

## Risk Factors Comparison 2025-02-28 to 2024-02-29 Form: 10-K

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**We face many risks and uncertainties, any one of which could have a material adverse effect on our business, results of operations and financial condition. This section describes what we consider to be the most significant risks to our business based upon current knowledge, information and assumptions.** This Annual Report on Form 10- K contains forward- looking statements ~~that are subject to risks and uncertainties~~. All statements other than statements of historical fact included in this Annual Report on Form 10- K are forward- looking statements. Forward- looking statements provide our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance, and business. ~~You can identify~~ **Words such as “believe,” “expect,” “estimate,” “anticipate,” “will,” “should,” “plan,” “forecast,” “target,” “guide,” “project,” “intend,” “could,” and similar words or expressions may signify** forward- looking statements ~~as they~~. ~~We do not relate~~ **undertake to historical update any forward- looking statements to reflect events or current facts and circumstances that occur after the date on which such forward- looking statement was made, except as required by applicable law. Forward- looking statements are not guarantees of future performance** ~~words such as “believe,” “expect,” “estimate,” “anticipate,” “will,” “should,” “plan,” “forecast,” “target,” “guide,” “project,” “intend,” “could,” and similar words or expressions~~. All forward- looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, and other important information about forward- looking statements are disclosed under Item 1A, “Risk Factors,” and Item 7, “Management’ s Discussion and Analysis of Financial Condition and Results of Operations (MD & A) – Cautionary Note on Forward- Looking Statements,” in this Annual Report on Form 10- K. The following risks should be considered in conjunction with Management' s Discussion and Analysis of Financial Condition and Results of Operations, including the risks and uncertainties described in the Forward- Looking Statements and notes to the consolidated financial statements beginning on page ~~82-80~~. The following is a cautionary discussion of risks, uncertainties and assumptions that we believe are material to our business. These risks may affect our operating results and, individually or in the aggregate, could cause our actual results to differ materially from past and projected future results. Some of these risks and uncertainties could affect particular lines of ~~business~~ **business**, while others could affect all of our businesses. Although risks are organized by headings, and each risk is discussed separately, many are interrelated. We undertake no obligation to publicly update forward- looking statements, whether as a result of new information, future events, or otherwise. You should, however, consult any subsequent disclosures we make from time to time in materials filed with the SEC. STRATEGIC RISKS Global economic conditions impact our businesses. Our results of operations and financial position are and will continue to be influenced by macroeconomic factors – including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates, the availability of credit, inflation and deflation, energy prices, ~~and~~ **the cost of commodities or other raw materials , and the imposition of trade tariffs and other counter measures** – which exist in the countries and regions in which we operate. Such macroeconomic factors vary from time to time and their effect on our results of operations and financial position cannot be specifically and singularly assessed and / or isolated. Economic conditions vary across regions and countries, and demand for our products and services generally increases in those regions and countries experiencing economic growth and investment. Slower economic growth or a change in global mix of regions and countries experiencing economic growth and investment could have an adverse impact on our business, results of operations and financial condition. In a weaker economic environment, dealers and customers may delay or cancel plans to purchase our products and services and may not be able to fulfill their obligations to us in a timely fashion . **In addition, changes in the economic environment could have an adverse impact on our Financial Services customers' ability to service their loans in a timely manner or increase the number of defaults** . Our suppliers may also be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to us or the price or availability of supplies we require. These factors could result in product delays, increased accounts receivable, defaults and inventory challenges. **Our success largely depends on the vitality of the agricultural industry. Historically, the agricultural industry has been cyclical and subject to a variety of economic and other factors. Sales of agricultural equipment, in turn, are also cyclical and generally reflect the economic health of the agricultural industry.** ~~The persistent disparity with respect to the widely varying economic health of the agricultural industry is affected by numerous factors, including farm income, farmland values, and debt levels and financing costs, all of which are influenced by the levels of commodity and protein prices, world grain stocks, acreage available and planted, crop yields, agricultural product demand, soil conditions amongst,~~ **farm input costs, government policies, government subsidies and weather and climate conditions. Downturns in the agricultural industry due to the these individual countries of the European Union, and their- other implications** ~~factors, which could vary by market, have in the past resulted in, and could in the future continue to result in, decreases in demand for agricultural equipment, adversely affecting our performance. In 2024, unfavorable market conditions resulted in lower sales volumes, lower production, lower manufacturing capacity utilization, higher sales discounts, and a higher provision for credit losses. We expect certain of the these Euro-conditions to persist in fiscal year 2025. Changes in interest rates and the agricultural market business cycle are driven by factors outside of our control , and as well as market perceptions concerning a result we cannot reasonably foresee when these and related issues-conditions will fully subside. If these conditions persist or worsen , it could continue to have an adverse impact~~ **led to further pressure on our business economic growth and may lead to new periods of economic volatility and recession in the European Union. Similarly, results of in Brazil and Argentina,**

macroeconomic conditions remain volatile. These adverse economic events have and may continue to adversely affect the Company's operations **and financial condition**. We are exposed to political, economic, trade and other risks beyond our control as a result of operating a global business. We manufacture and sell products and offer services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. Given the global nature of our activities, we are exposed to risks associated with international business activities that may increase our costs, impact our ability to manufacture and sell our products and require significant management attention. These risks include:

- changes in laws, regulations and policies that affect, among other things: – ~~import~~ **International trade in particular jurisdictions, including tariffs,** and **other counter measures** ~~export duties and quotas~~; – currency restrictions; – the design, manufacture and sale of our products; – interest rates and the availability of credit to our dealers and customers; – where, to whom, and what type of products may be sold, including new or additional trade or economic sanctions imposed by the United States, European Union, the United Kingdom or other governmental authorities and supranational organizations (e. g., the United Nations); and – taxes;
- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of the industries and markets in which we operate;
- labor disruptions;
- disruption in the supply of raw materials and components (e. g. as a result of pandemics or sanctions), including rare materials (they might be easily subjected to sudden cost increases due to a variety of factors, including speculative measures or unforeseen political changes);
- changes in governmental ~~debt relief and farm programs or~~ **subsidy program programs policies** in certain significant markets, including the Brazilian government discontinuing programs subsidizing interest rates on equipment loans;
- withdrawal from or changes to trade agreements or trade terms, negotiation of new trade agreements and the imposition of new (and retaliatory) tariffs on certain countries or covering certain products and raw materials or embargoes, ~~including developments in U. S. - China trade relations~~;
- and • war, civil unrest and acts of terrorism. In recent years, acts of terrorism have occurred around the world, leading to personal safety anxieties and political instability in many countries and, ultimately, an impact on consumers' confidence. More recently, **changing policies following recent elections** ~~growing populist and nationalist political movements~~ in several major developed countries, changes in or uncertainty surrounding global trade policies and other unanticipated changes to the previous geopolitical order may have negative effects on the global economy, **which could limit our ability to capitalize on current and future growth opportunities in international markets**. Further, the continuing war in Ukraine, the Israel- Hamas war and heightened tensions in the Red Sea ~~has have~~ given rise to regional instability which ~~could~~ **has in the past, and may in the future continue, to** impact our supply chain and operations. There can be no guarantee that we will be able to quickly and completely adapt our business model to changes that could result from the foregoing, and any such changes may have an adverse effect on our business, results of operations and financial condition. Reduced demand for equipment would reduce our sales and profitability. The agricultural equipment market is influenced by a number of factors such as: • the general economic conditions and outlook, such as market volatility and rising interest rates; • the price of agricultural commodities and the ability to competitively export agricultural commodities; • the cost of **borrowing**; ~~farm inputs including the value of land, fertilizers, fuel, labor and other inputs~~ • the profitability of agricultural enterprises, farmers' income and their capitalization; • the demand for food products; • the availability of stocks from previous harvests; and • agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and / or supranational organizations, policies impacting commodity prices or limiting the export or import of commodities, and alternative fuel mandates. In addition, droughts, floods, **fires** and other unfavorable climatic conditions, especially during the spring, a particularly important period for generating sales orders, **have in the past, and** could **in the future continue, to** have a negative impact on decisions to buy agricultural equipment and, consequently, on our revenues. The construction equipment market is influenced by factors such as: • public infrastructure spending; • new residential and non-residential construction; ~~and~~ • capital spending in oil and gas and, to a lesser extent, in mining ~~;~~; and • **cost of borrowing**. The above factors can significantly influence the demand for agricultural and construction equipment and consequently, our financial results. If demand for our products is less than we expect, we may experience excess inventories and be forced to incur additional charges and our profitability will suffer, including lower fixed costs absorption associated with lower production levels at our plants. Our business may be negatively impacted if we experience excess inventories or if we are unable to adjust on a timely basis our production schedules or our purchases from suppliers to reflect changes in customer demand and market fluctuations. Competitive activity, or failure by us to respond to actions by our competitors, could adversely affect our results of operations. We operate in highly competitive global and regional markets. Depending on the particular country and product, we compete with other international, regional and local manufacturers and distributors of agricultural and construction equipment. Certain of our global competitors have substantial resources and may be able to provide products and services at little or no profit, or even at a loss, to compete with certain of our product and service offerings. We compete primarily on the basis of product performance, innovation, quality, distribution, customer service, and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays, quality issues, or our failure to price our products competitively could adversely affect our business, results of operations and financial position. Additionally, there has been a trend toward consolidation in the construction equipment industries that has resulted in larger and potentially stronger competitors in those industries. The markets in which we compete are highly competitive in terms of product quality, innovation, pricing, ~~fuel economy~~, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the markets in which we compete. Should we be unable to adapt effectively to market conditions, this could have an adverse effect on our business, results of operations and financial condition. Changes in government monetary or fiscal policies may negatively impact our results. Most countries where our products and services are sold have established central banks to regulate monetary systems and influence economic activities, generally by adjusting interest rates. ~~Some~~ **In recent years, many** governments have implemented measures designed to slow inflationary pressure in their countries (e. g. higher interest rates, reduced financial assets purchases). ~~Rising~~ **Continued periods of increased** interest rates could have a dampening effect on the overall economic activity and / or the financial condition of our

customers, either or both of which could negatively affect demand for our products and our customers' ability to repay obligations to us. Central banks and other policy arms of many countries may take further actions to vary the amount of liquidity and credit available in an economy. The impact from of a change in liquidity and credit policies could negatively affect the customers and markets we serve or our suppliers, which could adversely impact our business, results of operations and financial condition. Government initiatives that are intended to stimulate demand for products sold by us, such as changes in tax treatment or purchase incentives for new equipment, can significantly influence the timing and level of our revenues. The terms, size and duration of such government actions are unpredictable and outside of our control. Any adverse change in government policy relating to those initiatives could have a material adverse effect on our business, results of operations and financial condition. Our future performance depends on our ability to innovate and on market acceptance of new or existing products. Our success depends on our ability to maintain or increase our market share in existing markets and to expand into new markets through the development of innovative, high- quality products that provide adequate profitability. Further, customer preferences in certain markets are changing as a result of ongoing social and regulatory focus on sustainability. We have a strategic plan covering investments in innovation designed to further develop existing, and create new, product and service offerings responsive to customer needs, including developing and delivering connected and precision technology solutions, automation, electrification and autonomy. Achievement of these objectives is dependent on a number of factors, including our ability to maintain key dealer relationships, our ability to design and produce products that meet our customers' quality, performance and price expectations, our ability to develop precision technology solutions that improve the profitability and sustainability of customers through their production systems, our ability to develop effective sales, dealer training and marketing programs, and the ability of our dealers to support and service connected and precision technology solutions and emerging power solutions. Failure to develop and offer innovative products that compare favorably to those of our principal competitors in terms of price, quality, functionality, features, mobility and connected services, equipment electrification, battery or fuel cell technology and autonomy, or delays in bringing strategic new products to market, or the inability to adequately protect our intellectual property rights or supply products that meet regulatory requirements, including engine emissions requirements, could result in reduced revenue and market share, which could have a material adverse effect on our business, results of operations and financial condition. If we are unable to deliver precision technology solutions to our customers, it could materially adversely affect our performance. Our precision technology solutions include both hardware and software components that relate to guidance, connectivity, automation and autonomy. We must be able to successfully acquire and, develop and introduce new precision technology solutions that improve profitability productivity and result in sustainable farming techniques in order to remain competitive. We expect to make significant investments in research and development expenses, collaborative arrangements and other sources of technology to drive these outcomes. Such investments may not produce attractive solutions for our customers. We also may have to depend on third parties to supply certain hardware or software components or data services in our precision technology products. Our dealers ability to support such solutions also may impact on our customers, acceptance and demand of for such products. Further, we utilize automation and machine learning and artificial intelligence in some of our products. While the use of these emerging technologies can present significant benefits, it also creates risks and challenges. Data sourcing, technology, integration and process issues, program bias into decision- making algorithms, security problems, and the protection of privacy could impair the adoption and acceptance of autonomous machine solutions. If we are not able to deliver precision technology solutions with differentiated features and functionality, or these solutions are not effective, customers may not adopt technology solutions, which could have a material adverse effect on the Company' s reputation and business. We may face challenges to our intellectual property rights which could adversely affect our reputation, business and competitive position. We own important intellectual property, including patents, trademarks, copyrights and trade secrets. Our intellectual property plays an important role in maintaining our competitive position in the markets that we serve. Our competitors may develop technologies that are similar or superior to our proprietary technologies or design around the intellectual property that we own or license. Despite our controls and safeguards, our technology may be misappropriated by other employees, competitors or third parties. The pursuit of remedies for any misappropriation of intellectual property is expensive and the ultimate remedies may be insufficient. Further, in jurisdictions where the enforcement of intellectual property rights is less robust, the risk of misappropriation of our intellectual property is higher notwithstanding the efforts we undertake to protect it. Developments or assertions by or against us relating to intellectual property rights, and any inability to protect or enforce our rights sufficiently, could adversely affect our business, competitive position and results of operations. We may not realize all of the anticipated benefits from our business improvement and cost reduction initiatives. As part of our strategic plan, we are actively engaged in a number of initiatives to strengthen our business and increase our productivity, market positioning, efficiency and cash flow, all of which we expect will have a positive long- term effect on our business, results of operations and financial condition. These initiatives include our enhanced focus on precision technology solutions and alternative propulsion, as well as other initiatives aimed at improving our product portfolio, customer focus and manufacturing and business processes. There can be no assurance that we will benefit from these initiatives or others to the extent anticipated, or that the estimated efficiency or cash flow improvements will be realized to the extent anticipated or at all. If these initiatives are not successful, they could have an adverse effect on our operations. We have announced implemented targeted restructuring actions to optimize our cost structure and improve the efficiency of our operations . In order to complete these actions, we will incur charges. Failure to realize anticipated savings or benefits from our business initiatives and cost reduction actions could have a material adverse effect on our business, prospects, financial condition, liquidity , results of operations and cash flows. We may not realize all of the anticipated benefits from our new Global Leadership Team strategic priorities. On July 29, 2024, we announced a new Global Leadership Team (" GLT"), which is designed to deliver the Company' s strategic priorities for profitable long-term growth globally. The new GLT was designed to establish Agriculture as the Company' s primary focus while redesigning the Construction segment as a distinct division, with dedicated resources and operational autonomy. This

