	**349**	**75**	**—**	**424**
Adjustments:									
Restructuring costs	6	—	—	2	—	8	—	—	8
Other discrete items(1)	—	—	—	—	65	65	(12)	—	53
Adjusted EBIT	**345**	**29**	**26**	**127**	**(105)**	**422**	**63**	**—**	**485**

(1) In the six months ended 30 June 2023, this item mainly included €43 million from the acquisition of full ownership of Nikola Iveco Europe GmbH, €12 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement decision, as well as €5 million positive impact from the release of provisions related to the Russia and Ukraine conflict.

Industrial Activities Performance - Continuing Operations

Truck

Net revenues

The following table shows Truck's net revenues by geographic region for the six months ended 30 June 2024 compared to the six months ended 30 June 2023:

Truck Net revenues – by geographic region:

	Six months ended 30 June		
(€ million)	**2024**	**2023**	**% change**
Europa	3,778	3,950	-4.4
South America	512	627	-18.3
Rest of World	614	559	9.8
Total	**4,904**	**5,136**	**-4.5**

Truck's net revenues were €4,904 million in the six months ended 30 June 2024, a decrease of 4.5% compared to the six months ended 30 June 2023, with positive price realisation partially offsetting lower volumes and an adverse foreign exchange rate impact, mainly in Argentina.

During the six months ended 30 June 2024, the European truck market (GVW ≥3.5 tons), excluding U.K. and Ireland, increased 13% compared to the same period in 2023. In Europe, the LCV market (GVW 3.5-7.49 tons) increased 19% and the M&H truck market (GVW ≥7.5 tons) increased 2%. In South America, new truck registrations (GVW ≥3.5 tons) increased 4% in the six months ended 30 June 2024 compared to the same period of 2023, with an increase of 10% in Brazil and a decrease of 31% in Argentina. In Rest of World, new truck registrations increased by 3%.

In the six months ended 30 June 2024, trucks' estimated market share in the European truck market (GVW ≥3.5 tons), excluding U.K. and Ireland, was 12.4%, up 0.7 p.p. compared to the six months ended 30 June 2023. In the six months ended 30 June 2024, trucks' market share in South America was 10.2%, down 3.2 p.p. compared to the six months ended 30 June 2023.

In the six months ended 30 June 2024, Truck delivered approximately 71,400 vehicles, representing a 7% decrease compared to the same period of 2023. Further, volumes were up 3% in LCV and down 24% in M&H truck segments. Truck's deliveries decreased 7% in Europe, 11% in South America and 1% in Rest of World.

Adjusted EBIT

Adjusted EBIT was €342 million in the six months ended 30 June 2024, in line with the six months ended 30 June 2023, with positive price realisation and lower product costs offsetting lower volumes and an adverse foreign exchange impact. Adjusted EBIT margin was 7.0% in the six months ended 30 June 2024 (6.7% in the six months ended 30 June 2023).

Bus

Net revenues

The following table shows Bus' net revenues by geographic region for the six months ended 30 June 2024 compared to the six months ended 30 June 2023:

Bus Net revenues – by geographic region:

	Six months ended 30 June		
(€ million)	**2024**	**2023**	**% change**
Europa	936	860	8.8
South America	77	39	97.4
Rest of World	13	8	62.5
Total	**1,026**	**907**	**13.1**

Bus' net revenues were €1,026 million in the six months ended 30 June 2024, an increase of 13.1% compared to the six months ended 30 June 2023, primarily driven by higher volumes, a better mix and positive price realisation.

Bus registrations were up 17% vs previous year in Europe and decreased 13% and 6% in South America and Rest of World, respectively.

In the six months ended 30 June 2024, Bus delivered approximately 5,880 vehicles, representing a 14% increase compared to the same period of 2023. Bus deliveries increased 3%, 52% and 195% in Europe, South America and Rest of World, respectively.

Adjusted EBIT

Adjusted EBIT was €53 million in the six months ended 30 June 2024, a €24 million increase compared to the six months ended 30 June 2023, driven by higher volumes, a better mix and positive price realisation. Adjusted EBIT margin was 5.2% in the six months ended 30 June 2024 (3.2% in the six months ended 30 June 2023).

Defence

Net revenues

The following table shows Defence's net revenues by geographic region for the six months ended 30 June 2024 compared to the six months ended 30 June 2023:

Defence Net revenues – by geographic region:

	Six months ended 30 June		
(€ million)	**2024**	**2023**	**% change**
Europa	339	224	51.3
South America	47	41	14.6
North America	61	61	—
Rest of World	51	53	-3.8
Total	**498**	**379**	**31.4**

Defence’s net revenues were €498 million in the six months ended 30 June 2024, an increase of 31.4% compared to the six months ended 30 June 2023, driven by higher volumes and a better mix.

In the six months ended 30 June 2024, Defence delivered approximately 1,990 vehicles, representing a 10% increase compared to the same period of 2023. Defence’s deliveries increased 28% and 18% in Europe and North America, respectively, and decreased 8% and 21% in South America and Rest of World, respectively.

Adjusted EBIT

Adjusted EBIT was €50 million in the six months ended 30 June 2024, a €24 million increase compared to the six months ended 30 June 2023, driven by higher volumes, a better mix and positive price realisation. Adjusted EBIT margin was 10.0% in the six months ended 30 June 2024 (6.9% in the six months ended 30 June 2023).

Powertrain

Net revenues

Powertrain's net revenues were €1,949 million in the six months ended 30 June 2024, a decrease of 13.3% compared to the six months ended 30 June 2023, due to lower volumes. Sales to external customers accounted for 48% of total net revenues (51% in the six months ended 30 June 2023).

During the six months ended 30 June 2024, Powertrain sold approximately 201,100 engines, down 19% compared to the six months ended 30 June 2023. In terms of customers, 42% of engine units were supplied to Truck, 4% to Bus, 1% to Defence, and 53% to external customers. Additionally, Powertrain delivered approximately 33,700 transmissions, a decrease of 2% compared to the six months ended 30 June 2023, and approximately 120,800 axles, a decrease of 4% compared to the six months ended 30 June 2023. Powertrain sold approximately 6,100 E-Powertrain units (of which 1,900 E-axles and 4,200 batteries).

Adjusted EBIT

Adjusted EBIT was €125 million for the six months ended 30 June 2024, flat vs the six months ended 30 June 2023, with lower product and structure costs fully offsetting decreased volumes. Adjusted EBIT margin was 6.4% in the six months ended 30 June 2024 (5.6% in the six months ended 30 June 2023).

Financial Services Performance

(€ million)	Six months ended 30 June 2024	2023	Change
Net revenues	287	216	32.9%
Adjusted EBIT	63	63	–

Net revenues

Financial Services' net revenues were €287 million in the six months ended 30 June 2024, up 32.9% compared to the six months ended 30 June 2023, mainly due to higher base rates and a higher receivables portfolio.

Adjusted EBIT

Adjusted EBIT was €63 million in the six months ended 30 June 2024, in line with the six months ended 30 June 2023, primarily as a result of a higher receivables portfolio offset by higher costs related to the development of GATE.

In the six months ended 30 June 2024, retail loan originations, including unconsolidated joint ventures, were €1,036 million, up €351 million compared to the six months ended 30 June 2024. The Iveco Group managed portfolio, including unconsolidated joint ventures, was €7,929 million as of 30 June 2024 (of which retail was 40% and wholesale 60%), up €839 million compared to 30 June 2023.

At 30 June 2024, the receivables balance greater than 30 days past due as a percentage of the on-book portfolio was at 2.0% (2.3% as of 30 June 2023).

CONDENSED STATEMENT OF FINANCIAL POSITION BY ACTIVITY

(€ million)	At 30 June 2024				At 31 December 2023			
	Industrial Activities(1)	Financial Services	Eliminations	Consolidated	Industrial Activities(1)	Financial Services	Eliminations	Consolidated
ASSETS								
Intangible assets	1,849	19	—	1,868	1,824	17	—	1,841
Property, plant and equipment	3,123	2	—	3,125	3,184	2	—	3,186
Investments and other non-current financial assets:	77	157	—	234	49	161	—	210
Investments accounted for using the equity method	16	157	—	173	18	148	—	166
Equity investments measured at fair value through other comprehensive income	12	—	—	12	15	—	—	15
Other investments and non-current financial assets	49	—	—	49	16	13	—	29
Leased assets	16	69	—	85	16	59	—	75
Deferred tax assets	668	62	(90) (6)	640	588	71	(1) (6)	658
Total Non-current assets	**5,733**	**309**	**(90)**	**5,952**	**5,661**	**310**	**(1)**	**5,970**
Inventories	3,649	2	—	3,651	2,864	4	—	2,868
Trade receivables	322	23	(13) (3)	332	317	33	(24) (3)	326
Receivables from financing activities	1,003	5,978	(2,026) (3)	4,955	1,041	6,183	(1,422) (3)	5,802
Current tax receivables	157	2	(46) (4)	113	167	4	(29) (4)	142
Other current receivables and financial assets	637	91	(160) (2)	568	245	140	(22) (2)	363
Prepaid expenses and other assets	116	21	—	137	109	21	—	130
Derivative assets	31	1	(4) (5)	28	30	1	(4) (5)	27
Cash and cash equivalents	2,059	193	—	2,252	2,447	251	—	2,698
Total Current assets	**7,974**	**6,311**	**(2,249)**	**12,036**	**7,220**	**6,637**	**(1,501)**	**12,356**
Assets held for sale	351	—	(29) (7)	322	59	—	—	59
TOTAL ASSETS	**14,058**	**6,620**	**(2,368)**	**18,310**	**12,940**	**6,947**	**(1,502)**	**18,385**
EQUITY AND LIABILITIES								
Total Equity	**1,613**	**867**	**—**	**2,480**	**1,548**	**842**	**—**	**2,390**
Provisions:	2,337	113	—	2,450	2,265	115	—	2,380
Employee benefits	412	11	—	423	528	16	—	544
Other provisions	1,925	102	—	2,027	1,737	99	—	1,836
Debt:	1,966	5,550	(2,026) (3)	5,490	1,624	5,898	(1,422) (3)	6,100
Asset-backed financing	—	3,613	—	3,613	—	3,860	—	3,860
Other debt	1,966	1,937	(2,026) (3)	1,877	1,624	2,038	(1,422) (3)	2,240
Derivative liabilities	61	4	(4) (5)	61	42	3	(4) (5)	41
Trade payables	3,933	32	(9) (3)	3,956	3,918	34	(25) (3)	3,927
Tax liabilities	154	25	(48) (4)	131	122	27	(29) (4)	120
Deferred tax liabilities	119	1	(90) (6)	30	29	—	(1) (6)	28
Other current liabilities	3,544	28	(162) (2)	3,410	3,333	28	(21) (2)	3,340
Liabilities held for sale	331	—	(29) (7)	302	59	—	—	59
Total Liabilities	**12,445**	**5,753**	**(2,368)**	**15,830**	**11,392**	**6,105**	**(1,502)**	**15,995**
TOTAL EQUITY AND LIABILITIES	**14,058**	**6,620**	**(2,368)**	**18,310**	**12,940**	**6,947**	**(1,502)**	**18,385**

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations at 30 June 2024).
(2) This item includes the elimination of intercompany activity between Industrial Activities and Financial Services.
(3) This item includes the elimination of receivables/payables between Industrial Activities and Financial Services.
(4) This item includes the elimination of tax receivables/payables between Industrial Activities and Financial Services and reclassifications needed for appropriate consolidated presentation.
(5) This item includes the elimination of derivative assets/liabilities between Industrial Activities and Financial Services.
(6) This item includes the reclassification of deferred tax assets/liabilities in the same jurisdiction and reclassifications needed for appropriate consolidated presentation.
(7) This item includes the elimination of intercompany transactions between Continuing and Discontinued Operations.

LIQUIDITY AND CAPITAL RESOURCES

The following discussion of liquidity and capital resources primarily focuses on the Group's Condensed Consolidated Statement of Cash Flows and the Group's Condensed Consolidated Statement of Financial Position. The Group's operations are capital intensive and subject to seasonal variations in financing requirements for dealer receivables and dealer and company inventories. Whenever necessary, funds from operating activities are supplemented from external sources. Iveco Group, focusing on cash preservation and leveraging its good access to funding, continues to maintain solid financial strength and liquidity.

CASH FLOW ANALYSIS

The following table presents the cash flows from operating, investing and financing activities by activity for the six months ended 30 June 2024 and 2023:

(€ million)		Six months ended 30 June 2024 Industrial Activities[1]	Financial Services	Eliminations	Consolidated
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**2,447**	**251**	**—**	**2,698**
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:					
Profit/(loss) from Continuing Operations for the period		150	44	—	194
Amortisation and depreciation (excluding vehicles sold under buy-back commitments and operating leases)		308	1	—	309
(Gains)/losses on disposal of non-current assets (excluding vehicles sold under buy-back commitments)		(8)	—	—	(8)
Other non-cash items		—	(11)	—	(11)
Dividends received		39	—	(35) (2)	4
Change in provisions		148	(2)	—	146
Change in deferred income taxes		7	10	—	17
Change in items due to buy-back commitments	(a)	(9)	—	—	(9)
Change in operating lease items	(b)	—	(11)	—	(11)
Change in working capital		(826)	58	—	(768)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		**(191)**	**89**	**(35)**	**(137)**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS		**(74)**	**—**	**—**	**(74)**
TOTAL		**(265)**	**89**	**(35)**	**(211)**
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:					
Investments in:					
Property, plant and equipment and intangible assets (excluding vehicles sold under buy-back commitments and operating leases)		(335)	(2)	—	(337)
Consolidated subsidiaries and other equity investments		(4)	—	4 (3)	—
Proceeds from the sale of non-current assets (excluding vehicles sold under buy-back commitments)		3	(3)	—	—
Change in receivables from financing activities		(117)	777	—	660
Change in other current financial assets		37	—	—	37
Other changes		671	(690)	—	(19)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		**255**	**82**	**4**	**341**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS		**47**	**—**	**—**	**47**
TOTAL		**302**	**82**	**4**	**388**
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:					
Change in debt and derivative assets/liabilities		(313)	(198)	—	(511)
Capital increase		(28)	4	(4) (3)	(28)
Dividends paid		(91)	(35)	35 (2)	(91)
Purchase of treasury shares		(2)	—	—	(2)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		**(434)**	**(229)**	**31**	**(632)**
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS		**27**	**—**	**—**	**27**
TOTAL		**(407)**	**(229)**	**31**	**(605)**
Translation exchange differences		(17)	—	—	(17)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**(387)**	**(58)**	**—**	**(445)**
Less: Cash and cash equivalent at end of the period - included within Assets held for sale at end of the period		**(1)**	**—**	**—**	**(1)**
F) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**2,059**	**193**	**—**	**2,252**

(a) Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in Profit/(loss), is recognised under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses.
(b) Cash from operating lease is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.
(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations).
(2) This item includes the elimination of dividend from Financial Services to Industrial Activities.
(3) This item includes the elimination of paid capital from Industrial Activities to Financial Services.

