# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTIONS 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2023**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File Number 001-36675**

# Stellantis N.V.
**(Exact Name of Registrant as Specified in Its Charter)**

**The Netherlands**
**(Jurisdiction of Incorporation or Organization)**

**Taurusavenue 1**
**2132 LS Hoofddorp**
**The Netherlands**
**Tel. No.: +31 23 700 1511**
**(Address of Principal Executive Offices)**


**Giorgio Fossati**
**Taurusavenue 1**
**2132 LS Hoofddorp**
**The Netherlands**
**Tel. No.: +31 23 700 1511**
**general.counsel@stellantis.com**

**(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)**


**Securities registered pursuant to Section 12(b) of the Act:**

| Title of Each Class | Trading Symbol(s) | Name of Each Exchange on which Registered |
|---|---|---|
| Common Shares, par value €0.01 | STLA | New York Stock Exchange |

**Securities registered pursuant to Section 12(g) of the Act: None**

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 3,023,099,039 common shares, par value €0.01 per share, and 69,282 special voting shares, par value €0.01 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Act of 1934. Yes ☐ No ☑

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☑ | Accelerated filer ☐ | Non-accelerated filer ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:
U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☑ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ☐ Item 18 ☐.

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)
Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

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## BOARD OF DIRECTORS

**Chairman**
John Elkann

**Vice Chairman**
Robert Peugeot[3]

**Chief Executive Officer**
Carlos Tavares

**Directors**
Henri de Castries[1],[2],[3]
Fiona Clare Cicconi[1],[2],[3]
Nicolas Dufourcq[1]
Ann Frances Godbehere[2]
Wan Ling Martello[2],[3]
Benoît Ribadeau-Dumas[1],[3]
Jacques de Saint-Exupéry
Kevin Scott[1]

## INDEPENDENT AUDITOR

Ernst & Young Accountants LLP (AFM annual report filing)[4]
EY S.p.A (SEC Form 20-F filing)[4]

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*(1) Member of the Environmental, Social Governance Committee ("ESG")*
*(2) Member of the Audit Committee*
*(3) Member of the Remuneration Committee*
*(4) Refer to "About this Report" for additional information relating to these regulatory filings*

# BOARD REPORT

## INTRODUCTION

### About this Report

On January 16, 2021, Peugeot S.A. ("PSA") merged with and into Fiat Chrysler Automobiles N.V. ("FCA N.V."), with FCA N.V. as the surviving company in the merger (the "merger"). On January 17, 2021, the combined company was renamed Stellantis N.V., the current members of the board of directors were appointed and the Stellantis articles of association became effective. On this date, the Stellantis management and board of directors collectively obtained the power and ability to control the assets, liabilities and operations of both FCA and PSA. As such, under IFRS 3, *Business Combinations*, January 17, 2021 is the acquisition date for the business combination.

In 2021, the merger was accounted for by Stellantis using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes. Based on the assessment of the indicators under IFRS 3 and consideration of all pertinent facts and circumstances, management determined that PSA was the acquirer for accounting purposes and as such, the merger has been accounted for as a reverse acquisition. As a result, the financial statements of Stellantis N.V. represent the historical financial statements of PSA.

This document, referred to hereafter as the "Form 20-F" or the "Annual Report", constitutes the Annual Report on Form 20-F, applicable to Foreign Private Issuers, pursuant to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, for Stellantis N.V., formerly known as Fiat Chrysler Automobiles N.V., for the year ended December 31, 2023.

### Documents on Display

The SEC maintains an internet site at *http://www.sec.gov* that contains reports, information statements, and other information regarding issuers that file electronically with the SEC. The address of the SEC's website is provided solely for information purposes and is not intended to be an active link. Reports and other information concerning our business may also be inspected at the offices of the New York Stock Exchange, 11 Wall Street, New York, New York 10005.

We also make our periodic reports, as well as other information filed with or furnished to the SEC, available free of charge through our website, at *www.stellantis.com*, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. The information on our website is not incorporated by reference in this report.

### Certain Defined Terms

In this report, unless otherwise specified, the terms "we", "our", "us", the "Company" and "Stellantis" refer to Stellantis N.V., together with its consolidated subsidiaries, or any one or more of them, as the context may require.

References to "FCA", "FCA N.V." and "FCA Group" mean Fiat Chrysler Automobiles N.V. or Fiat Chrysler Automobiles N.V. together with its consolidated subsidiaries, or any one or more of them, as the context may require.