**new structure simplified the leadership matrix and added Manufacturing and Quality & Customer Advocacy as functions. We believe that these changes will further support our segments in their mission to deliver customer-centric excellence and strategic growth. However, there can be no assurances that we will realize all of the anticipated benefits from these strategic initiatives. Implementing these changes involve complexities, costs and uncertainties, and could be disruptive to existing aspects of our business. In addition, there could be unintended or unforeseen consequences, such as loss of continuity, diversion of management's attention from other operational activities, adverse impacts on our customers, loss of employees or other unintended costs. Failure to properly mitigate these risks could have a material adverse effect on our business, prospects, financial condition**, results of operations and cash flows. We may not be able to realize anticipated benefits from any acquisitions and, further, challenges associated with strategic alliances may have an adverse impact on our results of operations. We have engaged in the past, and may engage in the future, in investments and mergers and acquisitions or enter into, expand or exit from strategic alliances and joint ventures. These involve risks that could prevent us from realizing the expected benefits of the transactions or the achievement of strategic objectives or could divert management's time and attention. Such risks, many of which are outside our control, include: • technological and product synergies, economies of scale and cost reductions not occurring as expected; • unexpected liabilities; • incompatibility of operating, information or other systems; • inability to retain key employees; • significant costs associated with terminating or modifying alliances; **• increased reliance on new partners and third party suppliers;** and • problems in retaining customers and integrating operations, services, personnel, and customer bases. If issues were to arise with respect to an acquisition or the parties to one or more of our joint venture or strategic alliances or other relationships for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, our product lines, businesses, results of operations and financial condition could be adversely affected. Our business may be affected by climate change, unfavorable weather conditions or other calamities. Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of our agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield. Temperatures outside normal ranges can cause crop failure or decreased yields and may also affect disease incidence. Natural disasters such as floods, hurricanes, storms, droughts, diseases and pests can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for our agricultural equipment in any given period **]. These conditions may also adversely impact the ability of our Financial Services customers to meet their payment obligations**. In addition, natural disasters, pandemic illness, acts of terrorism or violence, acts of war, equipment failures, power outages, disruptions to our information technology systems and networks or other unexpected events could result in physical damage to, and complete or partial closure of, one or more of our manufacturing facilities or distribution centers, temporary or long-term disruption in the supply of parts or component products and disruption and delay in the transport of our products to dealers and customers. If such events occur, our financial results might be negatively impacted. Our existing insurance and risk management arrangements may not protect against all costs that may arise from such events. Furthermore, the potentially long-term physical impacts of climate change on our facilities, suppliers and customers and therefore on our operations are highly uncertain and will be driven by the circumstances developing in various geographical regions. These may include long-term changes in temperature and water availability. These potential physical effects may adversely impact the demand for our products and the cost, production, sales and financial performance of our operations. Regulators in Europe and the U. S. have also focused efforts on requiring and promoting enhanced disclosure related to sustainability. **[ The data required to adhere to such requirements may be based on new and changing reporting requirements, or based on data that is supplied by third parties, all of which could impact the quality and consistency of data. ]** We may face liabilities in connection with our efforts to comply with these disclosure requirements as well as **. In addition, in recent years, governments, policymakers and other stakeholders in other jurisdictions in which we operate have adopted new and evolving requirements and expectations by with respect to sustainability- related disclosure and governance processes. Compliance with these requirements and expectations may require us to adopt new reporting our- or governance processes, which may be more complicated or costly due to diverging requirements across the different jurisdictions in which we operate. If we are unable to meet the expectations of governments, policymakers and other stakeholders of enhanced with respect to our sustainability disclosures- disclosure regarding and governance practices, it could have an adverse effect on our business our- or reputation climate change initiatives**. Changes in demand for food and alternative energy sources could impact our revenues. Changing worldwide demand for farm outputs to meet the world's growing food and alternative energy demands, driven by a growing world population and government policies, including those related to climate change, are likely to result in fluctuating agricultural commodity prices, which affect sales of agricultural equipment. While higher commodity prices will benefit our crop producing agricultural equipment customers, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Lower commodity prices directly affect farm income, which could negatively affect sales of agricultural equipment. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio- fuel utilization could affect demand for our equipment and result in higher research and development costs related to equipment fuel standards. International trade policies may impact demand for our products and our competitive position. Government policies on international trade and investment such as sanctions, import quotas, capital controls **, tariffs or other retaliatory measures imposed in response to** tariffs, whether adopted by non- governmental bodies, individual governments or addressed by regional