(€ million)		Six months ended 30 June 2023 Industrial Activities[(1)]	Financial Services	Eliminations	Consolidated
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**2,100**	**188**	**—**	**2,288**
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:					
Profit/(loss) from Continuing Operations for the period		131	53	—	184
Amortisation and depreciation (excluding vehicles sold under buy-back commitments and operating leases)		281	1	—	282
Other non-cash items		7	(21)	—	(14)
Dividends received		21	—	(21) (2)	—
Change in provisions		24	(7)	—	17
Change in deferred income taxes		5	4	—	9
Change in items due to buy-back commitments	(a)	(34)	—	—	(34)
Change in operating lease items	(b)	(3)	(7)	—	(10)
Change in working capital		(474)	(16)	—	(490)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		**(42)**	**7**	**(21)**	**(56)**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS		**(46)**	**—**	**—**	**(46)**
TOTAL		**(88)**	**7**	**(21)**	**(102)**
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:					
Investments in:					
Property, plant and equipment and intangible assets (excluding vehicles sold under buy-back commitments and operating leases)		(324)	—	—	(324)
Consolidated subsidiaries and other equity investments		(21)	—	—	(21)
Proceeds from the sale of non-current assets (excluding vehicles sold under buy-back commitments)		1	—	—	1
Change in receivables from financing activities		16	(314)	—	(298)
Change in other current financial assets		11	—	—	11
Other changes		(139)	196	—	57
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		**(456)**	**(118)**	**—**	**(574)**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS		**13**	**—**	**—**	**13**
TOTAL		**(443)**	**(118)**	**—**	**(561)**
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:					
Change in debt and derivative assets/liabilities		(53)	252	—	199
Capital increase		(38)	—	—	(38)
Dividends paid		—	(21)	21 (2)	—
Purchase of treasury shares		(21)	—	—	(21)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		**(112)**	**231**	**21**	**140**
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS		**33**	**—**	**—**	**33**
TOTAL		**(79)**	**231**	**21**	**173**
Translation exchange differences		(97)	—	—	(97)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**(707)**	**120**	**—**	**(587)**
Less: Cash and cash equivalent at end of the period - included within Assets held for sale at end of the period		**—**	**—**	**—**	**—**
F) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**1,393**	**308**	**—**	**1,701**

(a) Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in Profit/(loss), is recognised under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses.

(b) Cash from operating lease is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

(1) Industrial Activities represents the enterprise without Financial Services. Industrial Activities includes Truck, Bus, Defence and Powertrain business units, as well as the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations).

(2) This item includes the elimination of dividend from Financial Services to Industrial Activities.

Unless otherwise indicated, the information and comments in the following exclude cash flows from Discontinued Operations.

At 30 June 2024, the Group had cash and cash equivalents of €2,252 million (€2,698 million at 31 December 2023) and included €97 million (€104 million at 31 December 2023) of restricted cash that mainly consists of Central Bank deposits established for regulatory purposes by a subsidiary benefitting from a banking license. At 30 June 2024, undrawn medium-term unsecured committed facilities were €1,900 million (€2,000 million at 31 December 2023) and other current financial assets were €6 million (€43 million at 31 December 2023).

At 30 June 2024, the aggregate of cash and cash equivalents, undrawn medium-term unsecured committed facilities and other current financial assets, which the Group considers to constitute the Group's principal liquid assets (or "Available liquidity", a non-EU-IFRS financial measure as defined in paragraph "Alternative performance measures (or "non-EU-IFRS financial measures")" of section "General" above), totalled €4,177 million (€4,748 million at 31 December 2023). At 30 June 2024, this amount also included €19 million financial receivables (€7 million at 31 December 2023) from CNH deriving from financing activities and the sale of trade receivables.

A reconciliation of Iveco Group's consolidated Cash and cash equivalents to Available liquidity is provided as follows:

(€ million)	**At 30 June 2024**	**At 31 December 2023**
Cash and cash equivalents	**2,252**	**2,698**
Undrawn committed facilities	1,900	2,000
Other current financial assets(1)	6	43
Financial receivables from CNH(2)	19	7
Available liquidity	**4,177**	**4,748**

(1) This item includes short-term deposits and investments towards high-credit rating counterparties.
(2) This item includes financial receivables from CNH deriving from financing activities and sale of trade receivables.

Net Cash from Operating Activities from Continuing Operations

Cash used by operating activities in the six months ended 30 June 2024 totalled €137 million and primarily comprised the following elements:

- change in working capital which absorbed €768 million;
- plus €309 million in non-cash charges for depreciation and amortisation (net of commercial vehicles sold under buy-back commitments and operating leases);
- plus €194 million in profit;
- plus €146 million in change in provisions.

In the six months ended 30 June 2023, cash absorbed by operating activities was €56 million, primarily due to €490 million seasonal working capital absorption partially offset by cash generated from income-related inflows (calculated as profit plus amortisation and depreciation, dividends, changes in provisions and deferred taxes, various items related to sales with buy-back commitments and operating leases, net of gains/losses on disposals and other non-cash items) for a total amount of €434 million.

Net Cash from Investing Activities from Continuing Operations

In the six months ended 30 June 2024, cash provided by investing activities totalled €341 million, primarily due to a net decrease in receivables from financing activities of €660 million, partially offset by investments in tangible and intangible assets that used €337 million in cash (including €163 million in capitalised development costs). Investments in tangible and intangible assets are net of investments in commercial vehicles for the Group's long-term rental operations and of investments relating to vehicles sold under buy-back commitments, which are reflected in cash flows relating to operating activities.

In the six months ended 30 June 2023, cash used by investing activities totalled €574 million, primarily due to investments in tangible and intangible assets that used €324 million in cash (including €203 million in capitalised development costs) and a net increase in receivables from financing activities of €298 million.

Net Cash from Financing Activities from Continuing Operations

In the six months ended 30 June 2024, cash used by financing activities totalled €632 million, primarily due to €511 million reduction in debt (mainly related to the early repayment of the €400 million Syndicated Term Facility and €200 million reduced funding needs from the Financial Services portfolio, partially offset by the €150 million new Term Loan with Cassa Depositi e Prestiti) and €91 million of dividends paid. In the six months ended 30 June 2023, cash provided by financing activities was €140 million, primarily due to asset-backed financing increase.

CONSOLIDATED DEBT

The Group's consolidated Debt at 30 June 2024 and 31 December 2023 is as detailed in the following table:

	At 30 June 2024			At 31 December 2023		
(€ million)	**Consolidated**	**Industrial Activities**	**Financial Services**	**Consolidated**	**Industrial Activities**	**Financial Services**
Total Debt	**5,490**	**1,966**	**5,550**	**6,100**	**1,624**	**5,898**

Iveco Group believes that Net Cash (Debt), a non-EU-IFRS financial measure as defined in paragraph "Alternative performance measures (or "Non-EU-IFRS financial measures")" of section "General" above, is a useful analytical metric for measuring the Group's effective borrowing requirements. The Group provides a separate analysis of Net Cash (Debt) of Industrial Activities and Net Cash (Debt) of Financial Services to reflect the different cash flow management practices in the two activities. Industrial Activities reflects the consolidation of all majority-owned subsidiaries, except for Financial Services. Financial Services reflects the consolidation of the Financial Services' legal entities.

The calculation of Net Cash (Debt) at 30 June 2024 and 31 December 2023 and the reconciliation of Total (Debt), the EU-IFRS financial measure that the Group believes to be most directly comparable, to Net Cash (Debt), are shown below:

	At 30 June 2024			At 31 December 2023(6)		
(€ million)	**Consolidated**	**Industrial Activities**	**Financial Services**	**Consolidated**	**Industrial Activities**	**Financial Services**
Third party (debt)	(5,281)	(903)	(4,378)	(5,768)	(1,191)	(4,577)
Intersegment notes (payable)(1)	—	(1,061)	(965)	—	(431)	(991)
(Debt) payable to CNH(2)	(209)	(2)	(207)	(332)	(2)	(330)
Total (Debt)	**(5,490)**	**(1,966)**	**(5,550)**	**(6,100)**	**(1,624)**	**(5,898)**
Cash and cash equivalents	2,252	2,059	193	2,698	2,447	251
Intersegment financial receivables(1)	77	1,012	1,091	—	991	431
Financial receivables from CNH(3)	55	19	36	133	7	126
Other current financial assets(4)	6	6	—	43	43	—
Derivative assets(5)	28	31	1	27	30	1
Derivative (liabilities)(5)	(61)	(61)	(4)	(41)	(42)	(3)
Net Cash (Debt) of Continuing Operations	**(3,133)**	**1,100**	**(4,233)**			
Net Cash (Debt) of Discontinued Operations	**(83)**	**(83)**	**—**			
Total Net Cash (Debt)	**(3,216)**	**1,017**	**(4,233)**	**(3,240)**	**1,852**	**(5,092)**

(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. At 30 June 2024, Intersegment notes payable and Intersegment financial receivables of Industrial Activities and Financial Services also include the balance towards Discontinued Operations.

(2) This item includes payables related to purchases of receivables or collections with settlement in the following days.

(3) This item includes receivables related to sales of receivables or collections with settlement in the following days.

(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) Balances at 31 December 2023 include the Fire Fighting business.

The following table shows the change in Net Cash (Debt) of Industrial Activities for the six months ended 30 June 2024 and 2023:

	Six months ended 30 June	
(€ million)	**2024**	**2023**
Net Cash (Debt) of Industrial Activities at beginning of period[(1)]	**1,852**	**1,727**
Less: Net Cash (Debt) of Industrial Activities from Discontinued Operations at beginning of the period	(34)	(38)
Net Cash (Debt) of Industrial Activities from Continuing Operations at beginning of the period	**1,886**	**1,765**
Adjusted EBIT of Industrial Activities	465	422
Depreciation and amortisation	308	281
Depreciation of assets under operating leases and assets sold with buy-back commitments	119	115
Cash interest and taxes	(111)	(102)
Changes in provisions and similar[(2)]	(146)	(284)
Change in working capital	(826)	(474)
Operating cash flow of Industrial Activities from Continuing Operations	**(191)**	**(42)**
Investments in property, plant and equipment, and intangible assets[(3)]	(335)	(324)
Other changes	(8)	(45)
Free Cash Flow of Industrial Activities from Continuing Operations	**(534)**	**(411)**
Capital increases, dividends and share buy-backs	(93)	(21)
Currency translation differences and other	(159)	(116)
Change in Net Cash (Debt) of Industrial Activities from Continuing Operations	**(786)**	**(548)**
Net Cash (Debt) of Industrial Activities from Continuing Operations at end of the period	**1,100**	**1,217**
Net Cash (Debt) of Industrial Activities from Discontinued Operations at beginning of the period	**(34)**	**(38)**
Free Cash Flow of Industrial Activities from Discontinued Operations	(77)	(51)
Other from Discontinued Operations	28	38
Change in Net Cash (Debt) of Industrial Activities from Discontinued Operations	**(49)**	**(13)**
Net Cash (Debt) of Industrial Activities from Discontinued Operations at end of the period	**(83)**	**(51)**
Net Cash (Debt) of Industrial Activities at end of the period[(1)]	**1,017**	**1,166**

(1) The balances at 1 January 2024, 1 January 2023, 30 June 2024 and 30 June 2023 shown in this item include the Fire Fighting business.
(2) Including other cash flow items related to operating lease and buy-back activities.
(3) Excluding assets sold under buy-back commitments and assets under operating leases.

Iveco Group believes that Free Cash Flow of Industrial Activities, a non-EU-IFRS financial measure as defined in paragraph "Alternative performance measures (or "non-EU-IFRS financial measures")" of section "General" above, is a useful analytical metric for measuring the cash generation ability of the Group's Industrial Activities. For the six months ended 30 June 2024, Free Cash Flow of Industrial Activities was negative for €534 million (compared to negative €411 million for the six months ended 30 June 2023), driven by working capital absorption mainly due to a temporary one-off adverse impact, occurred in the second quarter, linked to extra effort to secure quality and readiness of the launch of Model Year 2024.

The reconciliation of Free Cash Flow of Industrial Activities to Net cash provided by (used in) Operating Activities, the EU-IFRS financial measure that Iveco Group believes to be most directly comparable, for the six months ended 30 June 2024 and 2023, is shown below:

	Six months ended 30 June	
(€ million)	**2024**	**2023**
Net cash provided by (used in) Operating Activities from Continuing Operations	**(137)**	**(56)**
Less: Cash flows from Operating Activities of Financial Services net of eliminations	(54)	14
Operating cash flow of Industrial Activities from Continuing Operations	**(191)**	**(42)**
Investments in property, plant and equipment, and intangible assets of Industrial Activities	(335)	(324)
Other changes[(1)]	(8)	(45)
Free Cash Flow of Industrial Activities from Continuing Operations	**(534)**	**(411)**

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

The non-EU-IFRS financial measures (Available liquidity, Net Cash (Debt) and Free Cash Flow of Industrial Activities), used in this section, should neither be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with EU-IFRS. In addition, these non-EU-IFRS financial measures may not be computed in the same manner as similarly titled measures used by other companies.

In June 2024, Iveco Group N.V. signed a term loan facility of €150 million with Cassa Depositi e Prestiti (CDP), to support investments in research, development and innovation. Furthermore, in July 2024, Iveco Group N.V. successfully raised a *Schuldschein* loan (a private placement governed by German law) for €290 million.

With the purpose of further diversifying its funding structure, Iveco Group has established a commercial paper program. In Europe, IC Financial Services S.A. issued commercial paper under the program which had an amount of €41 million outstanding at 30 June 2024 (€38 million at 31 December 2023).

As of 30 June 2024, the credit rating assigned by Fitch Ratings to Iveco Group N.V. is a Long-Term Issuer Default Rating (IDR) of 'BBB-'. The outlook is stable.

Iveco Group continues to closely monitor its liquidity and capital resources for any potential impact that the challenging environment in which it operates, including current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, energy and material availability and relevant price variability, may have on its operations. Iveco Group believes that its cash and cash equivalents, access to credit facilities and cash flows from future operations will be adequate to fund its known cash needs also in the context of that challenging environment.

RELATED PARTY TRANSACTIONS

See Note 28. "Related party transactions" of the Semi-Annual Condensed Consolidated Financial Statements at 30 June 2024.

IMPORTANT EVENTS DURING THE FIRST SIX MONTHS OF 2024

- On 17 January, IVECO BUS won its largest electric bus contract in Italy for the supply of 411 battery electric vehicles to ATAC, Rome's public transport company;
- on 23 January, Iveco Group chose BASF, the world's leading chemical and biggest chemical supplier for the automotive industry, as its first recycling partner for the lithium-ion batteries of the Group's electric vehicles;
- on 1 February, Hyundai Motor Company and Iveco Group signed a supply agreement of an IVECO-badged all-electric light commercial vehicle for Europe, based on Hyundai's Global eLCV platform;
- on 14 February, HEULIEZ was selected by Régie des Transports Métropolitains, the public transport operator of Marseille, to supply 200 electric buses;
- on 29 February, IVECO received an order for the supply of 178 S-Way CNG (Compressed Natural Gas) trucks to the Post & Parcel Germany division of DHL;
- on 13 March, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. Subject to regulatory approval, the transaction is expected to be completed no later than January 2025;
- on 14 March, Iveco Group held its Capital Markets Day outlining its objectives up to 2028;
- on 14 March, Ford Trucks and IVECO signed a non-binding Memorandum of Understanding to explore a potential collaboration for the development of a new cabin for heavy-duty commercial vehicles;
- on 14 March, Iveco Group and Hyundai Motor Company also signed a Letter of Intent to expand their partnership to explore synergies for electric heavy-duty trucks in the European markets;
- on 17 April, the Iveco Group N.V. shareholders at their Annual General Meeting (AGM) adopted the 2023 Annual Financial Statements and approved a cash dividend distribution of €0.22 per Common Share. The cash dividend was declared in euro and paid on 24 April 2024 for a total amount of €59 million. The AGM authorised the Board of Directors to decide upon the acquisition of the Company's own Common Shares to a maximum of up to 10,000,000 Common Shares with a maximum total allocation of €130 million for a period of 18 months from the date of the AGM. The new authorisation replaced the pre-existing one granted by the AGM on 14 April 2023;
- on 4 June, Iveco Group N.V. and Foton, a leading commercial vehicle manufacturer in China, signed a Memorandum of Understanding to explore potential collaboration in the areas of electric vehicles and components, and joint business opportunities, for Europe and South America;
- on 11 June, Iveco Group N.V. signed a term loan facility of €150 million with *Cassa Depositi e Prestiti* (CDP) to support investments in research, development and innovation. Furthermore, during the second quarter, Iveco Group early prepaid €400 million Syndicated Term Facility (maturity October 2025) which had a progressive coupon step-up.