References to "PSA" and "Groupe PSA" mean Peugeot S.A. or Peugeot S.A. together with its consolidated subsidiaries, or any one or more of them, as the context may require.

References to the "merger" refer to the merger between PSA and FCA completed on January 16, 2021 and resulting in the creation of Stellantis.

## Presentation of Financial and Other Data

This report includes the consolidated financial statements of Stellantis as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as well as IFRS as adopted by the European Union. There is no effect on these consolidated financial statements resulting from differences between IFRS as issued by the IASB and IFRS as adopted by the European Union. The consolidated financial statements and the notes to the consolidated financial statements are referred to collectively as the "Consolidated Financial Statements".

All references in this report to "Euro" and "€" refer to the currency issued by the European Central Bank. Stellantis' financial information is presented in Euro. All references to "U.S. Dollars", "U.S. Dollar", "USD" and "$" refer to the currency of the United States of America ("U.S.").

The language of this report is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain totals in the tables included in this report may not add due to rounding.

Except as otherwise disclosed within this report, no significant changes have occurred since the date of the audited Consolidated Financial Statements included elsewhere in this report.

## Market and Industry Information

In this report, we include or refer to industry and market data, including market share, ranking and other data, derived from or based upon a variety of official, non-official and internal sources, such as internal surveys and management estimates, market research, publicly available information and industry publications. Market share, ranking and other data contained in this report may also be based on our good faith estimates, our own knowledge and experience and such other sources as may be available. Market share data may change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process, different methods used by different sources to collect, assemble, analyze or compute market data, including different definitions of vehicle segments and descriptions and other limitations and uncertainties inherent in any statistical survey of market shares or size. Industry publications and surveys and forecasts generally state that the information contained in such publications, surveys and forecasts has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of the included information. Although we believe that this information is reliable, we have not independently verified the data from third-party sources. In addition, we typically estimate market share for automobiles and commercial vehicles based on registration data.

In markets where registration data are not available, we calculate our market share based on estimates relating to sales to final customers. Such data may differ from data relating to shipments to our dealers and distributors. While we believe our internal estimates with respect to our industry are reliable, our internal company surveys and management estimates have not been verified by an independent expert, and we cannot guarantee that a third party using different methods to assemble, analyze or compute market data would obtain or generate the same result. The market share data presented in this report represents the best estimates available from the sources indicated as of the date of this report but, in particular as they relate to market share and our future expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section *Risk Factors* in this report.

**Cautionary Statements Concerning Forward Looking Statements**

Statements contained in this report, particularly those regarding possible or assumed future performance, competitive strengths, costs, dividends, reserves, our growth, industry growth and other trends and projections and estimated company earnings are "forward-looking statements" that contain risks and uncertainties. In some cases, words such as "may", "will", "expect", "could", "should", "intend", "estimate", "anticipate", "believe", "remain", "on track", "design", "target", "objective", "goal", "forecast", "projection", "outlook", "prospects", "plan", or similar terms are used to identify forward-looking statements. These forward-looking statements reflect our current views with respect to future events and involve significant risks and uncertainties that could cause actual results to differ materially.

These risks and uncertainties include, without limitation:

- our ability to launch new products successfully and to maintain vehicle shipment volumes;
- changes in the global financial markets, general economic environment and changes in demand for automotive products, which is subject to cyclicality;
- our ability to successfully manage the industry-wide transition from internal combustion engines to full electrification;
- our ability to offer innovative, attractive products, and to develop, manufacture and sell vehicles with advanced features, including enhanced electrification, connectivity and autonomous-driving characteristics;
- our ability to produce or procure electric batteries with competitive performance, cost and at required volumes;
- our ability to successfully launch new businesses and integrate acquisitions;
- a significant malfunction, disruption or security breach compromising information technology systems or the electronic control systems contained in our vehicles;
- exchange rate fluctuations, interest rate changes, credit risk and other market risks;
- increases in costs, disruptions of supply or shortages of raw materials, parts, components and systems used in our vehicles;
- changes in local economic and political conditions;
- changes in trade policy, the imposition of global and regional tariffs or tariffs targeted to the automotive industry, the enactment of tax reforms or other changes in laws and regulations;
- the level of governmental economic incentives available to support the adoption of battery electric vehicles;
- the impact of increasingly stringent regulations regarding fuel efficiency requirements and reduced greenhouse gas and tailpipe emissions;
- various types of claims, lawsuits, governmental investigations and other contingencies, including product liability and warranty claims and environmental claims, investigations and lawsuits;
- material operating expenditures in relation to compliance with environmental, health and safety regulations;
- the level of competition in the automotive industry, which may increase due to consolidation and new entrants;
- our ability to attract and retain experienced management and employees;
- exposure to shortfalls in the funding of our defined benefit pension plans;