trade blocks, may affect the demand for our products, technology and services, impact the competitive position of our products or prevent us from being able to sell products to certain customers or in certain countries. Trade restrictions, negotiation of new trade agreements, non-tariff trade barriers, local content requirements, and imposition of new or retaliatory tariffs against certain countries or covering certain products, ~~including developments in U.S.-China trade relations, export control and sanctions against Russia, have limited, and~~ could continue to limit, our ability to capitalize on current and future growth opportunities in international markets. These trade restrictions, and changes in, or uncertainty surrounding global trade policies, may affect our competitive position. **For example, following the most recent election and administrative transition in the United States, there have been ongoing discussions and significant changes to United States trade policies, treaties, tariffs and taxes. To the extent that such policies, or any retaliatory measures imposed in response to such policies, impact our products or trade activities, or those of our customers or suppliers, it could have an adverse effect on our business, results of operations and financial condition.** OPERATIONAL RISKS We depend on suppliers for raw materials, parts and components. We rely upon many suppliers for raw materials, parts and components that we require to manufacture our products. **The failure by one or more of our suppliers to perform as expected could result in manufacturing delays, increased costs and could impact the quality and efficiency of our manufacturing capabilities. In addition, if the quality of the components or parts provided by our suppliers do not comply with regulatory requirements or otherwise do not meet our standards, it could adversely affect our business or reputation, as well as warranty costs. For example, one of our suppliers has incurred additional costs relating to additional validation testing for engines that were used in a subset of our products.** We cannot guarantee that we will be able to maintain access to raw materials, parts and components, and in some cases, this access may be affected by factors outside of our control and the control of our suppliers. Certain components and parts used in our products are available from a single supplier and cannot be quickly sourced from other suppliers. **If required, the costs of switching suppliers may be substantial, and could adversely affect the quality and efficiency of our operations.** Significant disruptions to the supply chain resulting from shortages of raw materials, components, and wholegoods can adversely affect our ability to meet customer demand. For example, ~~recent in the past,~~ attacks on merchant ships in the Red Sea ~~caused have lead~~ shipping companies to avoid this region, which ~~could have result~~ resulted in increased logistics costs. While we diligently monitor our supply chain risk and seek to respond promptly to address supply chain and logistics bottlenecks, there can be no assurance that our mitigation plans will be effective to prevent disruptions that may arise from shortages of materials that we use in the production of our products. Uncertainties related to the magnitude and duration of global supply chain disruptions have adversely affected, and may continue to adversely affect, our business and outlook. We use a variety of raw materials in our businesses, including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The availability and price of these raw materials fluctuate, particularly during times of economic volatility or regulatory and geopolitical instability or in response to changes in tariffs, and while we seek to manage this exposure, we may not be successful in mitigating these risks. Further, increases in the prices for raw materials have resulted in and could continue to result in significant increases to our costs of production, which could have a material adverse effect on our business, results of operations and financial condition, particularly if we are unable to offset the increased costs through an increase in product pricing. Our existing operations and expansion plans in emerging markets ~~could~~ entail significant risks. Our ability to grow our businesses depends to an increasing degree on our ability to increase market share and operate profitably worldwide and, in particular, in emerging market countries, such as Brazil, India, China, Argentina and ~~Turkey~~ **Türkiye**. In addition, we could increase our use of suppliers located in such countries. Our implementation of these strategies will involve a significant investment of capital and other resources and exposes us to multiple and potentially conflicting cultural practices, business practices and legal requirements that are subject to change, including those related to tariffs, trade barriers, investments, property ownership rights, taxation, and sanction, export control, **currency exchange restrictions, capital flows restrictions** and customs / import requirements. For example, we may encounter difficulties in obtaining necessary governmental approvals in a timely manner. In addition, we may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept our products as compared with products manufactured and commercialized by our competitors. The emerging market countries may also be subject to a greater degree of economic and political volatility that could adversely affect our financial position, results of operations and cash flows. Many emerging market economies have experienced slower growth, volatility, and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and / or be impacted by domestic political or currency volatility, potential hyperinflationary conditions, and / or increase of public debt. Dealer equipment sourcing and inventory management decisions could adversely affect our sales. We sell our products primarily through independent dealers and are subject to risks relating to their inventory management decisions and operating and sourcing practices. Our dealers carry inventories of finished products and parts as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities and market conditions, including the level of used equipment inventory. If our dealers' inventory levels are higher than they desire, they may postpone product purchases from us, which could cause our sales to be lower than the end-user demand for our products and negatively impact our results. Similarly, our sales could be negatively impacted through the loss of time-sensitive sales if our dealers do not maintain **an** inventory sufficient to meet customer demand. Further, dealers who carry other products that compete with our products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact our sales, results of operations and financial condition. Our results of operations may be adversely impacted by various types of claims, lawsuits, and other contingent obligations. In the ordinary course of business, we are involved in litigation and investigations on a wide range of topics, including securities laws in the U.S., **and the European Union, employee,** dealer and supplier litigation, intellectual property rights disputes, product warranty and defective product claims, product performance, asbestos, personal injury, regulatory and contract issues, indirect tax issues,