RISKS AND UNCERTAINTIES

The Company believes that the risks and uncertainties identified for the second half of 2024 are in line with the main risks and uncertainties to which Iveco Group N.V. and the Group are exposed and that the Company presented in its Annual Report at 31 December 2023, available on the Company website. Those risks and uncertainties should be read in conjunction with this Semi-Annual Report, including its notes and disclosures.

Although the Company believes that those risks and uncertainties are material risks and uncertainties concerning the Group's business and industry, they are not the only risks and uncertainties relating to the Group. Other risks, events, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial could, individually or cumulatively, alone or in combination with other events or circumstances, prove to be important and may have a significant negative impact on the Group's business, financial condition, results of operations and prospects.

2024 FINANCIAL GUIDANCE(*)

Based on our assumptions on the evolution of the macro-economic scenario, with the interest base rate flat versus 2023 levels, and considering a market evolution in line with industry expectations and a price policy in line with the markets, Iveco Group is confirming its 2024 financial guidance as follows:

- Consolidated Adjusted EBIT between €920 million and €970 million
- Net revenues of Industrial Activities(**) ~ (4)% vs Full Year 2023
- Adjusted EBIT of Industrial Activities between €790 million and €840 million
- Free cash flow of Industrial Activities between €350 million and €400 million
- Investments of Industrial Activities(***) ~ €1 billion.

(*) Financial Guidance excluding Fire Fighting business and based on current visibility. A significant escalation or expansion of current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, and energy and material availability and relevant price variability could have a material adverse effect on Iveco Group financial results.

(**) Including currency translation effects.

(***) Investments in property, plant and equipment, and intangible assets (excluding assets sold under buy-back commitments and assets under operating leases).

SEMI-ANNUAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2024

CONDENSED CONSOLIDATED INCOME STATEMENT

(Unaudited)

		Three months ended 30 June		Six months ended 30 June	
(€ million)	Note	**2024**	**2023**	**2024**	**2023**
Net revenues	(1)	3,919	4,124	7,286	7,486
Cost of sales	(2)	3,201	3,401	5,933	6,216
Selling, general and administrative costs	(3)	245	246	485	467
Research and development costs	(4)	160	141	303	262
Result from investments:	(5)	6	5	12	—
Share of the profit/(loss) of investees accounted for using the equity method		6	5	12	—
Restructuring costs	(6)	5	6	10	8
Other income/(expenses)	(7)	(30)	(31)	(187)	(109)
EBIT		**284**	**304**	**380**	**424**
Financial income/(expenses)	(8)	(49)	(82)	(70)	(154)
PROFIT/(LOSS) BEFORE TAXES		**235**	**222**	**310**	**270**
Income tax (expense) benefit	(9)	(63)	(61)	(116)	(86)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**172**	**161**	**194**	**184**
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX		**(10)**	**(11)**	**(20)**	**(24)**
PROFIT/(LOSS) FOR THE PERIOD		**162**	**150**	**174**	**160**
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the parent		153	151	170	157
Non-controlling interests		9	(1)	4	3

(in €)					
Basic earnings/(loss) per Common Share from Continuing Operations	(10)	0.60	0.60	0.70	0.66
BASIC EARNINGS/(LOSS) PER COMMON SHARE	(10)	0.57	0.56	0.63	0.58
Diluted earnings/(loss) per Common Share from Continuing Operations	(10)	0.59	0.59	0.68	0.65
DILUTED EARNINGS/(LOSS) PER COMMON SHARE	(10)	0.56	0.55	0.62	0.57

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

(€ million)	Note	Three months ended 30 June 2024	Three months ended 30 June 2023	Six months ended 30 June 2024	Six months ended 30 June 2023
PROFIT/(LOSS) FOR THE PERIOD (A)		**162**	**150**	**174**	**160**
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:					
Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income	(20)	(4)	—	(3)	(23)
Tax effect of Other comprehensive (loss)/income that will not be reclassified subsequently to profit or loss	(20)	—	—	—	—
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss, net of tax (B1)		**(4)**	**—**	**(3)**	**(23)**
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:					
Gains/(losses) on cash flow hedging instruments	(20)	7	(14)	(1)	(15)
Foreign exchange gains/(losses) on translation of foreign operations	(20)	(18)	(58)	(48)	(101)
Tax effect of Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss	(20)	4	1	5	1
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss, net of tax (B2)		**(7)**	**(71)**	**(44)**	**(115)**
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX (B) = (B1) + (B2)		**(11)**	**(71)**	**(47)**	**(138)**
TOTAL COMPREHENSIVE INCOME/(LOSS) (A)+(B)		**151**	**79**	**127**	**22**
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:					
Owners of the parent		142	84	123	21
Non-controlling interests		9	(5)	4	1
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:					
Continuing Operations		161	90	147	46
Discontinued Operations		(10)	(11)	(20)	(24)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

(€ million)	Note	At 30 June 2024	At 31 December 2023
ASSETS			
Intangible assets	(11)	1,868	1,841
Property, plant and equipment	(12)	3,125	3,186
Investments and other non-current financial assets:	(13)	234	210
Investments accounted for using the equity method		173	166
Equity investments measured at fair value through other comprehensive income		12	15
Other investments and non-current financial assets		49	29
Leased assets	(14)	85	75
Deferred tax assets		640	658
Total Non-current assets		**5,952**	**5,970**
Inventories	(15)	3,651	2,868
Trade receivables	(16)	332	326
Receivables from financing activities	(16)	4,955	5,802
Current tax receivables	(16)	113	142
Other current receivables and financial assets	(16)	568	363
Prepaid expenses and other assets		137	130
Derivative assets	(17)	28	27
Cash and cash equivalents	(18)	2,252	2,698
Total Current assets		**12,036**	**12,356**
Assets held for sale	(19)	322	59
TOTAL ASSETS		**18,310**	**18,385**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

(CONTINUED)

(€ million)	Note	At 30 June 2024	At 31 December 2023
EQUITY AND LIABILITIES			
Issued capital and reserves attributable to owners of the parent		2,437	2,354
Non-controlling interests		43	36
Total Equity	(20)	**2,480**	**2,390**
Provisions:		2,450	2,380
Employee benefits	(21)	423	544
Other provisions	(21)	2,027	1,836
Debt:	(22)	5,490	6,100
Asset-backed financing	(22)	3,613	3,860
Other debt	(22)	1,877	2,240
Derivative liabilities	(17)	61	41
Trade payables	(23)	3,956	3,927
Tax liabilities		131	120
Deferred tax liabilities		30	28
Other current liabilities	(24)	3,410	3,340
Liabilities held for sale	(19)	302	59
Total Liabilities		**15,830**	**15,995**
TOTAL EQUITY AND LIABILITIES		**18,310**	**18,385**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(€ million)	Note	Six months ended 30 June 2024	2023
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(18)	**2,698**	**2,288**
B) CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:			
Profit/(loss) from Continuing Operations		194	184
Amortisation and depreciation (excluding vehicles sold under buy-back commitments and operating leases)		309	282
(Gains)/losses on disposal of non-current assets (excluding vehicles sold under buy-back commitments)		(8)	—
Other non-cash items		(11)	(14)
Dividends received		4	—
Change in provisions		146	17
Change in deferred income taxes		17	9
Change in items due to buy-back commitments	(a)	(9)	(34)
Change in operating lease items	(b)	(11)	(10)
Change in working capital		(768)	(490)
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		**(137)**	**(56)**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS		**(74)**	**(46)**
TOTAL		**(211)**	**(102)**
C) CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets (excluding vehicles sold under buy-back commitments and operating leases)		(337)	(324)
Consolidated subsidiaries and other equity investments		—	(21)
Proceeds from the sale of non-current assets (excluding vehicles sold under buy-back commitments)		—	1
Change in receivables from financing activities		660	(298)
Change in other current financial assets		37	11
Other changes		(19)	57
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		**341**	**(574)**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS		**47**	**13**
TOTAL		**388**	**(561)**
D) CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:			
Issuance of other medium-term borrowings		259	52
Repayment of other medium-term borrowings		(444)	(155)
Change in other financial payables		(346)	283
Change in derivative assets/liabilities		20	19
Capital increase		(28)	(38)
Dividends paid		(91)	—
Purchase of treasury shares		(2)	(21)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		**(632)**	**140**
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS		**27**	**33**
TOTAL		**(605)**	**173**
Translation exchange differences		(17)	(97)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**(445)**	**(587)**
Less: Cash and cash equivalent included within Assets held for sale at end of the period		(1)	—
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD	(18)	**2,252**	**1,701**

(a) Cash generated from the sale of vehicles under buy-back commitments, net of amounts included in Profit/(loss), is recognised under operating activities in a single line item, which includes changes in working capital, capital expenditure, depreciation and impairment losses.
(b) Cash from operating lease is recognised under operating activities in a single line item, which includes capital expenditure, depreciation, write-downs and changes in inventory.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

	Attributable to the owners of the parent										
(€ million)	Share capital	Treasury shares	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Defined benefit plans remeasurement reserve	Equity investments at FVTOCI	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
AT 31 DECEMBER 2022	**3**	**—**	**2,311**	**566**	**(3)**	**(255)**	**(89)**	**(179)**	**—**	**37**	**2,391**
Purchase of treasury shares	—	(21)	—	—	—	—	—	—	—	—	**(21)**
Common shares issued from treasury stock and capital increase for share-based compensation	—	6	(6)	—	—	—	—	—	—	—	**—**
Share-based compensation expense	—	—	8	—	—	—	—	—	—	—	**8**
Profit/(loss) for the period	—	—	—	157	—	—	—	—	—	3	**160**
Other comprehensive income/ (loss) for the period	—	—	—	—	(14)	(99)	—	(23)	—	(2)	**(138)**
Total Comprehensive income/(loss)	—	—	—	157	(14)	(99)	—	(23)	—	1	**22**
Other changes(1)	—	—	—	58	—	—	—	—	—	18	**76**
AT 30 JUNE 2023	**3**	**(15)**	**2,313**	**781**	**(17)**	**(354)**	**(89)**	**(202)**	**—**	**56**	**2,476**

	Attributable to the owners of the parent										
(€ million)	Share capital	Treasury shares	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Defined benefit plans remeasurement reserve	Equity investments at FVTOCI	Cumulative share of OCI of entities consolidated under the equity method	Non-controlling interests	Total
AT 31 DECEMBER 2023	**3**	**(49)**	**2,324**	**700**	**(2)**	**(466)**	**(114)**	**(42)**	**—**	**36**	**2,390**
Dividends distributed	—	—	—	(59)	—	—	—	—	—	—	**(59)**
Purchase of treasury shares	—	(2)	—	—	—	—	—	—	—	—	**(2)**
Common shares issued from treasury shares for share-based compensation	—	45	(45)	—	—	—	—	—	—	—	**—**
Share-based compensation expense	—		5	—	—	—	—	—	—	—	**5**
Profit/(loss) for the period	—	—	—	170	—	—	—	—	—	4	**174**
Other comprehensive income/ (loss) for the period	—	—	—	—	4	(48)	—	(3)	—	—	**(47)**
Total Comprehensive income/(loss) for the period	—	—	—	170	4	(48)	—	(3)	—	4	**127**
Other changes(1)	—	—	—	16	—	—	—	—	—	3	**19**
AT 30 JUNE 2024	**3**	**(6)**	**2,284**	**827**	**2**	**(514)**	**(114)**	**(45)**	**—**	**43**	**2,480**

(1) Other changes of "Earnings reserves" primarily include the impact of IAS 29 - Financial reporting in hyperinflationary economies applied for subsidiaries that prepare their financial statements in a functional currency of a hyperinflationary economy. In particular, from 1 July 2018, Argentina's economy was considered to be hyperinflationary. Furthermore, as of 30 June 2022, the Company applied the hyperinflationary accounting in Türkiye, with effect from 1 January 2022.

NOTES

(Unaudited)

CORPORATE INFORMATION

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). Unless otherwise indicated or the context otherwise requires, the terms "we", "us" and "our" refer to Iveco Group N.V. together with its subsidiaries.

The Company was formed in the context of the separation ("the Demerger") of the Commercial and Specialty Vehicles business, the Powertrain business as well as the related Financial Services business from CNH Industrial N.V. 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.

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. As a result of the listing, the Company became a Dutch Public Interest Entity (OOB) on 3 January 2022.

Iveco Group N.V. is a global automotive leader that, through its various businesses, designs, produces and sells trucks, commercial vehicles, buses and specialty vehicles, in addition to a broad portfolio of powertrain applications. In addition, Iveco Group's Financial Services segment offers a range of financial products and services to dealers and customers. See Note 26 "Segment reporting" for additional information on Iveco Group's segments.

ACCOUNTING POLICIES

Basis of preparation

The Semi-Annual Condensed Consolidated Financial Statements at 30 June 2024 together with the notes thereto (the "Semi-Annual Condensed Consolidated Financial Statements") were authorised for issuance on 23 July 2024 and have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS). The designation IFRS also includes International Accounting Standards (IAS), as well as all interpretations of the IFRS Interpretations Committee (IFRIC).

The Semi-Annual Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting* applying the same accounting principles and policies used in the preparation of Iveco Group Consolidated Financial Statements at 31 December 2023, available on the Company's website, except as described in the following paragraph "New standards and amendments effective from 1 January 2024".

The financial statements are prepared under the historical cost convention, modified as required for the measurement of certain financial instruments, as well as on a going concern basis. Despite operating in a continuously difficult economic and financial environment negatively impacted by the effects of current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, energy and material availability and relevant price variability, the Group'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, in view also of the measures undertaken by the Group to preserve cash and contain costs and to preserve its industrial and financial flexibility and its strong liquidity position.

These Semi-Annual Condensed Consolidated Financial Statements are prepared using the euro as the presentation currency.

Use of accounting estimates and management's assumptions

The preparation of the Semi-Annual Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities, accumulated other comprehensive income and disclosure of contingent assets and contingent liabilities. Furthermore, certain valuation procedures, in particular those of a more complex nature, are only carried out in full during the preparation of the annual financial statements, when all the information required is available, other than in the event that there are indications of impairment when an immediate assessment is necessary. In the same way, the actuarial valuations that are required for the determination of employee benefit provisions are also usually carried out during the preparation of the annual consolidated financial statements. The recoverability of deferred tax assets is assessed quarterly using financial results and figures from budget and plans for subsequent years. Income taxes are recognised based upon the best estimate of the actual income tax rate expected for the full financial year.

Due to the currently unforeseeable global consequences of current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, energy and material availability and relevant price variability, these estimates and assumptions are subject to increased uncertainty. Actual results could differ materially from the estimates and assumptions used in the preparation of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Semi-Annual Condensed Consolidated Financial

Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

These Semi-Annual Condensed Consolidated Financial Statements include all updates of estimates and assumptions considered necessary by management to fairly state the Group's results of operations, financial position and cash flows. See section "Accounting policies", paragraph "Use of estimates", in the Iveco Group Consolidated Financial Statements at 31 December 2023 for a description of the estimates, main judgments and assumptions at that date.

Iveco Group is exposed to operational financial risks such as credit risk, liquidity risk and market risk, mainly relating to exchange rates and interest rates. These Semi-Annual Condensed Consolidated Financial Statements do not include all the information and notes about financial risk management required in the preparation of annual financial statements. Iveco Group believes that the risks and uncertainties identified are in line with the main risks and uncertainties to which the Group is exposed and that were presented in its Annual Report at 31 December 2023. For a detailed description of this information see the "Risk factors" section and Note 30 "Information on financial risks" of Iveco Group Consolidated Financial Statements at 31 December 2023. Those risks and uncertainties should be read in conjunction with this Semi-Annual Report, including its notes and disclosures. Additional risks and uncertainties not currently known or that are currently judged to be immaterial may also materially affect the Group's business, financial condition or operating results.