- our ability to provide or arrange for access to adequate financing for dealers and retail customers and associated risks related to the operations of financial services companies;
- our ability to access funding to execute our business plan;
- our ability to realize anticipated benefits from joint venture arrangements;
- disruptions arising from political, social and economic instability;
- risks associated with our relationships with employees, dealers and suppliers;
- our ability to maintain effective internal controls over financial reporting;
- developments in labor and industrial relations and developments in applicable labor laws;
- earthquakes or other disasters; and
- other factors discussed elsewhere in this report.

Furthermore, in light of the inherent difficulty in forecasting future results, any estimates or forecasts of particular periods that are provided in this report are uncertain. We expressly disclaim and do not assume any liability in connection with any inaccuracies in any of the forward-looking statements in this report or in connection with any use by any third party of such forward-looking statements. Actual results could differ materially from those anticipated in such forward-looking statements. We do not undertake an obligation to update or revise publicly any forward-looking statements.

Additional factors which could cause actual results and developments to differ from those expressed or implied by the forward-looking statements are included in the section "*Risk Factors*" in this report.

# MANAGEMENT REPORT

## FCA-PSA Merger

On December 17, 2019, FCA and PSA entered into a combination agreement providing for the combination of FCA and PSA through a cross-border merger, with FCA as the surviving legal entity in the merger ("Stellantis N.V.").

On September 14, 2020, FCA and PSA agreed to amend the combination agreement. According to the combination agreement amendment, the FCA Extraordinary Dividend, to be paid to former FCA shareholders was reduced to €2.9 billion, with PSA's 46 percent stake in Faurecia S.E. ("Faurecia") planned to be distributed to all Stellantis shareholders promptly after closing following approval of the Stellantis board and shareholders.

On January 4, 2021, PSA and FCA held their respective extraordinary general shareholder meetings in order to, among other matters, approve the merger transaction. The respective shareholder meetings approved the merger. Following the respective shareholder approvals and receipt of the final regulatory clearances, FCA and PSA completed the legal merger.

The conditions agreed to as part of the regulatory clearance did not have a material impact on the cash flows or financial positions for the Company.

On January 17, 2021, the board of directors was appointed, the Stellantis articles of association became effective and the combined company was renamed Stellantis. On this date, the Stellantis management and board of directors collectively obtained the power and the ability to control the assets, liabilities and operations of both FCA and PSA. As such, under IFRS 3 - Business Combinations ("IFRS 3"), January 17, 2021 is the acquisition date for the business combination.

On January 29, 2021, the approximately €2.9 billion extraordinary distribution was paid to holders of FCA common shares of record as of the close of business on Friday, January 15, 2021. Refer to Note 3, *Scope of consolidation*, within the Consolidated Financial Statements included elsewhere in this report for additional information.

### *Identification of the accounting acquirer*

The merger was accounted for by Stellantis using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes. Based on the assessment of the indicators under IFRS 3 and consideration of all pertinent facts and circumstances, management determined that PSA is the acquirer for accounting purposes and as such, the merger has been accounted for as a reverse acquisition. In identifying PSA as the acquiring entity, notwithstanding that the merger was effected through an issuance of FCA shares, the most significant indicators were (i) the composition of the combined group's board, composed of eleven directors, six of whom were to be nominated by PSA, PSA shareholders or PSA employees, or were current PSA executives, (ii) the combined group's first CEO, who is vested with the full authority to individually represent the combined group, and was the president of the PSA Managing Board prior to the merger, and (iii) the payment of a premium by pre-merger shareholders of PSA. Refer to Note 3, *Scope of consolidation*, within the Consolidated Financial Statements included elsewhere in this report for additional information.

### *Faurecia Distribution*

On January 25, 2021, an extraordinary general meeting of the shareholders was convened in order to approve the distribution by Stellantis to the holders of its common shares of up to 54,297,006 ordinary shares of Faurecia (an automotive equipment supplier) and up to €308 million, which are the proceeds received by Peugeot S.A. in November 2020 from the sale of certain ordinary shares of Faurecia. The distribution represented the legacy PSA ownership in Faurecia and approximately 39 percent of the share capital of Faurecia and became unconditional on March 10, 2021, with (i) ex-date on Monday, March 15, 2021; and (ii) record date on Tuesday, March 16, 2021. Holders of Stellantis common shares were entitled to: (i) 0.017029 ordinary shares of Faurecia; and (ii) €0.096677 for each common share of Stellantis they hold on the record date for the distribution. The distribution occurred on March 22, 2021, resulting in 53,130,574 ordinary shares of Faurecia and €302 million in cash distributed. The Company lost control of Faurecia on January 11, 2021. Refer to Note 3, *Scope of consolidation* within the Consolidated Financial Statements included elsewhere in this report for additional information on Faurecia deconsolidation and distribution.