and environmental claims. The industries in which we operate are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties, **the imposition of remedial measures** or the assertion of private litigation claims. We are **currently conducting environmental investigatory or remedial activities at certain properties that are currently or were formerly, owned and / or operated by us, or which are being decommissioned. Failure to comply with these remedial measures in a timely manner could result in additional costs and other adverse consequences, including as a result of enforcement actions, fines and penalties, additional remedial measures, the assertion of private litigation claims or reputational damage.** We are also subject to regulation and oversight by securities regulatory authorities in the Netherlands and the United States. ~~In the United States~~ **As of June 30, 2024**, we ~~recently adopted on~~ **determined that CNH no longer qualifies as a voluntary basis foreign private issuer, as defined under the financial Exchange Act. As a result, effective as of January 1, 2025, the Company is no longer eligible to use the rules designed for foreign private issuers and is subject to additional reporting requirements and other standards and practices applicable to U. S. domestic issuers**, which include ~~certain incremental filing and reporting requirements~~. These additional obligations may increase the cost for ensuring compliance with the applicable reporting requirements and may subject us to an enhanced risk of regulatory investigations and private litigation. The ultimate outcome of these legal matters pending against us is uncertain, and although such legal matters are not expected individually to have a material adverse effect on our financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on our results of operations and financial condition. Furthermore, we could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on our results of operations in any particular period. In addition, while we maintain insurance coverage with respect to certain risks, we may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against claims under such policies. We establish reserves based on our assessment of contingencies, including contingencies related to legal claims asserted against us. Subsequent developments in legal proceedings may affect our assessment and estimates of the loss contingency recorded as a reserve and require us to make payments that exceed our reserves, which could have a material adverse effect on our results of operations and / or financial position. For further information see “ Note **14-15**: Commitments and Contingencies ” to the consolidated financial statements for the year ended December 31, ~~2023~~ **2024**, for additional information. A cybersecurity breach could interfere with our operations, compromise confidential information, negatively impact our corporate reputation and expose us to liability. We rely upon information technology systems and networks, some of which are managed by third parties, in connection with a variety of our business activities. These systems include supply chain, manufacturing, distribution, invoicing and collection of payments from dealers or other purchasers of our products and from customers of our financial services business, and connectivity services with and among equipment. We use information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Additionally, we collect and store sensitive data, including intellectual property, proprietary business information and the proprietary information of our customers, suppliers and dealers, as well as personally identifiable information of our dealers, customers and employees, in data centers and on information technology networks. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to our business operations and strategy. Increased information technology security threats (e. g. worms, viruses, malware, phishing attacks, ransomware, and other malicious threats) and more sophisticated computer crime, including through the use of artificial intelligence and machine learning, pose a significant risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. Cybersecurity attacks could also include attacks targeting customer data or the security, integrity and / or reliability of the hardware and software installed in our products. **The third parties with which we do business are subject to similar cybersecurity risks. Any cybersecurity breach impacting the systems and networks of the third parties with which we do business could result in similar adverse effects on our business and reputation.** While we actively manage information technology security risks within our control through security measures, business continuity plans and employee training around phishing and other cyber risks, our information technology networks and infrastructure have been and may be vulnerable to intrusion, attacks or disruptions or shutdowns due to attacks by cyber criminals, employee, supplier or dealer error or malfeasance or supply chain compromise. A failure or breach in security, whether of our systems and networks or those of third parties on which we rely, could expose us and our customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, loss of financial resources, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect our reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action, unauthorized release of confidential or otherwise protected information and corruption of data, as well as remediation costs and higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve, we may need to invest additional resources to protect the security of our systems and data. The amount or scope of insurance coverage we maintain may be inadequate to cover claims or liabilities relating to a cybersecurity attack. Security breaches with respect to our products could interfere with our business and our dealers, and / or customers, exposing us to liability that would cause our business and reputation to suffer. Our products increasingly include and depend on connectivity hardware and software typically used for telematics services and remote system updates. While we have implemented security measures intended to prevent unauthorized access to these products, malicious actors have reportedly attempted, and may attempt in the future, to gain unauthorized access to such products including through such connectivity hardware in order to gain control of the products, change the products’ functionality, user interface, or performance characteristics, or gain access to data stored in or generated by the products. Any unauthorized access to or control of our products or systems or any loss of data could result in legal claims against us or government investigations. In addition, reports of unauthorized access to our products, systems, and data, regardless of their veracity, may result in the perception that the

products, systems, or data are capable of being hacked, which could harm our brands, prospects, and operating results. We face risks associated with our employment relationships. In many countries where we operate, our employees are protected by laws and / or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including repurposing, downsizing or closure of production facilities and reductions in personnel. Laws and / or collective labor agreements applicable to us could impair our flexibility in reshaping and / or strategically repositioning our business activities. Therefore, our ability to efficiently deploy personnel or implement permanent or temporary redundancy measures is subject to government approvals and / or the agreement of labor unions where such laws and agreements are applicable. Furthermore, the failure of the Company to successfully renegotiate labor agreements as they expire from time to time led, and could in the future lead, to work interruption or stoppage. Any strike, work stoppage, or other dispute with labor unions distracts management from operating the business, may affect the Company's reputation, could significantly impact the volume of products we manufacture and sell, which could have a material adverse effect on our business, results of operations and financial condition. Our ability to execute our strategy depends upon our ability to attract, develop and retain qualified personnel. Our ability to compete successfully, to manage our business effectively, to expand our business and to execute our strategic direction, depends, in part, on our ability to attract, motivate and retain qualified personnel in key functions and markets. In particular, we are dependent on our ability to attract, motivate and retain qualified personnel with the requisite education, skills, background, talents and industry experience. Failure to attract and retain qualified personnel, whether as a result of an insufficient number of qualified applicants, difficulty in recruiting new personnel, or the inability to integrate and retain qualified personnel, could impair our ability to execute our business strategy and meet our business objectives. These may be affected by the loss of employees, particularly when departures involve larger numbers of employees. Higher rates of employee separations may adversely affect us through decreased employee morale, the loss of knowledge of departing employees, and the devotion of resources to recruiting and onboarding new employees.

**COMPLIANCE RISKS** We are subject to increasingly stringent and evolving laws that impose significant compliance costs. We are subject to comprehensive and constantly evolving laws, regulations and policies in numerous jurisdictions around the world. We expect the extent of legal requirements affecting our businesses and our costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, increased fuel efficiency and safety becoming increasingly strict —, and industrial plants – with requirements for reduced air emissions, treatment of waste and water, and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, we make significant investments in research and development and capital expenditures and expect to continue to incur substantial costs in the future. Failure to comply with such laws could limit or prohibit our ability to sell our products in a particular jurisdiction, expose us to penalties or clean-up costs, civil or criminal liability and sanctions on certain of our activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws, including those that may be adopted or imposed in the future, could negatively impact our ability to conduct our operations and our results of operations and financial condition. In addition, there can be no assurance that we will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations. Further, environmental, health and safety regulations change from time to time, as may related interpretations and other guidance. For example, changes in environmental and climate change laws, including laws relating to engine and equipment emissions, safety regulations, sustainability, fuel requirements, restricted substances, or greenhouse gas emissions, could lead to new or additional investments in product designs to comply with these regulations. Our internal combustion engines are **mainly primarily** supplied by FPT Industrial S. p. A., a company controlled by Iveco N. V. , ~~which is an independent public company following the 2022 spin-off~~, and compliance with emissions regulations is contractually allocated to our suppliers. Failure of our suppliers to ensure compliance with the applicable regulations may subject us to administrative and legal proceedings and other material consequences. Further, we may experience production delays if our suppliers are unable **to** design and manufacture components for our products that comply with environmental standards. For instance, as we are required to meet more stringent engine emission reduction standards that are applicable to engines we incorporate into our products, we expect to meet these requirements through the introduction of new technology to our products, engines and exhaust after-treatment systems, as necessary. Failure to meet applicable requirements could materially affect our performance. Changes to existing laws and regulations or changes to how they are interpreted or the implementation of new, more stringent laws or regulations could adversely affect our business by increasing compliance costs, limiting our ability to offer a product or service, requiring changes to our business practices, or otherwise making our products and services less attractive to customers. For example, so-called “right to repair” legislation proposals in certain states and at the federal level in the U. S. could require us to provide access to the software code embedded in our products, which, among other harmful consequences, could create product safety issues, compromise engine emissions and performance controls, adversely affect the protection of our intellectual property, and limit our ability to recoup necessary investments in innovation and research and development. We are subject to extensive laws and regulations, the violation of which could expose CNH to potential liabilities, increased costs and other adverse effects. Due to the global scope of our operations, we are subject to many laws and regulations that apply to our operations around the world, including the U. S. Foreign Corrupt Practices Act, and the U. K. Bribery Act, as well as a range of national anti-corruption and antitrust or competition laws that apply to conduct in a particular jurisdiction. These anti-corruption laws prohibit improper payments in cash or anything of value to improperly influence third parties to obtain or retain business or gain a business advantage. These laws tend to apply regardless of whether those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been an increase in the enforcement of anti-corruption and antitrust or competition laws both globally and in particular jurisdictions and we have from time to time been subject to investigations and charges claiming violations of anti-corruption or antitrust or competition laws. We are committed to operating in compliance with all applicable laws, in particular, anti-corruption and antitrust or competition laws. We have implemented a program to