Format of the financial statements

Iveco Group presents an income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than one based on their nature, as this is believed to provide information that is more relevant.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1 – *Presentation of Financial Statements*. The Consolidated Financial Statements include both industrial activities companies and financial services companies. The investment portfolios of the financial services companies are included in current assets, as the investments will be realised in their normal operating cycle. However, financial services companies obtain only a portion of their funding from the market; the remainder is obtained from the parent company (included in the Industrial Activities) through its treasury activity, which lends funds both to industrial activities companies and to financial services companies as the need arises. This financial services structure within the Iveco Group does not allow the separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial activities operations. Presentation of financial liabilities as current or non-current based on their date of maturity would not facilitate a meaningful comparison with financial assets, which are categorised on the basis of their normal operating cycle.

The statement of cash flows is presented using the indirect method.

New standards and amendments effective from 1 January 2024

- On 22 September 2022, the IASB issued *Lease liability in a Sale and Leaseback (Amendments to IFRS 16)* specifying the requirements that, after the commencement date, a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024, with early application permitted. These amendments had no impact on these Semi-Annual Condensed Consolidated Financial Statements;
- on 25 May 2023, the IASB issued the *Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures Supplier Finance Arrangements*, requiring an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and include relief regarding comparative information and interim period information. These amendments had no impact on these Semi-Annual Condensed Consolidated Financial Statements.

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

See paragraph "Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Group" of the section "Accounting policies" in the Notes to Consolidated Financial Statements at 31 December 2023 for a description of other new standards not yet effective and not adopted as of 30 June 2024.

Furthermore, at the date of these Semi-Annual Condensed Consolidated Financial Statements, the European Union has not yet completed its endorsement process for the amendments and improvements, reported below, for which the Group is currently evaluating the impact of the adoption on its Consolidated Financial Statements or disclosures:

- on 9 April 2024, the IASB issued IFRS 18 - *Presentation and Disclosure in Financial Statement*s which replaces IAS 1 - *Presentation of Financial Statements*, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33. IFRS 18 introduces new requirements to the structure of the statement of profit or loss, requires disclosures on management-defined performance measures (MPMs) in the notes to the financial statements, and enhances principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. IFRS 18 requires a retrospective application;

- on 30 May 2024, the IASB issued the *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7), to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 - *Financial Instruments.* In particular, these amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, the settlement of liabilities through electronic payment systems and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

BUSINESS COMBINATIONS

No significant business combination occurred in the first half of 2024.

In the first quarter of 2023, IDV, the brand of Iveco Group specialised in defence and civil protection equipment, acquired a controlling stake in MIRA UGV, now renamed IDV ROBOTICS LIMITED, the Uncrewed Ground Vehicle division of HORIBA MIRA, a global provider of automotive engineering, research and test services, headquartered in the U.K., for a total consideration of £36.3 million (€41 million), initially estimated to be of £41.5 million (€47 million), of which £26.6 million already paid. The accounting for this business combination was finalised in December 2023, during the measurement period as defined by IFRS 3 - *Business combinations*, therefore the Group retrospectively adjusted the provisional amounts initially recognised and recorded a final goodwill of €23 million for this acquisition.

DISCONTINUED OPERATIONS - FIRE FIGHTING BUSINESS

This section provides details of the contents of the items relating to Discontinued Operations as reported in the Semi-Annual Condensed Consolidated Financial Statements.

On 13 March 2024, Iveco Group and Mutares SE & Co. KGaA announced the signing of a definitive agreement for the transfer of ownership of Magirus GmbH and its affiliates performing Fire Fighting business. Subject to regulatory approval, the transaction is expected to be completed no later than January 2025.

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, as the sale became highly probable in March, the Fire Fighting business met the criteria to be classified as a disposal group held for sale; it also met the criteria to be classified as Discontinued Operations. That presentation of the Fire Fighting business has resulted in the following:

- the operating results of the Fire Fighting business have been excluded from the Group’s Continuing Operations and are presented as a single line item "Profit/(Loss) from Discontinued Operations, net of tax" within the Semi-Annual Condensed Consolidated Income Statement for the three and six months ended 30 June 2024 and 2023 (the latter presented for comparative purposes). In order to present the financial effects of the Discontinued Operations, revenues and expenses arising from intercompany transactions were eliminated except for those revenues and expenses that are considered to continue after the disposal of the Discontinued Operations. Eliminations from transactions between Continuing and Discontinued Operations have been allocated in full to Discontinued Operations. However, no profit or loss has been recognised for intercompany transactions within the Consolidated Income Statement;
- the assets and liabilities of the Fire Fighting business have been classified as Assets held for sale and Liabilities held for sale within the Semi-Annual Condensed Consolidated Statement of Financial Position at 30 June 2024, while the comparative amounts at 31 December 2023 have not been reclassified;
- all cash flows arising from the Fire Fighting business have been presented separately in the appropriate items as Cash flows from operating, investing and financing activities, respectively, from Discontinued Operations within the Semi-Annual Condensed Consolidated Statement of Cash Flows for the three and six months ended 30 June 2024 and 2023 (the latter presented for comparative purposes). These cash flows represent those arising from transactions with third parties.

According to IFRS 5, when non-current assets and disposal groups are classified as held for sale, they are required to be measured at the lower of their carrying amount and fair value less costs to sell. This measurement treatment resulted in the recognition, in the first quarter of 2024, of a pre- and after-tax loss of €115 million in the Condensed Consolidated Income Statement.

The following table represents the assets and liabilities of Fire Fighting business classified as Discontinued Operations at 30 June 2024:

(€ million)	**At 30 June 2024**
Intangible assets	13
Deferred tax assets	5
Right-of-use assets	6
Property, plant and equipment acquired	10
Inventories	226
Cash and cash equivalents	1
Other assets	7
Total assets held for sale	**268**
Provisions	61
Debt	77
Trade payables	57
Other Liabilities	53
Total liabilities held for sale	**248**

Details of income statement items included in Discontinued Operations, after the eliminations, for the three and six months ended 30 June 2024 and 2023 are as follows:

	Three months ended 30 June		**Six months ended 30 June**	
(€ million)	**2024**	**2023**	**2024**	**2023**
Net revenues	63	69	121	118
Expenses	(70)	(78)	(137)	(140)
EBIT FROM DISCONTINUED OPERATIONS	**(7)**	**(9)**	**(16)**	**(22)**
PROFIT/(LOSS) BEFORE TAXES FROM DISCONTINUED OPERATIONS	**(10)**	**(11)**	**(20)**	**(25)**
Income tax (expense) benefit	—	—	—	1
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	**(10)**	**(11)**	**(20)**	**(24)**
PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO:				
Owners of the parent	(9)	(10)	(17)	(21)
Non-controlling interests	(1)	(1)	(3)	(3)

COMPOSITION AND PRINCIPAL CHANGES

Unless otherwise indicated, the information on the income statement in the following notes relates to Continuing Operations.

1. Net revenues

The following table summarises Net revenues for the three and six months ended 30 June 2024 and 2023:

	Three months ended 30 June		Six months ended 30 June	
(€ million)	**2024**	**2023**	**2024**	**2023**
Truck	2,565	2,849	4,904	5,136
Bus	612	500	1,026	907
Defence	285	220	498	379
Powertrain	980	1,135	1,949	2,248
Eliminations and Other	(623)	(652)	(1,275)	(1,328)
Total Industrial Activities	**3,819**	**4,052**	**7,102**	**7,342**
Financial Services	142	117	287	216
Eliminations and Other	(42)	(45)	(103)	(72)
Total Net revenues	**3,919**	**4,124**	**7,286**	**7,486**

The following table disaggregates Net revenues by major source for the three and six months ended 30 June 2024 and 2023:

	Three months ended 30 June		Six months ended 30 June	
(€ million)	**2024**	**2023**	**2024**	**2023**
Revenues from:				
Sales of goods	3,589	3,840	6,638	6,914
Rendering of services and other revenues	160	141	321	287
Rents and other income on assets sold with a buy-back commitment	70	71	143	141
Revenues from sales of goods and services	**3,819**	**4,052**	**7,102**	**7,342**
Finance and interest income	91	64	166	128
Rents and other income on operating lease	9	8	18	16
Total Net revenues	**3,919**	**4,124**	**7,286**	**7,486**

During the three and six months ended 30 June 2024, revenues included €128 million and €276 million, respectively (€116 million and €246 million during the three and six months ended 30 June 2023, respectively) related to the reversal of contract liabilities outstanding at the beginning of each period. See Note 24 "Other current liabilities" for additional details on contract liabilities.

As of 30 June 2024 and 31 December 2023, the aggregate amount of the transaction price allocated to remaining performance obligations related to extended warranties/maintenance and repair contracts, and transactions for the sale of vehicles with a buy-back commitment was approximately €2.5 billion. Iveco Group expects to recognise revenue on approximately 28% and 66% of the remaining performance obligations over the next 12 and 36 months, respectively (approximately 29% and 68%, respectively, as of 31 December 2023), with the remaining recognised thereafter.

2. Cost of sales

Cost of sales amounted to €3,201 million and €5,933 million in the three and six months ended 30 June 2024, respectively, compared to €3,401 million and €6,216 million in the three and six months ended 30 June 2023, respectively.

3. Selling, general and administrative costs

Selling, general and administrative costs amounted to €245 million and €485 million and were 6.3% and 6.7% of net revenues in the three and six months ended 30 June 2024, respectively. In the three and six months ended 30 June 2023, selling, general and administrative costs amounted to €246 million and €467 million and were 6.0% and 6.2% of net revenues, respectively.

4. Research and development costs

In the three months ended 30 June 2024, research and development costs were €160 million (€141 million in the three months ended 30 June 2023) and included all the research and development costs not recognised as assets in the period amounting to €99 million (€85 million in the three months ended 30 June 2023), the amortisation of capitalised development costs of €59 million (€56 million in the three months ended 30 June 2023), and an impairment of capitalised development costs of €2 million (nil in the three months ended 30 June 2023). During the three months ended 30 June 2024, the Group capitalised new development costs of €88 million (€108 million in the three months ended 30 June 2023).

In the six months ended 30 June 2024, research and development costs of €303 million (€262 million in the six months ended 30 June 2023) comprise all the research and development costs not recognised as assets in the period amounting to €184 million (€154 million in the six months ended 30 June 2023), the amortisation of capitalised development costs of €117 million (€108 million in the six months ended 30 June 2023), and an impairment of capitalised development costs of €2 million (nil in the six months ended 30 June 2023). During the six months ended 30 June 2024, the Group capitalised new development costs of €163 million (€203 million in the six months ended 30 June 2023).

The costs in both periods were primarily attributable to spending on engine development associated with emission requirements and continued investment in new products.

5. Result from investments

This item mainly includes Iveco Group's share in the net profit or loss of the investees accounted for using the equity method, as well as any impairment losses, reversal of impairment losses, accruals to the investment provision, and dividend income. In the three and six months ended 30 June 2024, Iveco Group's share in the net profit or loss of the investees accounted for using the equity method was a gain of €6 million and €12 million, respectively. In the three and six months ended 30 June 2023, Result from investment amounted to a gain of €5 million and to nil, respectively.

6. Restructuring costs

Iveco Group incurred restructuring costs of €5 million and €10 million during the three and six months ended 30 June 2024, respectively, compared to €6 million and €8 million during the three and six months ended 30 June 2023, respectively.

7. Other income/(expenses)

This item consists of miscellaneous costs which cannot be allocated to specific functional areas, such as accruals for various provisions not attributable to other items of cost of sales or selling, general and administrative costs, net of income arising from operations which is not attributable to the sale of goods and services.

This item amounted to other expenses of €30 million and €31 million in the three months ended 30 June 2024 and 2023, respectively, (other expenses of €187 million and €109 million in the six months ended 30 June 2024 and 2023, respectively).

In the six months ended 30 June 2024, this item primarily included €115 million loss from the definitive agreement to transfer the Fire Fighting business, recorded in the first quarter, as well as €18 million cost related to certain claims arising from the EU Commission's 2016 antitrust settlement. In the six months ended 30 June 2023, other expenses primarily included the negative impact of €43 million from the acquisition of full ownership of Nikola Iveco Europe GmbH, as well as €12 million cost related to certain claims arising from the EU Commission's 2016 antitrust settlement.

In all periods, this item also included legal costs, indirect taxes and separation costs related to the spin-off of the Iveco Group business.

8. Financial income/(expenses)

The item "Financial income/(expenses)" is detailed as follows:

	Three months ended 30 June		Six months ended 30 June	
(€ million)	**2024**	**2023**	**2024**	**2023**
Financial income	22	26	64	60
Interest and other financial (expenses)	(61)	(62)	(93)	(127)
Net income/(expenses) from derivative financial instruments, exchange rate differences and other	(10)	(46)	(41)	(87)
Financial income/(expenses)	**(49)**	**(82)**	**(70)**	**(154)**

The decrease in the three and six months ended 30 June 2024 compared to the corresponding periods of 2023 was mainly due to a more contained cost of hedge impact in Argentina, resulting from the implemented hedging strategy, and an improvement in the Argentinian hyperinflation accounting impact.

Capitalised borrowing costs amounted to €12 million and €11 million during the six months ended 30 June 2024 and 2023, respectively.

9. Income tax (expense) benefit

Income tax (expense) benefit recognised in the condensed consolidated income statement consists of the following:

	Three months ended 30 June		Six months ended 30 June	
(€ million)	**2024**	**2023**	**2024**	**2023**
Current taxes	(57)	(57)	(95)	(97)
Deferred taxes	(2)	(6)	(15)	9
Taxes relating to prior periods	(4)	2	(6)	2
Total Income tax (expense) benefit	**(63)**	**(61)**	**(116)**	**(86)**

The effective tax rates for the three months ended 30 June 2024 and 2023 were 26.8% and 27.5%, respectively. The effective tax rates for the six months ended 30 June 2024 and 2023 were 37.4% and 31.9%, respectively. The effective tax rate for the three months ended 30 June 2024 primarily reflects the different tax rates applied in the jurisdictions where the Group operates, unbenefited losses in certain jurisdictions and some other discrete tax items. In the six months ended 30 June 2024, the effective tax rate also reflects the impact of the pre- and after-tax loss of €115 million relating to the Fire Fighting business disposal agreement. The effective tax rate for the three and six months ended 30 June 2023 primarily reflected the impact of restructuring costs, cost related to certain claims arising from the EU Commission's 2016 antitrust settlement decision, the positive impact from the release of provisions related to the Russia and Ukraine conflict, the impact of cost related to the spin-off of the Iveco Group business, the different tax rates applied in the jurisdictions where the Group operates, the deferred tax assets unrecognised in certain jurisdictions and some other discrete tax items. The effective tax rate for the six months ended 30 June 2023 also reflected the negative impact of €43 million (€44 million after-tax) from the acquisition of full ownership of Nikola Iveco Europe GmbH.

As in all financial reporting periods, Iveco Group assessed the realisability of its deferred tax assets, which relate to multiple tax jurisdictions in all regions of the world. While no assessment changes occurred during the current period, it is possible that, within the next twelve months, assessment changes could occur and may have a material impact on Iveco Group's results of operations. Iveco Group operates in many jurisdictions around the world and is routinely subject to income tax audits. As various ongoing audits are concluded, or as the applicable statutes of limitations expire, it is possible Iveco Group’s amount of unrecognised tax benefits could change during the next twelve months.

10. Earnings per share

Basic earnings/(loss) per Common Share (EPS) is computed by dividing the Profit/(loss) for the period attributable to the owners of the parent by the weighted average number of Common Shares outstanding (after deduction of treasury shares) during the period.