promote compliance with these laws and to reduce the likelihood of potential violations. Our compliance program, however, may not in every instance protect us from acts committed by our employees, agents, contractors, or collaborators that may violate the applicable laws or regulations of the jurisdictions in which we operate. Such improper actions could subject us to civil or criminal investigations and monetary, injunctive and other penalties as well as damage claims. Investigations of alleged violations of these laws tend to be expensive and require significant management time and attention, and these investigations of purported violations, as well as any publicity regarding potential violations, could harm our reputation and have a material adverse effect on our business, results of operations and financial position. For further information see "Note 14-15: Commitments and Contingencies" to the consolidated financial statements at December 31, 2023-2024. Changes in privacy laws could disrupt our business. The regulatory framework for privacy and data security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. We collect personal information and other data as part of our business operations. This data is subject to a variety of U. S. and foreign laws and regulations. For example, the European Union's General Data Protection Regulation imposes more stringent data protection requirements and provides for significant penalties for noncompliance. New privacy laws will continue to come into effect around the world. We may be required to incur significant costs to comply with these and other privacy and data security laws, rules and regulations. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules and regulations could have an adverse effect on our business prospects, results of operations and / or financial position. New regulations or changes in financial services regulations could adversely impact us. Our Financial Services' operations are highly regulated by governmental and banking authorities in the locations where we operate, which can impose significant additional costs and / or restrictions on our business. **Failure to comply with such regulations could lead to enforcement actions, fines and penalties, the imposition of remedial measures or could result in the assertion of private litigation claims.** In the U addition, an investigation or enforcement action in one jurisdiction could result in similar investigations or enforcement actions being initiated across multiple jurisdictions, further increasing our compliance costs. **S-In North America**, for example, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), including its regulations, as well as other efforts at regulatory reform in financial services may substantially affect the origination, servicing, and securitization programs of our Financial Services segment **is subject to regulations that affect the origination, servicing, and securitization of receivables** as well as limit the ability of our customers to enter into hedging transaction or finance purchases of our equipment. **The Dodd-Frank Act includes extensive provisions regulating these securities and related capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitizers and a direction to regulate credit rating agencies.** Future regulations **from federal, state or provincial regulators** may affect our ability to engage in these capital market activities or increase the effective cost of such transactions, which could adversely affect our financial position, results of operations and cash flows. We have identified a material weakness in our internal control over financial reporting. If our remediation of this material weakness is not effective, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, investors may lose confidence in the accuracy and completeness of our financial reports and the trading price of our common shares may decline. **In connection with the preparation of our annual report for the year ended December 31, 2023, we identified a material weakness in our internal control over financial reporting.** A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. **The We have identified a material weakness relates in our internal control over financial accounting in each of the past two fiscal years. In connection with the preparation of our annual report for the year ended December 31, 2023, we identified a material weakness in our internal control over financial reporting relating** to the design and implementation of information technology, or IT, general controls in the areas of user access limits and segregation of duties related to enterprise resource planning (ERP) applications. **We believe that we have taken appropriate actions to remediate This this material weakness has not resulted in an error or misstatement to our financial statements or the need to revise any of our previously published financial results. We are in the process of taking steps intended to remediate the material weakness. Our efforts have included enhancing our IT general controls framework that addresses risks associated with user access and security, application change management and IT operations. We also expect to engage in focused training for control owners to help sustain effective control operations and comprehensive remediation efforts relating to segregation of duties to strengthen user access controls and security. While we believe these efforts will improve our internal controls and address the underlying causes of the material weakness, the material weakness will not be fully remediated until our remediation plan has been fully implemented and we have concluded that our controls are operating effectively for a sufficient period of time. We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to the material weakness in our internal control over financial reporting . In connection with the preparation of or our prevent future annual report for the year ended December 31, 2024, we identified a subsequent material weaknesses-- weakness in or our control deficiencies from occurring. In addition, we cannot be certain that we have identified all material weaknesses in our internal control over financial reporting , relating to deficiencies in the design and implementation of controls around the existence and completeness of raw material and work-in-process inventory. We are in the process of taking steps intended to remediate this new material weakness. or For that in the future we will not have additional material weaknesses in our internal information, see "Item 9A. control Controls and Procedures over financial reporting. " If we fail to effectively remediate the any material weakness in our internal control over financial reporting, or if we identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may be unable to accurately or timely report our financial condition or results of operations. We also could become subject to sanctions or investigations by the securities**

exchange on which our common shares are listed, the SEC or other regulatory authorities. In addition, if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, when required, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets, and the trading price of our common shares may decline.