Shares acquired under the buy-back program are included in treasury stock of the Company and, therefore, are deducted from the weighted average number of Common Shares outstanding when calculating earnings per share. For additional information on the buy-back program, see Note 20 “Equity”.

Diluted EPS reflects the potential dilution that could occur on the conversion of all dilutive potential Common Shares into Common Shares. Restricted share units and performance share units deriving from the Iveco Group share-based payment awards are considered dilutive potential Common Shares.

A reconciliation of basic and diluted earnings/(loss) per share is as follows:

		Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
Basic:					
Profit/(loss) attributable to the owners of the parent	€ million	153	151	170	157
Weighted average Common Shares outstanding – basic	million	271	270	269	271
Basic earnings/(loss) per Common Share	€	**0.57**	**0.56**	**0.63**	**0.58**
Basic:					
Profit/(loss) from Continuing Operations attributable to the owners of the parent	€ million	162	161	187	178
Weighted average Common Shares outstanding – basic	million	271	270	269	271
Basic earnings/(loss) per Common Share from Continuing Operations	€	**0.60**	**0.60**	**0.70**	**0.66**
Basic:					
Profit/(loss) from Discontinued Operations attributable to the owners of the parent	€ million	(9)	(10)	(17)	(21)
Weighted average Common Shares outstanding – basic	million	271	270	269	271
Basic earnings/(loss) per Common Share from Discontinued Operations	€	**(0.03)**	**(0.03)**	**(0.06)**	**(0.08)**
Diluted:					
Profit/(loss) attributable to the owners of the parent	€ million	153	151	170	157
Weighted average Common Shares outstanding – basic	million	271	270	269	271
Effect of dilutive potential Common Shares (when dilutive):					
Share compensation plans	million	3	4	5	4
Weighted average Common Shares outstanding – diluted	million	274	274	274	275
Diluted earnings/(loss) per Common Share	€	**0.56**	**0.55**	**0.62**	**0.57**
Diluted:					
Profit/(loss) from Continuing Operations attributable to the owners of the parent	€ million	162	161	187	178
Weighted average Common Shares outstanding – basic	million	271	270	269	271
Effect of dilutive potential Common Shares (when dilutive):					
Share compensation plans	million	3	4	5	4
Weighted average Common Shares outstanding – diluted	million	274	274	274	275
Diluted earnings/(loss) per Common Share from Continuing Operations	€	**0.59**	**0.59**	**0.68**	**0.65**
Diluted:					
Profit/(loss) from Discontinued Operations attributable to the owners of the parent	€ million	(9)	(10)	(17)	(21)
Weighted average Common Shares outstanding – basic	million	271	270	269	271
Effect of dilutive potential Common Shares (when dilutive):					
Share compensation plans	million	—	—	—	—
Weighted average Common Shares outstanding – diluted	million	271	270	269	271
Diluted earnings/(loss) per Common Share from Discontinued Operations	€	**(0.03)**	**(0.03)**	**(0.06)**	**(0.08)**

11. Intangible assets

Changes in the carrying amount of Intangible assets for the six months ended 30 June 2024 were as follows:

(€ million)	Carrying amount at 31 December 2023	Additions	Amortisation	Impairment	Transfer to assets held for sale	Foreign exchange effects and other changes	Carrying amount at 30 June 2024
Goodwill	86	—	—	—	—	—	86
Development costs	1,541	163	(118)	(2)	(11)	(2)	1,571
Other	214	24	(24)	—	(2)	(1)	211
Total Intangible assets	**1,841**	**187**	**(142)**	**(2)**	**(13)**	**(3)**	**1,868**

Goodwill is allocated to the segments as follows: Truck for €5 million, Bus for €46 million, Defence for €23 million, and Financial Services for €12 million. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently if a triggering event occurs and impairment indicators are identified. Iveco Group performed its most recent annual impairment review as of 31 December 2023. The results of the impairment tests confirmed the absence of an impairment loss. During the six months ended 30 June 2024, no impairment indicators were identified.

12. Property, plant and equipment

Changes in the carrying amount of Property, plant and equipment for the six months ended 30 June 2024 were as follows:

(€ million)	Carrying amount at 31 December 2023	Additions	Depreciation	Impairment	Foreign exchange effects	Transfer to assets held for sale	Disposals and other changes	Carrying amount at 30 June 2024
Property, plant and equipment acquired	1,697	150	(136)	—	(15)	(10)	21	1,707
Right-of-use assets	191	39	(34)	—	(1)	(6)	(5)	184
Assets sold with a buy-back commitment	1,298	194	(116)	(6)	—	—	(136)	1,234
Total Property, plant and equipment	**3,186**	**383**	**(286)**	**(6)**	**(16)**	**(16)**	**(120)**	**3,125**

At 30 June 2024, right-of-use assets refer primarily to the following lease contracts: industrial buildings for €119 million (€125 million at 31 December 2023), plant, machinery and equipment for €17 million (€18 million at 31 December 2023), and other assets for €48 million (€48 million at 31 December 2023). For a description of the related lease liabilities, see Note 22 "Debt".

Short-term and low-value leases are not recorded in the statement of financial position; Iveco Group recognises lease expense (€6 million in the six months ended 30 June 2024 and 2023) in the income statement for these leases on a straight-line basis over the lease term.

13. Investments and other non-current financial assets

Investments and other non-current financial assets at 30 June 2024 and 31 December 2023 consisted of the following:

(€ million)	At 30 June 2024	At 31 December 2023
Equity investments measured at fair value through other comprehensive income	12	15
Other investments	183	180
Total Investments	195	195
Non-current financial receivables and other non-current securities	39	15
Total Investments and other non-current financial assets	**234**	**210**

At 30 June 2024, equity investments measured at fair value through other comprehensive income include the investment held by Iveco Group in Nikola Corporation and a minor investment in a non-listed company in India considered strategic in nature. In the three and six months ended 30 June 2024, a pre- and after-tax loss of €4 million and €3 million, respectively (nil and a pre- and after-tax loss of €23 million in the three and six months ended 30 June 2023, respectively) was recorded in Other comprehensive income from the remeasurement at fair value of the equity investments measured at fair value through other comprehensive income.

Changes in Investments were as follows:

(€ million)	At 31 December 2023	Revaluations/ (Write-downs)	Acquisitions and capitalisations	Fair value remeasurements	Other changes	At 30 June 2024
Equity investments measured at fair value through other comprehensive income	15	—	—	(3)	—	12
Other investments	180	12	—	—	(9)	183
Total Investments	**195**	**12**	**—**	**(3)**	**(9)**	**195**

Other investments amounted to €183 million at 30 June 2024 (€180 million at 31 December 2023) and primarily included for €116 million (€108 million at 31 December 2023) CIFINS S.p.A., legal entity jointly held by Iveco Group and CNH Industrial, which holds 49.9% of CNH Capital Europe S.a.S., a joint venture with the BNP Paribas Group providing financing solutions to customers of both Iveco Group and CNH in several European countries.

Revaluations and write-downs primarily consist of adjustments for the result of the period to the carrying amount of investments accounted for using the equity method.

14. Leased assets

Leased assets include vehicles leased to retail customers by Financial Services under operating lease arrangements. Such leases typically have terms of 3 to 5 years with options available for the lessee to purchase the equipment at the lease term date. Revenues for non-lease components are accounted for separately.

Changes in the carrying amount of Leased assets for the six months ended 30 June 2024 were as follows:

(€ million)	Carrying amount at 31 December 2023	Additions	Depreciation	Foreign exchange effects	Disposals and other changes	Carrying amount at 30 June 2024
Leased assets	**75**	30	(17)	1	(4)	**85**

15. Inventories

At 30 June 2024 and 31 December 2023, Inventories consisted of the following:

(€ million)	At 30 June 2024	At 31 December 2023
Raw materials	712	579
Finished goods and work-in-progress	2,939	2,289
Total Inventories	**3,651**	**2,868**

Total Inventories amounted to €3,651 million at 30 June 2024 compared to €2,868 million at 31 December 2023.

At 30 June 2024, Inventories included assets which are no longer subject to operating lease arrangements or buy-back commitments and were held for sale for a total amount of €23 million (€19 million at 31 December 2023).

16. Current receivables and Other current financial assets

A summary of Current receivables and Other current financial assets as of 30 June 2024 and 31 December 2023 is as follows:

(€ million)	**At 30 June 2024**	**At 31 December 2023**
Trade receivables	332	326
Receivables from financing activities	4,955	5,802
Current tax receivables	113	142
Other current receivables and financial assets:		
Other current receivables	409	320
Other current financial assets	159	43
Total Other current receivables and financial assets	568	363
Total Current receivables and Other current financial assets	**5,968**	**6,633**

Receivables from financing activities

A summary of Receivables from financing activities as of 30 June 2024 and 31 December 2023 is as follows:

(€ million)	**At 30 June 2024**	**At 31 December 2023**
Retail:		
Retail financing	15	12
Finance leases	58	57
Total Retail	73	69
Wholesale:		
Dealer financing	4,765	5,541
Total Wholesale	4,765	5,541
Other	117	192
Total Receivables from financing activities	**4,955**	**5,802**

Iveco Group provides and administers financing for retail purchases of new and used vehicles sold through its dealer network. The terms of retail and other notes and finance leases generally range from two to six years, and interest rates vary depending on prevailing market interest rates and incentive programs offered by Industrial Activities.

Wholesale receivables arise primarily from the sale of goods to dealers, distributors and end customers and, to a lesser extent, the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, during the "interest free" period, Financial Services is compensated by Industrial Activities based on market interest rates. After the expiration of any "interest-free" period, interest is charged to dealers on outstanding balances until Iveco Group receives payment in full. The "interest-free" periods are determined based on the type of vehicle sold and the time of year of the sale. Iveco Group evaluates and assesses dealers on an ongoing basis as to their credit worthiness. Iveco Group may be obliged to repurchase the dealer's vehicle upon cancellation or termination of the dealer's contract for such causes as change in ownership, closeout of the business, or default. There were no significant losses in the three and six months ended 30 June 2024 and 2023 relating to the termination of dealer contracts.

Iveco Group assesses and monitors the credit quality of its financing receivables based on whether a receivable is classified as Performing or Non-Performing. Financing receivables are considered past due if the required principal and interest payments have not yet been received as of the date such payments were due. Delinquency is reported on financing receivables greater than 30 days past due. Non-performing financing receivables represent loans for which Iveco Group has ceased accruing finance income. These receivables are generally 90 days delinquent. Finance income for non-performing receivables is recognised on a cash basis. Interest accrual is resumed if the receivable becomes contractually current and collections becomes probable.

The ageing of Receivables from financing activities as of 30 June 2024 and 31 December 2023 is as follows (receivables are primarily related to Europe region):

								At 30 June 2024
(€ million)	Total Current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total	Allowance	Total, net of allowance
Total Retail	76	—	—	**76**	20	**96**	(23)	**73**
Total Wholesale	4,692	10	2	**4,704**	191	**4,895**	(130)	**4,765**

								At 31 December 2023
(€ million)	Total Current	31-60 Days Past Due	61-90 Days Past Due	Total Performing	Non-Performing	Total	Allowance	Total, net of allowance
Total Retail	82	—	—	**82**	23	**105**	(36)	**69**
Total Wholesale	5,489	13	1	**5,503**	157	**5,660**	(119)	**5,541**

Receivables from financing activities have significant concentrations of credit risk in the Truck business unit. On a geographic basis, the credit risk concentration is mainly located into Europe area. Iveco Group typically retains as collateral a security interest in the vehicles associated with retail notes, wholesale notes and finance leases.

A financial asset has experienced a significant increase in credit risk when the customer shows signs of operational or financial weakness including past dues, which requires significant collection effort and monitoring, and generally occurs when the customer becomes past due greater than 30 days. The assessment considers available information regarding the financial stability of the customer and other market/industry data; an account is typically considered in default when it is 90 days past due.

Iveco Group utilises three categories for receivables from financing activities that reflect their credit risk and how the loan provision is determined.

Internal risk grade	IFRS 9 classification	Definition	Basis for recognition of expected credit loss provision
Performing	Stage 1	Low risk of default; payments are generally less than 30 days past due	12 month expected credit losses
Performing	Stage 2	Significant increase in credit risk; payments generally between 31 and 90 days past due	Lifetime expected credit losses
Non-performing	Stage 3	Accounts are credit impaired and/or a legal action has been initiated; payments generally greater than 90 days past due	Lifetime expected credit losses

Charge-offs of principal amounts of receivables outstanding are deducted from the allowance at the point when it is estimated that amounts due are deemed uncollectible. Iveco Group continues to engage in collection efforts to attempt to recover the receivables. When recoveries are collected, these are recognised as income.

Allowance for Credit Losses of Receivables from financing activities

Iveco Group's allowance for credit losses is segregated into two portfolio segments: retail and wholesale. A portfolio segment is the level at which Iveco Group develops a systematic methodology for determining its allowance for credit losses. Typically, Iveco Group's receivables within a portfolio segment have similar risk profiles and methods for assessing and monitoring risk. These classes align with management reporting.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, Iveco Group considers historical loss rates for each category of customer and adjusts for forward looking macroeconomic data.

In calculating the expected credit losses, Iveco Group's calculations depend on whether the receivable has been individually identified as being impaired. The first component of the allowance for credit losses covers the receivables specifically reviewed by management for which Iveco Group has determined it is probable that it will not collect all the contractual principal and interest. Receivables are individually reviewed for impairment based on, among other items, amounts outstanding, days past due and prior collection history. Expected credit losses are measured by considering: the unbiased and probability-weighted amount; the time value of money; and reasonable and supportable information (available without undue costs or effort) at the reporting date about past events, current conditions, and forecasts of future economic conditions. Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset.

The second component of the allowance for credit losses covers all receivables that have not been individually reviewed for impairment. The allowance for these receivables is based on aggregated portfolio evaluations, generally by financial product. The allowance for wholesale and retail credit losses is based on loss forecast models that consider a variety of factors that include, but are not limited to, historical loss experience, collateral value, portfolio balance and delinquency. The loss forecast models are updated on a quarterly basis. The calculation is adjusted for forward looking macroeconomic factors. In addition, qualitative factors that are not fully captured in the loss forecast models are considered in the evaluation of the adequacy of the allowance for credit losses. These qualitative factors are subjective and require a degree of management judgement.

Allowance for credit losses activity for the three and six months ended 30 June 2024 is as follows:

	Three months ended 30 June 2024							
	Retail				Wholesale			
(€ million)	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Opening balance	**2**	**11**	**18**	**31**	**36**	**1**	**86**	**123**
Provision (benefit)	2	(10)	1	(7)	(2)	1	9	8
Charge-offs, net of recoveries	—	—	(1)	(1)	—	—	(1)	(1)
Ending balance	**4**	**1**	**18**	**23**	**34**	**2**	**94**	**130**

	Six months ended 30 June 2024							
	Retail				Wholesale			
(€ million)	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**	**Stage 1 12 months ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Opening balance	**2**	**14**	**20**	**36**	**38**	**1**	**80**	**119**
Provision (benefit)	2	(13)	(1)	(12)	(4)	1	15	12
Charge-offs, net of recoveries	—	—	(1)	(1)	—	—	(1)	(1)
Ending balance	**4**	**1**	**18**	**23**	**34**	**2**	**94**	**130**
Receivables, net of allowance:								
Ending balance	**70**	**1**	**2**	**73**	**4,434**	**212**	**119**	**4,765**

At 30 June 2024, the change in allowance for credit losses for the Retail portfolio is mainly related to the release of stage 2 collective provisions and concomitant accrual of stage 1 collective provisions for three large Italian customers upon their upgrade from stage 2 to stage 1.

For the Wholesale portfolio the change in allowance is mainly due to the increase of specific reserves concentrated on few customers and to the release of collective reserves in line with the decrease of volumes. The accrual of provisions and the release of provisions for credit losses have been included in cost of sales.

Allowance for credit losses activity for the three and six months ended 30 June 2023 is as follows:

	Three months ended 30 June 2023							
	Retail				Wholesale			
(€ million)	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Opening balance	**3**	**—**	**51**	**54**	**27**	**—**	**98**	**125**
Provision (benefit)	1	13	(23)	(9)	4	—	(9)	(5)
Ending balance	**4**	**13**	**28**	**45**	**31**	**—**	**89**	**120**

	Six months ended 30 June 2023							
	Retail				Wholesale			
(€ million)	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Opening balance	**2**	**—**	**60**	**62**	**25**	**—**	**95**	**120**
Provision (benefit)	2	13	(32)	(17)	6	—	(6)	—
Ending balance	**4**	**13**	**28**	**45**	**31**	**—**	**89**	**120**
Receivables, net of allowance:								
Ending balance	**49**	**22**	**3**	**74**	**4,415**	**21**	**38**	**4,474**

At 30 June 2023, the change in allowance for credit losses for the Retail portfolio was mainly related to the release of specific provisions (stage 3) and concomitant accrual of collective provisions (stage 2) for one large Italian customer upon his upgrade from stage 3 to stage 2.

For the Wholesale portfolio the releases of specific reserves were offset by the collective provisions that increased following the increase of the receivable balance.

Allowance for credit losses activity for the year ended 31 December 2023 is as follows:

	Year ended 31 December 2023							
	Retail				Wholesale			
(€ million)	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Opening balance	**2**	**—**	**60**	**62**	**25**	**—**	**95**	**120**
Provision (benefit)	—	14	(35)	(21)	13	1	(9)	5
Charge-offs, net of recoveries	—	—	(5)	(5)	—	—	(6)	(6)
Ending balance	**2**	**14**	**20**	**36**	**38**	**1**	**80**	**119**
Receivables, net of allowance:								
Ending balance	**51**	**15**	**3**	**69**	**5,279**	**145**	**117**	**5,541**

At 31 December 2023, the change in allowance for credit losses for the Retail portfolio was mainly related to the release of specific provisions (stage 3) and concomitant accrual of collective provisions (stage 2) for 3 large Italian customers upon their upgrade from stage 3 to stage 2. For the Wholesale portfolio the increase of the collective provisions due to the increase of the receivables balance was partially compensated by releases of specific reserves and write-offs.

Transfers of financial receivables

The Group transfers a number of its financial receivables to securitisation programs or factoring transactions.

A securitisation transaction entails the sale of a portfolio of receivables to a securitisation vehicle. This structured entity finances the purchase of the receivables through asset-backed financing. Asset-backed financing are divided into classes according to their degree of seniority and rating: the most senior classes are placed with investors on the market; the junior class, whose repayment is subordinated to the senior classes, is normally subscribed for by the seller. The residual interest in the receivables retained by the seller is therefore limited to the junior securities it has subscribed for. In accordance with IFRS 10 – *Consolidated Financial Statements*, all securitisation vehicles are included in the scope of consolidation because the subscription of the junior note of the asset-backed securitisation by the seller implies its control in substance over the structured entity.

Furthermore, factoring transactions may be either with recourse or without recourse; without recourse transfers include deferred payment clauses (for example, when the payment by the factor of a minor part of the purchase price is dependent on the total amount collected from the receivables), requiring first loss cover, meaning that the transferor takes priority participation in the losses, or requires a significant exposure to the cash flows arising from the transferred receivables to be retained. These types of transactions do not comply with the requirements of IFRS 9 – *Financial Instruments* for the derecognition of the assets, since the risks and rewards connected with collection are not substantially transferred and, accordingly, the Group continues to recognise the receivables transferred by this means in its consolidated statement of financial position and recognises a financial liability of the same amount under Asset-backed financing (see Note 22 “Debt”). The gains and losses arising from the transfer of these assets are only recognised when the assets are derecognised.

At 30 June 2024 and 31 December 2023, the carrying amounts of such restricted assets included in Receivables from financing activities amounted to €3,137 million and €3,650 million, respectively. Iveco Group has discounted receivables and bills without recourse having due dates beyond 30 June 2024 amounting to €292 million (€274 million at 31 December 2023, with due dates beyond that date), which refer to trade receivables.

17. Derivative assets and Derivative liabilities

These items consist of derivative financial instruments measured at fair value at the balance sheet date.

Iveco Group utilises derivative instruments to mitigate its exposure to interest rate and foreign currency exposures. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract. Iveco Group does not hold or enter into derivative or other financial instruments for speculative purposes. The credit and market risk related to derivatives is reduced through diversification among various counterparties. Derivative instruments are generally classified as Level 2 in the fair value hierarchy.

The fair value of derivative financial instruments is based on valid market price, if available. The fair value of derivative financial instruments that are not traded in an active market is determined by using valuation techniques, based on observable market data. If all significant inputs required to determine the fair value of an instrument are based on observable market data, the instrument is included in Level 2. The basis for the interest is the zero-coupon-curve in each currency, which is used to calculate the present value of all the estimated future cash flows. For forward exchange contracts the basis is the forward premium based on current spot rate for each currency and future date. The fair value is then discounted based on the observable interest yield curves as per the balance sheet date.

In accordance with IFRS 9 - *Financial Instruments*, derivative financial instruments qualify for hedge accounting only when, at the inception of the hedge, there is formal designation and documentation of the hedging relationship, there is an economic relationship between the hedging instrument and the hedged item, credit risk does not dominate the value changes that result from the economic relationship, and the hedging relationship’s hedging ratio reflects the actual quantity of the hedging instrument and the hedged item. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

With regard to hedge accounting, Iveco Group continues to monitor significant developments in order to assess the potential future impacts of current macroeconomic and geopolitical issues, supply chain issues and global logistic constraints, energy and material availability and relevant price variability, on the hedging relationships in place and to update its estimates concerning whether forecasted transactions can still be considered highly likely to occur.

Foreign Exchange Derivatives

Iveco Group has entered into foreign exchange forward contracts and swaps in order to manage and preserve the economic value of cash flows in a currency different from the functional currency of the relevant legal entity. Iveco Group conducts its business on a global basis in a wide variety of foreign currencies and hedges foreign currency exposures arising from various receivables, liabilities, and expected inventory purchases and sales. Derivative instruments utilised to hedge the foreign currency risk associated with anticipated inventory purchases and sales in foreign currencies are designated as cash flow hedges. Gains and losses on these instruments are deferred in accumulated other comprehensive income/(loss) and recognised in earnings when the related transaction occurs.

For hedging cash flows in a currency different from the functional currency, the hedge relationship reflects the hedge ratio of 1:1, which means that relationship is characterised by the value of the hedging instrument and the value of the hedged item moving in the opposite direction as a result of the common underlying of hedged risk.

The main sources of hedge ineffectiveness are:

- the effect of the counterparty and the Group’s own credit risk on the fair value of the foreign exchange derivatives, which is not reflected in the change in the fair value of the hedged cash flow attributable to the change in the exchange rates;
- changes in timing of the hedged transaction.

Ineffectiveness related to these hedge relationships is recognised in the condensed consolidated income statement in the line “Financial income/(expenses)” and was not significant for all periods presented. The maturity of these instruments does not exceed 24 months and the after-tax gains/(losses) deferred in accumulated other comprehensive income/(loss) that will be recognised in net revenues and cost of sales over the next twelve months, assuming foreign exchange rates remain unchanged, is €-13 million. If a derivative instrument is terminated because the hedge relationship is no longer effective or because the hedged item is a forecasted transaction that is no longer determined to be probable, the cumulative amount recorded in accumulated other comprehensive income/(loss) is recognised immediately in earnings. Such amounts were insignificant in all periods presented.

Iveco Group also uses forwards and swaps to hedge assets and liabilities denominated in foreign currencies. Such derivatives are considered economic hedges and not designated as hedging instruments. The changes in the fair values of these instruments are recognised directly in income in “Financial income/(expenses)” and are expected to offset the foreign exchange gains or losses on the exposures being managed.

All of Iveco Group's foreign exchange derivatives are considered Level 2 as the fair value is calculated using market data input and can be compared to actively traded derivatives. The total notional amount of Iveco Group’s foreign exchange derivatives was €3.3 billion at 30 June 2024 and €3.5 billion at 31 December 2023.

Interest Rate Derivatives

Iveco Group could enter into interest rate derivatives in order to manage interest rate exposures arising in the normal course of business. Interest rate derivatives designated as cash flow hedges could be used by Iveco Group to mitigate the risk of rising interest rates related to existing debt and anticipated issuance of fixed-rate debt in future periods. Gains and losses on these instruments, to the extent that the hedge relationship has been effective, should be deferred in other comprehensive income/(loss) and recognised in “Financial income/(expenses)” over the period in which Iveco Group recognises interest expense on the related debt.

Interest rate derivatives designated as fair value hedge relationships could be used by Iveco Group to mitigate the volatility in the fair value of existing financing instruments due to changes in floating interest rate benchmarks. Gains and losses on these instruments should be recorded in “Financial income/(expenses)” in the period in which they occur and an offsetting gain or loss should also be reflected in “Financial income/(expenses)” based on changes in the fair value of the debt instrument being hedged due to changes in floating interest rate benchmarks.

For hedging interest rate exposures, the hedge relationship should reflect the hedge ratio 1:1, which means that relationship is characterised by the value of the hedging instrument and the value of the hedged item that move in the opposite direction as a result of the common underlying of hedged risk.

The main sources of hedge ineffectiveness should be:

- the effect of the counterparty and the Group’s own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flow attributable to the change in the interest rates;
- differences in repricing dates between the swaps and the borrowings.

Any ineffectiveness should be recorded in “Financial income/(expenses)” in the condensed consolidated income statement. During the six months ended 30 June 2024 and the year ended 31 December 2023, Iveco Group did not enter into interest rate derivatives.

Financial statement impact of Iveco Group derivatives

The following table summarises the gross impact of changes in the fair value of derivatives recognised in other comprehensive income and profit or loss during the three and six months ended 30 June 2024 and 2023:

	Three months ended 30 June		Six months ended 30 June	
(€ million)	**2024**	**2023**	**2024**	**2023**
Cash flow hedges				
Recognised in Other comprehensive income (effective portion):				
Foreign exchange derivatives	(10)	(19)	(26)	(28)
Reclassified from Other comprehensive income (effective portion):				
Foreign exchange derivatives - Net revenues	(1)	3	(1)	7
Foreign exchange derivatives - Cost of sales	(9)	(16)	(15)	(30)
Foreign exchange derivatives - Financial income/(expenses)	(7)	8	(9)	10
Not designated as hedges				
Foreign exchange derivatives - Financial income/(expenses)	(9)	(31)	(23)	(44)

The fair values of Iveco Group's derivatives as of 30 June 2024 and 31 December 2023 in the Condensed Consolidated Statement of Financial position are recorded as follows:

	At 30 June 2024		At 31 December 2023	
(€ million)	**Positive fair value**	**Negative fair value**	**Positive fair value**	**Negative fair value**
Derivatives designated as hedging instruments				
Cash flow hedges:				
Foreign exchange derivatives	15	—	21	(34)
Total Cash flow hedges	15	—	21	(34)
Total Derivatives designated as hedging instruments	**15**	**—**	**21**	**(34)**
Derivatives not designated as hedging instruments				
Foreign exchange derivatives	13	(61)	6	(7)
Total Derivatives not designated as hedging instruments	**13**	**(61)**	**6**	**(7)**
Derivative assets/(liabilities)	**28**	**(61)**	**27**	**(41)**

Derivatives not designated as hedging instruments consist mainly of derivatives (mostly currency-based derivatives) acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges at Group level.

18. Cash and cash equivalents

Cash and cash equivalents include cash at bank and other easily marketable securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

At 30 June 2024, this item included €97 million (€104 million at 31 December 2023) of restricted cash which mainly consists of Central Bank deposits established for regulatory purposes by a subsidiary benefitting from a banking license.

At the same date, this item also included €150 million (€186 million at 31 December 2023) of money market securities and other cash equivalents.

19. Assets and liabilities held for sale

On 30 March 2023, Iveco Group announced the signing of a letter of intent for the transfer to Hedin Mobility Group AB of its distribution and retail commercial operations in Sweden, Norway, Finland, and Denmark. In particular, the transfer refers to the Group commercial activities for light, medium and heavy trucks, including retail minibuses but excluding all other assets relating to bus activities, financial services, and other Group businesses. The relevant operations have been classified as a disposal group held for sale and presented separately in the consolidated statement of financial position starting from 30 June 2023, as required by IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. Following up on the letter of intent, in December 2023 a Share Purchase Agreement has been signed between Iveco Group and Hedin Mobility Group AB. Subject to regulatory approval, the transaction is expected to be completed by the end of 2024, without any significant impact to profit or loss from the sale. The major classes of assets and liabilities comprising the operations classified as held for sale at 30 June 2024 are Property, plant and equipment (€23 million), Inventories (€26 million), Provisions (€6 million), Other current liabilities (€42 million) and Trade payables (€4 million). There are no cumulative income or expenses included in other comprehensive income relating to the disposal group.

At 30 June 2024, assets and liabilities held for sale also include the assets and liabilities relating the Fire Fighting business. See paragraph “Discontinued Operations – Fire Fighting Business” for additional details.

In addition to the above, Assets held for sale at 30 June 2024 and 31 December 2023 also included certain buildings.

20. Equity

Share capital

The Articles of Association of Iveco Group N.V. provide for authorised share capital of €8 million, divided into 400 million Common Shares and 400 million Special Voting Shares to be held with associated Common Shares, each having a par value of one euro cent (€0.01). As of 30 June 2024, the Company’s share capital was €3,454,589.70, fully paid-in, and consisted of 271,215,400 Common Shares (270,582,535 Common Shares outstanding, net of 632,865 Common Shares held in treasury by the Company as described in the following section) and 74,243,570 Special Voting Shares (74,172,669 Special Voting Shares outstanding, net of 70,901 Special Voting Shares surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register and which are held as treasury shares by the Company as described in the following section).

For more complete information on the share capital of Iveco Group N.V., see Note 21 “Equity” to the Iveco Group Consolidated Financial Statements at 31 December 2023.

Treasury shares

At 30 June 2024, the Company held 632,865 Common Shares in treasury, net of transfers of Common Shares to fulfil its obligations under its share-based compensation plans, at an aggregate cost of €5.5 million. During the first half of 2024, the Company acquired 292 Special Voting Shares surrendered to the Company following the de-registration of the corresponding Qualifying Common Shares from the Loyalty Register in accordance with the Special Voting Shares - Terms and Conditions. As of 30 June 2024, the Company held 70,901 Special Voting Shares in treasury.

On 17 April 2024, the Annual General Meeting of Shareholders (AGM) authorised the Board of Directors to decide upon the acquisition of the Company’s own Common Shares through purchases on the stock exchange and/or multilateral trading facilities, directly and/or otherwise, for a period of 18 months from 17 April 2024, i.e. up to and including 16 October 2025, in one or more transactions, subject to market and business conditions and in compliance with applicable rules and regulations. The Board’s authority is limited to a maximum of up to 10,000,000 Common Shares with a maximum total allocation to this end of €130 million. With due respect of applicable rules and regulations, purchases will take place for a price per Common Share (excluding expenses) no less than its nominal value (minimum price) and no more than 10% above the opening price as shown in the Official Price List of Euronext Milan on the day of acquisition (maximum price). Neither the authorization sought for, nor the subsequent launch of any share buyback program obligates the Company to buy back any Common Shares. The new authorisation replaces the pre-existing one granted by the AGM on 14 April 2023 and intends, inter alia, to allow the Board to cover the Company’s obligations related to share-based remuneration, under existing and/or future equity incentive plans.