**FINANCIAL AND TAXATION RISKS** Difficulty in obtaining financing or refinancing existing debt could impact our financial performance. Our performance ~~will depend~~ **depends** on, among other things, our ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and / or facilities and access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash- generating capacity of our operations. Consequently, we could find ourselves in the position of having to seek additional financing and / or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce our access to capital markets or increase the cost of our short and long- term financing. Any difficulty in obtaining financing could have a material adverse effect on our business, results of operations and financial position. Our ability to access the capital markets or other forms of financing and related costs ~~are~~ **is** highly dependent on, among other things, the credit ratings of CNH Industrial N. V., its subsidiaries, ABS and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to our credit ratings by one or more rating agencies may increase our cost of capital, potentially limit our access to sources of financing, and have a material adverse effect on our business, results of operations and financial condition. We are subject to exchange rate fluctuations, interest rate changes and other market risks. We operate in numerous markets worldwide and are exposed to market risks stemming from fluctuations in currency and interest rates, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time. We are subject to currency exchange risk to the extent that our costs are denominated in currencies other than those in which we earn revenues. In addition, the reporting currency for our Consolidated Financial Statements is the U. S. dollar. Certain of our assets, liabilities, expenses and revenues are denominated in other currencies. Those assets, liabilities, expenses and revenues are translated into the U. S. dollar at the applicable exchange rates to prepare our Consolidated Financial Statements. Therefore, increases or decreases in exchange rates between the U. S. dollar and those other currencies affect the value of those items reflected in our Consolidated Financial Statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the U. S. dollar and other currencies have had, and will continue to have, an impact on our results of operations and financial condition. Rising interest rates could have a dampening effect on overall economic activity as well as on the financial health of our customers, either of which could negatively affect customer demand for our products and services as well as customers' ability to service any financing provided by our Financial Services segment. In addition, credit market dislocations could have an impact on funding costs, which in turn may make it more difficult for our Financial Services Segment to offer customers competitive financing rates. We also use various forms of financing to cover the funding requirements of our Industrial Activities and for financing offered to customers and dealers by Financial Services. Financial Services normally implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins. Although we seek to manage our currency risk and interest rate risk, including through hedging activities, there can be no assurance that we will be able to do so successfully, and our business, results of operations and financial position could be adversely affected. In addition, by utilizing these instruments, we potentially forego the benefits that may result from favorable fluctuations in currency exchange and interest rates. For additional information, see " Item 7A. Quantitative and Qualitative Disclosures About Market Risk. " to the consolidated financial statements at December 31, ~~2023~~ **2024**. We also face risks from currency devaluations. Currency devaluations result in a diminished value of funds denominated in the currency of the country suffering the devaluation. Because Financial Services provides financing for a significant portion of our sales worldwide, our operations and financial results could be impacted materially should negative economic conditions affect the financial services industry. Negative economic conditions can have an adverse effect on the financial services industry in which Financial Services operates. Financial Services, through wholly- owned financial services ~~companies~~ **subsidiaries** and joint ventures, provides financing for a significant portion of our sales worldwide. Financial Services may experience credit losses that exceed its expectations and adversely affect its financial condition and results of operations **, particularly during periods of economic downturns**. Financial Services' inability to access funds at cost- effective rates to support its financing activities could have a material adverse effect on our business. Financial Services' liquidity and ongoing profitability depend largely on timely access to capital in order to meet future cash flow requirements and to fund operations and costs associated with engaging in diversified funding activities. Additionally, negative market conditions **, like those experienced in 2024 that are likely to persist in 2025,** could reduce customer confidence levels, resulting in declines in credit applications and increases in delinquencies and default rates, which could materially impact Financial Services' write- offs and provision for credit losses. Financial Services may also experience residual value losses that exceed its expectations caused by lower pricing for used equipment and higher than expected equipment returns at lease maturity. An increase in delinquencies or repossessions could adversely affect the results of Financial Services. Fundamental in the operation of Financial Services is the credit risk associated with its customers / borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including: relevant industry and general economic conditions; the availability of capital; the terms and conditions applicable to extensions of credit; the experience and skills of the customer' s management team; commodity prices; **interest rates;** political events, including government ~~-~~ mandated moratoria on payments; weather **and other climate events**; and the value of the collateral securing the extension of credit. An increase in delinquencies or defaults, or a reduction in repossessions could have an adverse impact on the performance of Financial Services and our