On 21 June 2024, implementing the authorisation granted by the AGM, the Company announced the launch of an initial tranche (up to €60,000,000) of its share buyback program. The initial tranche of the buyback will end on 18 December 2024 (subject to suspension or early termination). As of 30 June 2024, the primary financial institution authorised to manage the purchase of Iveco Group common shares under the buyback program currently in place had repurchased on Euronext Milan and delivered to the Company 175 thousand common shares at an aggregate cost of €2 million. A comprehensive and detailed overview of the purchases accomplished, is available on the Company’s website, www.ivecogroup.com.

Capital reserves

At 30 June 2024 capital reserves amounted to €2,284 million (€2,324 million at 31 December 2023).

Earnings reserves

Earnings reserves, amounting to €827 million at 30 June 2024 (€700 million at 31 December 2023), mainly consist of retained earnings and profits attributable to the owners of the parent.

On 17 April 2024, at the AGM, shareholders of Iveco Group N.V. approved a dividend in cash of €0.22 per Common Share, as recommended by the Board of Directors. The cash dividend was declared in euro and paid on 24 April 2024 for a total amount of €59 million.

Other comprehensive income/(loss)

Other comprehensive income/(loss) consisted of the following:

	Three months ended 30 June		Six months ended 30 June	
(€ million)	**2024**	**2023**	**2024**	**2023**
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:				
Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income[(1)]	(4)	—	(3)	(23)
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss (A)	**(4)**	**—**	**(3)**	**(23)**
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:				
Gains/(losses) on cash flow hedging instruments arising during the period	(10)	(19)	(26)	(28)
(Gains)/losses on cash flow hedging instruments reclassified to profit or loss	17	5	25	13
Gains/(losses) on cash flow hedging instruments	7	(14)	(1)	(15)
Foreign exchange gains/(losses) on translation of foreign operations arising during the period	(18)	(58)	(48)	(101)
Foreign exchange (gains)/losses on translation of foreign operations reclassified to profit or loss	—	—	—	—
Foreign exchange gains/(losses) on translation of foreign operations	(18)	(58)	(48)	(101)
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss (B)	**(11)**	**(72)**	**(49)**	**(116)**
Tax effect (C)	**4**	**1**	**5**	**1**
Total Other comprehensive income/(loss), net of tax (A) + (B) + (C)	**(11)**	**(71)**	**(47)**	**(138)**

(1) In the three and six months ended 30 June 2024 and 2023, Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income includes the remeasurement at fair value of the investment in Nikola Corporation. See Note 13 for additional information on this investment.

The income tax effect for each component of Other comprehensive income/(loss) consisted of the following:

	Three months ended 30 June						Six months ended 30 June					
	2024			2023			2024			2023		
(€ million)	Before tax amount	Tax (expense)/ benefit	Net-of-tax amount	Before tax amount	Tax (expense)/ benefit	Net-of-tax amount	Before tax amount	Tax (expense)/ benefit	Net-of-tax amount	Before tax amount	Tax (expense)/ benefit	Net-of-tax amount
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss:												
Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income(1)	(4)	—	(4)	—	—	—	(3)	—	(3)	(23)	—	(23)
Total Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss	**(4)**	**—**	**(4)**	**—**	**—**	**—**	**(3)**	**—**	**(3)**	**(23)**	**—**	**(23)**
Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss:												
Gains/(losses) on cash flow hedging instruments	7	4	11	(14)	1	(13)	(1)	5	4	(15)	1	(14)
Foreign exchange gains/(losses) on translation of foreign operations	(18)	—	(18)	(58)	—	(58)	(48)	—	(48)	(101)	—	(101)
Total Other comprehensive income/(loss) that may be reclassified subsequently to profit or loss	**(11)**	**4**	**(7)**	**(72)**	**1**	**(71)**	**(49)**	**5**	**(44)**	**(116)**	**1**	**(115)**
Total Other comprehensive income/(loss)	**(15)**	**4**	**(11)**	**(72)**	**1**	**(71)**	**(52)**	**5**	**(47)**	**(139)**	**1**	**(138)**

(1) In the three and six months ended 30 June 2024 and 2023, Fair value gain/(loss) on equity investments measured at fair value through other comprehensive income includes the remeasurement at fair value of the investment in Nikola Corporation. See Note 13 for additional information on this investment.

Share-based compensation

Iveco Group recognised total share-based compensation net income of €1 million and expense of €5 million in the three and six months ended 30 June 2024, respectively (expense of €5 million and €8 million in the three and six months ended 30 June 2023, respectively), including a €3 million income related to the reversal for forfeitures of certain previously granted share-based awards.

At 30 June 2024, the Company granted 0.7 million Performance Share Units (PSUs) and 0.5 million Restricted Share Units (RSUs). The PSUs will vest on 28 February 2027, with financial performance goals covering the three-year period from 1 January 2024 to 31 December 2026. The RSUs will vest in full on 28 February 2027.

21. Provisions

A summary of Provisions at 30 June 2024 and 31 December 2023 is as follows:

(€ million)	**At 30 June 2024**	**At 31 December 2023**
Employee benefits	423	544
Other provisions:		
Warranty and technical assistance provision	489	498
Restructuring provision	17	24
Investment provision	5	5
Other risks:		
Commercial risks	513	500
Marketing and sales incentives programs	495	444
Legal proceedings and other disputes	78	81
Other reserves for risks and charges	430	284
Total Other risks	1,516	1,309
Total Other provisions	2,027	1,836
Total Provisions	**2,450**	**2,380**

Provisions for Employee benefits include provisions for health care plans, pension plans and other post-employment benefits, as well as other provisions for employees and provisions for other long-term employee benefits.

Provisions for Other risks include primarily provisions for contractual and commercial risks and disputes. In particular, the item “Other reserves for risks and charges" includes other provisions of smaller amounts for miscellaneous risks and charges in connection with risks which cannot be specifically attributed to the other provision categories of “Other risks”, as well as the accrual of €115 million, recorded in the first quarter of 2024, deriving from the commitment assumed signing the agreement for the transfer of Fire Fighting business.

22. Debt

An analysis of debt by nature is as follows:

(€ million)	**At 30 June 2024**	**At 31 December 2023**
Asset-backed financing	3,613	3,860
Other debt:		
Borrowings from banks	1,415	1,631
Payables represented by securities	41	38
Lease liabilities	189	196
Other	232	375
Total Other debt	1,877	2,240
Total Debt	**5,490**	**6,100**

Total Debt was €5,490 million at 30 June 2024, a decrease of €610 million compared to 31 December 2023, primarily as a result of the early repayment of the €400 million Syndicated Term Facility, lower asset backed financing due to seasonal portfolio decrease and lower financial payables to CNH, included in Other debt, partially offset by the issuance of a new €150 million Term Loan with Cassa Depositi e Prestiti.

The item Asset-backed financing represents the financing received through both asset-backed securitisations and factoring transactions which do not meet IFRS 9 derecognition requirements and are recognised as assets in the statement of financial position.

Referring to Lease liabilities, during the six months ended 30 June 2024, €33 million for the principal portion and €4 million for interest expenses related to lease liabilities, respectively, were paid (€32 million and €3 million, respectively, were paid during the six months ended 30 June 2023).

The following table sets out a maturity analysis of Lease liabilities at 30 June 2024 and 31 December 2023:

(€ million)	**At 30 June 2024**	**At 31 December 2023**
Less than one year	61	63
One to two years	42	46
Two to three years	27	29
Three to four years	19	20
Four to five years	14	14
More than five years	59	55
Total undiscounted lease payments	**222**	**227**
Less: Interest	(33)	(31)
Total Lease liabilities	**189**	**196**

At 30 June 2024, the weighted average remaining lease term (calculated on the basis of the remaining lease term and the lease liability balance for each lease) and the weighted average discount rate for leases were 6.6 years and 3.9%, respectively (6.3 years and 3.6%, respectively, at 31 December 2023).

In June 2024, Iveco Group N.V. signed a term loan facility of €150 million with Cassa Depositi e Prestiti (CDP), to support investments in research, development and innovation. Furthermore, in July 2024, Iveco Group N.V. successfully raised a Schuldschein loan (a private placement governed by German law) for €290 million.

With the purpose of further diversifying its funding structure, Iveco Group has established a commercial paper program. In Europe, IC Financial Services S.A. issued commercial paper under the program which had an amount of €41 million outstanding at 30 June 2024 (€38 million at 31 December 2023).

As of 30 June 2024, the credit rating assigned by Fitch Ratings to Iveco Group N.V. is a Long-Term Issuer Default Rating (IDR) of 'BBB-'. The outlook is stable.

23. Trade payables

Trade payables were €3,956 million at 30 June 2024 and decreased by €29 million from 31 December 2023.

24. Other current liabilities

At 30 June 2024, Other current liabilities mainly included €898 million of amounts payable to customers related to the repurchase price on buy-back agreements (€936 million at 31 December 2023), and €1,333 million of contract liabilities (€1,332 million at 31 December 2023) of which €568 million for future rents related to buy-back agreements (€595 million at 31 December 2023). Other current liabilities also included accrued expenses and deferred income of €202 million (€165 million at 31 December 2023).

25. Commitments and contingencies

As a global company with a diverse business portfolio, the Iveco Group in the ordinary course of business is exposed to numerous legal risks, including, without limitation, dealer and supplier litigation, intellectual property rights disputes, product warranty and defective product claims, product performance liability, asbestos, personal injury, regulatory and contractual issues, competition law, anti-corruption and other investigations, environmental claims. All significant matters are described below.

The outcome of any current or future proceedings, claims, or investigations cannot be predicted with certainty. Adverse decisions in some of these proceedings, claims or investigations could require Iveco Group to pay substantial damages or fines or undertake service actions, recall campaigns or other costly actions. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect Iveco Group's financial position and results.

When it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Iveco Group recognises specific provisions for this purpose.

Although the ultimate outcome of legal matters pending against Iveco Group cannot be predicted, Iveco Group believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its Semi-Annual Condensed Consolidated Financial Statements, except for the following cases.

Other litigation and investigation

Follow on Damages Claims: in 2011 Iveco S.p.A. and Iveco Magirus AG (together "Iveco"), which, following the Demerger, are now part of Iveco Group N.V., and their competitors in the European Union were subject to an investigation by the European Commission (the "Commission") into certain business practices in the European Union in the period 1997-2011, in relation to Medium & Heavy trucks. On 19 July 2016, the

Commission announced a settlement with CNH Industrial ("the Decision") including a settlement with Iveco. In particular, Iveco received a reduction in its fine for cooperating with the European Commission throughout the investigation, and received a fine of €494.6 million. Similar decisions were taken, by the Commission, with reference to the other competitors. Following the Decision, Iveco S.p.A. and Iveco Magirus AG have been named as defendants in many proceedings across Europe and Israel. These damage claims could result in substantial liabilities for the Group as well as incurring in significant defense costs, which may have a material adverse effect on its operations and financial condition. The extent and outcome of these claims cannot be reliably predicted at this time and, therefore, the Group did not recognise any specific provision for these claims. In the first half of 2024 and 2023, Iveco Group recognised a cost of €18 million and €12 million, respectively, related to certain claims for which it was possible to make a reliable estimate. This current position will be reassessed on a regular basis and updated as necessary, based on cases' evolution. In accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* (paragraph 92), no further information is disclosed so as not to prejudice the Group's position.

FPT Emissions Investigation: on 22 July 2020, a number of CNH Industrial's offices in Europe were visited by investigators in the context of a request for assistance by the public prosecutors of Frankfurt am Main, Germany (later transferred to the public prosecutor's office in Stuttgart, Germany) and Turin, Italy, in relation to alleged non-compliance of two engine models produced by FPT Industrial S.p.A., which is now part of the Iveco Group. The Italian criminal investigation has been concluded in 2023. As a result of the full cooperation and discussions with the investigative authorities, the German criminal investigation has also been concluded in December 2023. We are also defending individual civil claims alleging emissions' non-compliance in Germany and Austria. We cannot predict at this time the extent and outcome of these individual claims and therefore we did not recognise any specific provision in such relation.

Commitments and guarantees

Iveco Group provided guarantees on the debt or commitments of third parties and performance guarantees, mainly in the interest of an associate providing financing solutions to customers, and of a joint venture related to commercial commitments of defense vehicles, for the total amount of €451 million at 30 June 2024 and €422 million at 31 December 2023.

26. Segment reporting

The segment information disclosed in these Semi-Annual Condensed Consolidated Financial Statements reflects the identifiable reporting segments of the Company and the financial information that the Chief Operating Decision Maker (CODM) reviews to assess performance and make decisions about resource allocation. The segments are organised based on products and services provided by Iveco Group.

As described in section "General" of this Semi-Annual Report, until 31 December 2023 Iveco Group presented its Consolidated Financial Statements including three reportable segments, Commercial and Specialty Vehicles, Powertrain and Financial Services. On 14 March 2024, during its Capital Markets Day, Iveco Group released a new segment reporting structure for its Continuing Operations, expanding its reportable segments from three segments (Commercial & Specialty Vehicles, Powertrain and Financial Services) to five reportable segments (Truck, Bus, Defence, Powertrain and Financial Services). The Truck, Bus and Defence business units, along with the Fire Fighting business unit (now reported as Discontinued Operations, see paragraph above "Discontinued Operations - Fire Fighting Business" for details on Discontinued Operations), were previously part of the Commercial and Specialty Vehicles segment. Iveco Group has the following operating segments:

- ***Truck*** designs, manufactures and distributes a full range of light, medium, and heavy vehicles for the transportation and distribution of goods under the IVECO brand;
- ***Bus*** designs, manufactures and distributes minibuses, city-buses, intercity buses and coaches under the IVECO BUS and HEULIEZ brands;
- ***Defence*** designs, manufactures and distributes vehicles for civil defense and peace-keeping missions under the IDV brand, as well as large-scale heavy-duty quarry and construction vehicles under the ASTRA brand;
- ***Powertrain*** designs, manufactures and distributes, under the FPT Industrial brand, a range of combustion engines, alternative propulsion systems, transmission systems and axles for on- and off-road applications, as well as for marine and power generation; and
- ***Financial Services*** offers a range of financial products and services to dealers and customers. Financial Services provides and administers retail financing to customers for the purchase or lease of new and used vehicles sold by brand dealers and distributors of the Group or directly by subsidiaries of the Group. In addition, Financial Services provides wholesale financing to brand dealers and distributors of the Group. Wholesale financing consists primarily of floor plan financing and allows the dealers to purchase and maintain a representative inventory of products. Financial Services also provides trade receivables factoring services to Iveco Group Industrial Activities legal entities. Additionally, Financial Services grants support to CNH Industrial Group (CNH), by providing financial services for its European brands, dealers and customers under a vendor and service agreement, receiving a fee for the services rendered.

Data included in this note reflects the new reporting structure of Iveco Group. Comparative data has been recast to conform the current year's presentation.

The activities carried out by the Truck, Bus, Defence and Powertrain business units, as well as by the holding company Iveco Group N.V. and the Fire Fighting business unit (classified as Discontinued Operations), are collectively referred to as "Industrial Activities".

Revenues for each reported segment are those directly generated by or attributable to the segment as a result of its business activities and include revenues from transactions with third parties as well as those deriving from transactions with other segments, recognised at normal market prices. Segment expenses represent expenses deriving from each segment's business activities both with third parties and other operating segments or which may otherwise be directly attributable to it. Expenses deriving from business activities with other segments are recognised at normal market prices.

The CODM assesses the segment performance and makes decisions about resource allocation based upon Adjusted EBIT, which is deemed to more fully reflect Industrial Activities and Financial Services segments' profitability. 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.

The following table summarises Adjusted EBIT by reportable segment:

	Three months ended 30 June		Six months ended 30 June	
(€ million)	**2024**	**2023**	**2024**	**2023**
Truck	190	225	342	345
Bus	32	16	53	29
Defence	28	20	50	26
Powertrain	65	66	125	127
Unallocated items, eliminations and other	(51)	(51)	(105)	(105)
Adjusted EBIT of Industrial Activities	264	276	465	422
Financial Services	31	35	63	63
Eliminations and other	—	—	—	—
Total Adjusted EBIT	**295**	**311**	**528**	**485**

A reconciliation from Adjusted EBIT to Iveco Group's consolidated Profit/(loss) before taxes of Continuing Operations for the three and six months ended 30 June 2024 and 2023 is provided below:

	Three months ended 30 June		Six months ended 30 June	
(€ million)	**2024**	**2023**	**2024**	**2023**
Adjusted EBIT of Industrial Activities	264	276	465	422
Adjusted EBIT of Financial Services	31	35	63	63
Adjusted EBIT	**295**	**311**	**528**	**485**
Restructuring costs	(5)	(6)	(10)	(8)
Other discrete items(1)	(6)	(1)	(138)	(53)
Financial income/(expenses)	(49)	(82)	(70)	(154)
Profit/(loss) before taxes	**235**	**222**	**310**	**270**

(1) In the three months ended 30 June 2024, this item mainly includes €5 million separation costs related to the spin-off of the Iveco Group business. In the three months ended 30 June 2023, this item mainly included €5 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement decision and €5 million positive impact from the release of provisions related to the Russia and Ukraine conflict. In the six months ended 30 June 2024, this item includes the negative impact of €115 million from the definitive agreement to transfer the Fire Fighting business, €18 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement decision, as well as €5 million separation costs related to the spin-off of the Iveco Group business. In the six months ended 30 June 2023, this item mainly included €43 million from the acquisition of full ownership of Nikola Iveco Europe GmbH, €12 million costs related to certain claims arising from the EU Commission's 2016 antitrust settlement decision, as well as €5 million positive impact from the release of provisions related to the Russia and Ukraine conflict.

There are no segment assets or liabilities reported to the CODM for assessing performance and allocating resources.

Additional reportable segment information

Net Revenues by reportable segment for the three and six months ended 30 June 2024 and 2023 are provided in Note 1.

27. Fair value measurement

Fair value measurements are categorised within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the entire measurement:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 — Unobservable inputs for the asset or liability.

This hierarchy requires the use of observable market data when available.

Assets and liabilities measured at fair value on a recurring basis

The following table presents, for each of the fair value hierarchy levels, the assets and liabilities that are measured at fair value on a recurring basis at 30 June 2024 and 31 December 2023:

		At 30 June 2024				At 31 December 2023			
(€ million)	Note	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity investments measured at fair value through other comprehensive income	(13)	1	—	11	**12**	4	—	11	**15**
Other investments	(13)	—	—	10	**10**	—	—	14	**14**
Derivative assets	(17)	—	28	—	**28**	—	27	—	**27**
Total Assets		**1**	**28**	**21**	**50**	**4**	**27**	**25**	**56**
Derivative liabilities	(17)	—	61	—	**61**	—	41	—	**41**
Total Liabilities		**—**	**61**	**—**	**61**	**—**	**41**	**—**	**41**

The following table provides a reconciliation from the opening balance to the closing balance for fair value measurements categorised in Level 3 of fair value in the six months ended 30 June 2024 and 2023:

(€ million)	**Six months ended 30 June 2024**	**Six months ended 30 June 2023**
At 1 January	**25**	**21**
Acquisitions/(disposals)	—	1
Other changes	(4)	—
At 30 June	**21**	**22**

The fair value of equity investments categorised within Level 1 is determined by reference to their quoted market price at the reporting date. A market is regarded as active if quoted prices are readily and regularly, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

A description of the valuation techniques used to determine the fair value of derivative financial instruments, categorised within Level 2, is included in Note 17 "Derivative assets and Derivative liabilities".

Instruments included in Level 3 comprised primarily of equity investments for which there is no quoted market price in an active market and there is insufficient financial information in order to determine fair value, and cost is used as an estimate of fair value.

Assets and liabilities not measured at fair value

The estimated fair values for financial assets and liabilities that are not measured at fair value in the Condensed Consolidated Statement of Financial Position at 30 June 2024 and 31 December 2023 are as follows:

		At 30 June 2024				
(€ million)	Note	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**	**Carrying amount**
Retail financing	(16)	—	—	15	**15**	**15**
Dealer financing	(16)	—	—	4,763	**4,763**	**4,765**
Finance leases	(16)	—	—	54	**54**	**58**
Other receivables from financing activities	(16)	—	—	117	**117**	**117**
Total Receivables from financing activities[(1)]		**—**	**—**	**4,949**	**4,949**	**4,955**
Asset-backed financing	(22)	—	3,613	—	**3,613**	**3,613**
Borrowings from banks	(22)	—	1,415	—	**1,415**	**1,415**
Payables represented by securities	(22)	—	41	—	**41**	**41**
Lease liabilities	(22)	—	—	189	**189**	**189**
Other debt[(2)]	(22)	—	23	209	**232**	**232**
Total Debt		**—**	**5,092**	**398**	**5,490**	**5,490**

(1) At 30 June 2024, Receivables from financing activities includes €55 million of financial receivables from CNH classified as Level 3.
(2) At 30 June 2024, Other debt includes €209 million of financial payables to CNH classified as Level 3.

(€ million)	Note	Level 1	Level 2	Level 3	Total Fair Value	Carrying amount
						At 31 December 2023
Retail financing	(16)	—	—	12	**12**	**12**
Dealer financing	(16)	—	—	5,540	**5,540**	**5,541**
Finance leases	(16)	—	—	53	**53**	**57**
Other receivables from financing activities	(16)	—	—	192	**192**	**192**
Total Receivables from financing activities[1]		**—**	**—**	**5,797**	**5,797**	**5,802**
Asset-backed financing	(22)	—	3,860	—	**3,860**	**3,860**
Borrowings from banks	(22)	—	1,638	—	**1,638**	**1,631**
Payables represented by securities	(22)	—	38	—	**38**	**38**
Lease liabilities	(22)	—	—	196	**196**	**196**
Other debt[2]	(22)	—	43	332	**375**	**375**
Total Debt		**—**	**5,579**	**528**	**6,107**	**6,100**

(1) At 31 December 2023, Receivables from financing activities included €133 million of financial receivables from CNH classified as Level 3.
(2) At 31 December 2023, Other debt included €332 million of financial payables to CNH classified as Level 3.

Receivables from financing activities

The fair value of Receivables from financing activities is based on the discounted values of their related cash flows at market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristic, adjusted to take into account the credit risk of the counterparties.

Debt

The fair value of Asset-backed financing, Borrowings from banks, Payable represented by securities and Other debt are included in the Level 2 and has been estimated based on discounted cash flows analysis using the current market interest rates at period-end adjusted for the Group non-performance risk over the remaining term of the financial liability.

The fair value of Lease liabilities classified within Level 3 of the fair value hierarchy has been estimated using discounted cash flow models that require significant adjustments using unobservable inputs.

Other financial assets and liabilities

The carrying amount of Cash at banks, Restricted cash, Other cash equivalents, Trade receivables, Other current receivables and financial assets, Trade payables and Other current liabilities included in the Condensed Consolidated Statement of Financial Position approximates their fair value, due to the short maturity of these items.

28. Related party transactions

In accordance with IAS 24 – *Related Party Disclosures*, Iveco Group's related parties are companies and persons capable of exercising control, joint control or significant influence over the Group. As of 30 June 2024 and 31 December 2023, related parties included Iveco Group's parent company Exor N.V. (which is controlled by Giovanni Agnelli B.V.) and its subsidiaries and affiliates, including CNH, Stellantis N.V. (formerly Fiat Chrysler Automobiles N.V. which, effective 16 January 2021, merged with Peugeot S.A. by means of a cross-border legal merger) and its subsidiaries and affiliates (Stellantis), and Iveco Group's unconsolidated subsidiaries, associates or joint ventures. In addition, the members of the Board of Directors and managers of Iveco Group with strategic responsibility and members of their families were also considered related parties.

As of 30 June 2024, based on public information available and in reference to Company's files, Exor N.V. held 42.6% of Iveco Group's voting power and had the ability to significantly influence the decisions submitted to a vote of Iveco Group's shareholders, including approval of annual dividends, the election and removal of directors, mergers or other business combinations, the acquisition or disposition of assets, and issuances of equity and the incurrence of indebtedness. The percentage above has been calculated as the ratio of (i) the aggregate number of Common Shares and Special Voting Shares owned by Exor N.V. to (ii) the aggregate number of outstanding Common Shares and Special Voting Shares of Iveco Group N.V. as of 30 June 2024.

In addition, Iveco Group engages in transactions with its unconsolidated subsidiaries, joint ventures, associates and other related parties on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved. The Company's Audit Committee reviews and evaluates related party transactions pursuant to the specific Policy posted on the Company's website.

Transactions with Exor N.V. and its subsidiaries and affiliates

Iveco Group did not enter into any significant transactions with Exor N.V. during the three and six months ended 30 June 2024 and 2023.

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 (Stellantis MSA) which set forth the primary terms and conditions pursuant to which services were to be provided. Such Stellantis MSA was terminated in 2023. The Company either indemnified the service provider from any direct cost incurred as a result of such termination or purchased the lines of business dedicated to providing such services for its benefit or had them purchased by third-party providers that entered into new dedicated services agreements to supply the corresponding services. Only limited services (namely in relation to industrial security) are still shared.

During the six months ended 30 June 2024 and 2023, Stellantis subsidiaries provided Iveco Group with services such as certain administrative activities, security, and information systems under the terms and conditions described above.

These transactions are reflected in these Semi-Annual Condensed Consolidated Financial Statements as follows:

	Six months ended 30 June	
(€ million)	**2024**	**2023**
Net revenues	30	11
Cost of sales	47	95
Selling, general and administrative costs	12	24

(€ million)	**At 30 June 2024**	**At 31 December 2023**
Trade receivables	—	—
Trade payables	22	35

Transactions with CNH

Iveco Group and CNH entered into agreements, primarily of commercial nature, but also covering general administrative and specific technical matters as well as services provided by CNH Industrial N.V., as follows:

Master Service Agreement: in relation to lease of premises and several corporate services provided by Iveco Group to CNH or vice versa, Iveco Group and CNH entered into a Master Services Agreement (MSA) whereby each party (and its subsidiaries) may provide services to the other (and its subsidiaries), in substantial continuity with previous practices.

Engine Supply Agreement: in relation to the design and supply of off-road engines from Iveco Group to CNH, Iveco Group and CNH entered into a ten-year Engine Supply Agreement (ESA) whereby Iveco Group will sell to CNH diesel, CNG and LNG engines and provide post-sale services.

Financial Service Agreement: in relation to certain financial services activities carried out by either Iveco Group to CNH or vice versa, in connection with the execution of the Demerger Deed, Iveco Group and CNH entered into a three-year Master Services Agreement (FS MSA), whereby each party (and its subsidiaries) may provide services and/or financial services activities to the other (and its subsidiaries). Services provided under the FS MSA relate mainly to wholesale and retail financing activities to suppliers, distribution network and customers.

The transactions with CNH are reflected in these Semi-Annual Condensed Consolidated Financial Statements as follows:

	Six months ended 30 June	
(€ million)	**2024**	**2023**
Net revenues	440	548
Cost of sales	17	53

(€ million)	**At 30 June 2024**	**At 31 December 2023**
Trade receivables	25	32
Financial receivables	55	133
Debt	209	332
Trade payables	13	18

Transactions with joint ventures

Iveco Group sells commercial vehicles and provides technical services to joint ventures such as IVECO - OTO MELARA Società Consortile a responsabilità limitata.

Net revenues from joint ventures were €111 million in the six months ended 30 June 2024 (€116 million in the comparable period of 2023) and trade receivables from joint ventures were nil at 30 June 2024 and 31 December 2023.

At 30 June 2024 and 31 December 2023, Iveco Group had provided guarantees on commitments of its joint ventures for an amount of €197 million and €170 million, respectively, mainly related to IVECO - OTO MELARA Società Consortile a responsabilità limitata.

Transactions with associates

Iveco Group sells trucks and commercial vehicles and provides services to associates. In the six months ended 30 June 2024, revenues from associates were €43 million (€43 million in the comparable period of 2023) and cost of sales from associates were €8 million (€9 million in the comparable period of 2023). At 30 June 2024, receivables from associates amounted to €12 million (€11 million at 31 December 2023). Trade payables to associates amounted to €30 million at 30 June 2024 (€12 million at 31 December 2023). At 30 June 2024, Iveco Group had provided guarantees on commitments of its associates for an amount of €240 million related to CNH Industrial Capital Europe S.a.S. (€238 million at 31 December 2023).

Transactions with unconsolidated subsidiaries

In the six months ended 30 June 2024 and 2023, there were no material transactions with unconsolidated subsidiaries.

Compensation to Key Management Personnel

The Company considers the members of the Board of Directors and the Senior Leadership Team to be the key management personnel as defined in IAS 24 - *Related Party Disclosures.*

The fees of the Directors (Executives and Non-Executives) of Iveco Group N.V. for carrying out their respective functions, including those in other consolidated legal entities, and the notional compensation cost arising for share-based payments awarded to Executive Directors, amounted to a net income of €0.2 million in the six months ended 30 June 2024 (expense of €3 million in the comparable period of 2023), including a €3 million income related to the reversal for forfeitures of certain previously granted share-based awards.

The aggregate expense incurred for the compensation of the Senior Leadership Team (excluding the Chief Executive Officer, which is included in the Directors' compensation above) amounted to €5 million in the six months ended 30 June 2024 (€6 million in the comparable period of 2023) and included €4 million (€5 million in the comparable period of 2023) for short-term employee benefits and €1 million (€1 million in the comparable period of 2023) for share-based payments. No expense for post-employment and other long-term benefits and for termination benefits was included in the six months ended 30 June 2024 and 2023.

29. Translation of financial statements denominated in a currency other than the euro

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

	Six months ended 30 June 2024		At 31 December 2023	Six months ended 30 June 2023	
	Average	At 30 June		Average	At 30 June
U.S. dollar	1.081	1.071	1.105	1.081	1.087
Pound sterling	0.855	0.846	0.869	0.876	0.858
Swiss franc	0.961	0.963	0.926	0.986	0.979
Brazilian real	5.495	5.954	5.350	5.482	5.262
Polish Zloty	4.318	4.313	4.348	4.627	4.450
Czech Koruna	25.015	25.025	24.724	23.682	23.742
Argentine peso(1)	975.388	975.388	892.924	278.876	278.876
Turkish lira(2)	35.160	35.160	32.603	28.179	28.179

(1) From 1 July 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.

(2) As of 30 June 2022, the Company applied the hyperinflationary accounting in Türkiye, with effect from 1 January 2022. After 1 January 2022, transactions for entities with the Turkish lira as the functional currency were translated using the closing spot rate.

30. Subsequent events

Iveco Group has evaluated subsequent events through 23 July 2024, which is the date the Condensed Consolidated Financial Statements were authorised for issuance. No significant events have occurred.

RESPONSIBILITY STATEMENT

The Board of Directors is responsible for preparing the 2024 Semi-Annual Report, inclusive of the Semi-Annual Condensed Consolidated Financial Statements at 30 June 2024 and the Semi-Annual Management Report, in accordance with the Dutch Financial Supervision Act and IAS 34 - *Interim Financial Reporting* as endorsed by the European Union.

In accordance with Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Semi-Annual Condensed Consolidated Financial Statements at 30 June 2024 prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss of Iveco Group N.V. and its subsidiaries and the undertakings included in the consolidation as a whole, and the Semi-Annual Management Report provides a fair review of the information required pursuant to Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

23 July 2024

The Board of Directors

Suzanne Heywood

Olof Persson

Lorenzo Simonelli

Judy Curran

Tufan Erginbilgic

Essimari Kairisto

Linda Knoll

Alessandro Nasi