earnings and cash flows. In addition, although Financial Services evaluates and adjusts its allowance for credit losses related to past due or non-performing receivables on a regular basis, adverse **economic-business** conditions or other factors that might cause deterioration of the customers' financial health could change the timing and level of payments received and thus necessitate an increase in Financial Services' reserves for estimated losses, which could have a material adverse effect on Financial Services' and our results of operations and cash flows. We may be exposed to shortfalls in our pension plans. At December 31, **2023-2024**, the funded status for our defined benefit pension, healthcare and other post-employment benefit plans was a deficit of \$ **446-356** million. The funded status is subject to many factors, as discussed in "Management's Discussion and Analysis of Financial Conditions and Results of Operation — Critical Accounting Estimates — Pension and Other Post-employment Benefits," as well as "Note **12-13**: Employee Benefit Plans and Postretirement Benefits" to the consolidated financial statements for the year ended December 31, **2023-2024**. To the extent that our obligations under a plan are unfunded or underfunded, we will have to use cash flows from operations and other sources to pay our obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets is subject to changes due to market fluctuations. We have significant outstanding indebtedness, which may limit our ability to obtain additional funding and may limit our financial and operating flexibility. As of December 31, **2023-2024**, we had an aggregate of \$ **27,326-26,882** million (including \$ **23,721-173** million relating to Financial Services' activities) of consolidated gross indebtedness, and our equity was \$ **8-7,180-713** million, including non-controlling interests. The extent of our indebtedness could have important consequences on our operations and financial results, including: • we may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes; • we may need to use a portion of our projected future cash flow from operations to pay principal and interest on our indebtedness, which may reduce the amount of funds available to us for other purposes; • we may be more financially leveraged than some of our competitors, which could put us at a competitive disadvantage; • we may not be able to invest in the development or introduction of new products or new business opportunities; • our future cash flow may be exposed to the risk of interest rate volatility (see above); • we may not be able to adjust rapidly to changing market conditions, which may make us more vulnerable to a downturn in general economic conditions; and • we may not be able to access the capital markets on favorable terms, which may adversely affect our ability to provide competitive retail and wholesale financing programs. These risks are exacerbated by the ongoing volatility in the financial markets, in part resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, **particularly in the European Union and South America**, and from continued concerns about global economic growth, particularly in emerging markets. ~~Further, due to the cessation of the London Interbank Offered Rate ("LIBOR"), the Company has entered into financial transactions such as credit agreements and certain derivative transactions that use the relevant new benchmark rates. These new benchmark rates are calculated differently from LIBOR and have inherent differences, which could give rise to uncertainties, including the limited historical data and volatility in the benchmark rates. The full effects of the transition to these new benchmark rates remain uncertain.~~ Restrictive covenants in our debt agreements could limit our financial and operating flexibility. The agreements governing our outstanding debt securities and other credit agreements to which we are a party from time to time contain, or may contain, covenants that restrict our ability to, among other things: • incur additional indebtedness by certain subsidiaries; • make certain investments; • enter into certain types of transactions with affiliates; • sell or acquire certain assets or merge with or into other companies; and / or • use assets as security in other transactions. **A. Although we do not believe any of these covenants materially restrict our operations currently, a breach of one or more of the covenants could result in adverse consequences that could negatively impact our businesses, results of operations, and financial position.** These consequences may include the acceleration of amounts outstanding under certain of our credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by our lenders, refusal by our lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH's credit ratings or those of one or more of its subsidiaries. For further information, see "Note 10: Debt" to the consolidated financial statements for the year ended December 31, **2023-2024**, for additional information. CNH Industrial N. V. operates and will continue to operate, as a company that is resident in the U. K. for tax purposes; other tax authorities may treat CNH Industrial N. V. as being tax resident elsewhere. CNH Industrial N. V. is incorporated in the Netherlands. In order to **be-maintain its tax resident-residence** in the U. K. ~~for tax purposes~~, CNH Industrial N. V.'s central management and control must be located (in whole or in part) in the U. K. The U. K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands- U. K. tax treaty), that CNH will be regarded as solely resident in the U. K. for purposes of the application of the Netherlands- U. K. tax treaty based on the facts and circumstances outlined in the Company's mutual agreement application. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn or cease to apply and in that case the Netherlands may impose withholding taxes on dividends distributed to non-residents by CNH Industrial N. V. and may levy Dutch corporate income tax on CNH Industrial N. V. **and tax authorities in jurisdictions outside the U. K. and the Netherlands could challenge the application of tax treaties**, which could have a material adverse effect on our results of operations and financial condition. CNH Industrial N. V. should not be deemed resident in Italy under Italian domestic law except to the extent of CNH Industrial N. V.'s Italian branch, and should be deemed resident exclusively in the U. K. from the date of its incorporation for purposes of the Italy- U. K. tax treaty. Because this analysis is highly factual and may depend on future changes in CNH's management and organizational structure, tax authorities may disagree with our determination of the Company's tax residence. Should CNH Industrial N. V. be treated as an Italian tax resident beyond its Italian branch, Italy may impose withholding taxes on dividends distributed by CNH Industrial N. V. and levy corporate income tax on CNH Industrial N. V.'s worldwide income, **and tax authorities in jurisdictions outside of the U. K. and the Netherlands could challenge the application of tax treaties**, which could result in a material adverse effect on our results of operations and financial condition. The Company could be characterized as a passive foreign investment company (PFIC) for U.

S. federal income tax purposes The U. S. federal income tax rules provide specific tax rules applicable to shareholders in companies that meet the definition of a passive foreign investment company (“ PFIC ”) for U. S. federal income tax purposes. We believe that the Company is not a passive foreign investment company, but this conclusion is a factual determination made annually and may be subject to change. U. S. Holders of our ordinary shares may suffer adverse tax consequences if we are characterized as a PFIC. We may incur additional tax expense or become subject to additional tax exposure. We are subject to income taxes, as well as non- income- based taxes, in various jurisdictions in which we operate around the world. Our tax liabilities are dependent upon the mix of earnings among these different jurisdictions. Our future results of operations could be adversely affected by changes in the consolidated effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in our overall profitability, changes to our transfer pricing approach, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued or paid, our operating results, cash flows, and financial position could be adversely affected. We are also subject to ongoing tax audits in the various jurisdictions in which we operate. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our business, results of operations, financial condition, and cash flows, see Management' s Discussion and Analysis of Financial Condition and Results of Operations- Taxation. The Organization for Economic Cooperation and Development (the “ OECD ”) has proposed a global minimum tax of 15 % of reported profits ( “ Pillar Two ”) that has been agreed upon in principle by over 140 countries. ~~During 2023, many countries took steps to incorporate Pillar Two model rule concepts into their domestic laws. The Company continues to monitor developments in the Pillar Two legislation~~ **has been enacted in one or more jurisdictions in which the Company operates and the Company has determined it is within working to evaluate the scope of the legislation. The Company has assessed the impact of the Pillar Two legislation and related transitional safe harbor provisions and does not expect the tax impacts of this the legislation to have a material impact on its longer- term financial position- measures or if there are changes to the application or interpretation of the Pillar Two rules and corresponding safe harbors.** RISKS RELATED TO OUR COMMON SHARES The loyalty voting program may affect the liquidity of our common shares and reduce our share price. CNH’ s loyalty voting program was established to reward shareholders for maintaining long- term share ownership by granting at inception initial shareholders and subsequently any other person holding shares continuously for at least three years, the option to elect to receive special voting shares. Issuance of special voting shares is subject to various conditions set forth in the Company’ s constituting documents, including the registration of the common shares held by each shareholder requesting the issuance of special voting shares in the CNH Loyalty Register. Special voting shares have minimal economic entitlements and cannot be traded. In the event any shareholder holding such special voting shares intends to transfer its common shares from the CNH Loyalty Register, immediately prior to such transfer, any corresponding special voting shares shall be transferred to CNH for no consideration (om niet). This loyalty voting program is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining special voting shares. Therefore, the loyalty voting structure may reduce liquidity in our common shares and adversely affect their trading price **when compared to a situation where the loyalty voting program did not exist**. The loyalty voting program may prevent or frustrate attempts by our shareholders to change our management and hinder efforts to acquire a controlling interest in us, and the market price of our common shares may be lower as a result. The provisions of our Articles of Association establishing the loyalty voting program may make it more difficult for a third party to acquire, or attempt to acquire, control of ~~us~~ **CNH**, even if a change of control is considered favorably by shareholders holding a majority of our common shares. As a result of the loyalty voting program, a relatively large proportion of the voting power of our common shares could be concentrated in a relatively small number of shareholders who would have significant influence over us. As of January 31, ~~2024~~ **2025**, EXOR N. V. had a voting interest in CNH of approximately ~~44~~ **45** . ~~2~~ **3** %. For further information, see “ Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters ” and Note ~~21~~ **22** Related Party Information to the consolidated financial statements at December 31, ~~2023~~ **2024** . Such shareholders participating in the loyalty voting program could effectively prevent change of control transactions that may otherwise benefit our shareholders. The loyalty voting program may also prevent or discourage shareholders’ initiatives aimed at changes in our management.