**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**

This Unaudited Pro Forma Consolidated Financial Information has been prepared to give effect to completion of the merger of PSA and FCA to create Stellantis, which was completed on January 17, 2021, as if it had been completed on January 1, 2020. The Unaudited Pro Forma Consolidated Financial Information includes the unaudited pro forma consolidated income statement for year ended December 31, 2021 and the related explanatory notes (the "Unaudited Pro Forma Consolidated Financial Information"). The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only with the aim to provide comparative period income statement information, and does not necessarily represent what the actual results of operations would have been had the merger been completed on January 1, 2020. Additionally, the Unaudited Pro Forma Consolidated Financial Information does not attempt to represent, or be an indication of, the future results of operations or cash flows of Stellantis. No pro forma statement of financial position has been presented as the effects of the merger have been reflected in the Consolidated Statement of Financial Position of Stellantis as of December 31, 2021.

Refer to the section *FCA-PSA Merger* included above for information on the reverse acquisition presentation of the financial statements and to Note 3, *Scope of consolidation* in the Consolidated Financial Statements included elsewhere within this report for additional information on the merger.

The Unaudited Pro Forma Consolidated Financial Information presented herein is derived from (i) the Consolidated Income Statement of Stellantis for the year ended December 31, 2021 included elsewhere in this report and (ii) FCA's accounting records for the period from January 1, 2021 to January 16, 2021. The Unaudited Pro Forma Consolidated Financial Information should be read in conjunction with the historical consolidated financial statements referenced above and the accompanying notes thereto, as well as the other information contained in this report.

The consolidated financial statements of Stellantis, PSA and FCA were prepared in accordance with IFRS as issued by the IASB and in accordance with IFRS as adopted by the European Union. There is no effect on the consolidated financial statements resulting from differences between IFRS as issued by the IASB and IFRS as adopted by the European Union. The Unaudited Pro Forma Consolidated Financial Information is prepared on a basis that is consistent with the accounting policies used in the preparation of the Consolidated Financial Statements of Stellantis as of and for year ended December 31, 2021 included elsewhere in this report.

The historical consolidated financial information has been adjusted in the accompanying Unaudited Pro Forma Consolidated Financial Information to give effect to unaudited pro forma events that are directly attributable to the merger and factually supportable. Specifically, the pro forma adjustments relate to the following:

- The purchase price allocation, primarily to reflect adjustments to depreciation and amortization associated with the acquired property, plant and equipment and intangible assets with a finite useful life, as well as a reduction in the interest expense related to the fair value adjustment to financial liabilities.

- The alignment of accounting policies of FCA to those applied by Stellantis.

- The elimination of intercompany transactions between FCA and PSA.

The pro forma adjustments relate to the period from January 1, 2021 to January 16, 2021.

The Unaudited Pro Forma Consolidated Financial Information does not reflect any anticipated synergies, operating efficiencies or cost savings that have been or may be achieved, or any integration costs that may be incurred, following the completion of the merger.

## UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

| (€ million, except per share amounts) | For the year ended December 31, 2021 | | | | |
|---|---|---|---|---|---|
| | | Pro Forma adjustments | | | |
| | Stellantis | January 1 - 16, 2021 results of FCA | Purchase Price Allocation | Other adjustments | Stellantis Pro Forma Consolidated Income Statement |
| | Note 1 | Note 2 | Note 3 | Note 4 | |
| Net revenues | € 149,419 | € 2,704 | € 2 | € (6) | € 152,119 |
| Cost of revenues | 119,943 | 2,322 | (52) | (6) | 122,207 |
| Selling, general and other costs | 9,130 | 192 | (2) | — | 9,320 |
| Research and development costs | 4,487 | 113 | (40) | — | 4,560 |
| Gains/(Losses) on disposal of investments | (35) | — | — | — | (35) |
| Restructuring costs | 698 | — | — | — | 698 |
| Share of the profit of equity method investees[(1)] | 737 | 3 | — | — | 740 |
| **Operating income/(loss)** | **15,863** | **80** | **96** | **—** | **16,039** |
| Net financial expenses | 734 | 29 | (17) | — | 746 |
| **Profit/(loss) before taxes** | **15,129** | **51** | **113** | **—** | **15,293** |
| Tax expense | 1,911 | 21 | 7 | — | 1,939 |
| **Net profit/(loss) from continuing operations** | **13,218** | **30** | **106** | **—** | **13,354** |
| Profit/(loss) from discontinued operations, net of tax | 990 | — | — | — | 990 |
| **Net profit/(loss)** | **€ 14,208** | **€ 30** | **€ 106** | **€ —** | **€ 14,344** |
| | | | | | |
| **Net profit/(loss) attributable to:** | | | | | |
| Owners of the parent | € 14,200 | € 30 | € 106 | € — | € 14,336 |
| Non-controlling interests | € 8 | € — | € — | € — | € 8 |
| | | | | | |
| **Net profit/(loss) from continuing operations** | | | | | |
| Owners of the parent | € 13,210 | € 30 | € 106 | € — | € 13,346 |
| Non-controlling interests | € 8 | € — | € — | € — | € 8 |
| | | | | | |
| **Earnings per share:** | | | | | |
| Basic earnings per share | € 4.64 | | | | € 4.69 |
| Diluted earnings per share | € 4.51 | | | | € 4.55 |
| | | | | | |
| **Earnings per share from continuing operations:** | | | | | |
| Basic earnings per share | € 4.32 | | | | € 4.36 |
| Diluted earnings per share | € 4.19 | | | | € 4.23 |

*(1) Share of the profit/(loss) of equity method investees is included in our Operating income/(loss) and Adjusted operating income effective January 1, 2023. Refer to "Non-GAAP Financial Measures" for additional information*

The accompanying notes are an integral part of the Unaudited Pro Forma Consolidated Financial Information.

## NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

### Note 1 – Stellantis

This column represents the Consolidated Income Statement of Stellantis for the year ended December 31, 2021, included elsewhere within this report.

### Note 2 – FCA Historical

This column represents FCA's results for the period from January 1, 2021 to January 16, 2021, as derived from FCA's accounting records.

### Note 3 – Purchase Price Allocation

As noted in the introduction to this Unaudited Pro Forma Consolidated Financial Information, the merger has been accounted for using the acquisition method of accounting in accordance with IFRS 3, with PSA identified as the accounting acquirer (reverse acquisition accounting). The acquisition method of accounting under IFRS 3 applies the fair value concepts defined in IFRS 13 and requires, among other things, that the assets acquired and the liabilities assumed in a business combination be recognized by the acquirer at their fair values as of the merger date, which for accounting purposes was January 17, 2021. As a result, the acquisition method of accounting has been applied and the assets and liabilities of FCA have been recognized at the merger acquisition date at their respective fair values, with limited exceptions as permitted by IFRS 3. The excess of the consideration transferred over the fair value of FCA's assets acquired and liabilities assumed has been recorded as goodwill. Refer to Note 3, *Scope of consolidation*, within the Consolidated Financial Statements included elsewhere within this report for additional information.

The Unaudited Pro Forma Consolidated Financial Information reflects the effects of the purchase accounting adjustments, where applicable, on the unaudited pro forma consolidated income statement for the year ended December 31, 2021 as if the merger had occurred on January 1, 2020.

The following tables provide a summary of the pro forma effects of the purchase price allocation adjustments in the unaudited pro forma consolidated income statement for the year ended December 31, 2021.

*For the period January 1 - 16, 2021*

| (€ million) | January 1-16, 2021 | | | | |
|---|---|---|---|---|---|
| | **Intangible assets** | **Property, plant and equipment** | **Financial liabilities** | **Other** | **Total** |
| | (A) | (B) | (C) | (D) | |
| Net revenues | € — | € — | € — | € 2 | € 2 |
| Cost of revenues | — | 45 | — | 7 | 52 |
| Selling, general and other costs | — | 2 | — | — | 2 |
| Research and development costs | 40 | — | — | — | 40 |
| Net financial expenses/(income) | — | — | 21 | (4) | 17 |
| Tax expenses | (4) | — | (3) | — | (7) |
| **Net profit** | **€ 36** | **€ 47** | **€ 18** | **€ 5** | **€ 106** |

The pro forma adjustments are described in further detail below.

*A. Intangible assets*

The fair value of brands (Jeep, Ram, Dodge, Fiat, Maserati, Alfa Romeo and Mopar) was determined through an income approach based on the relief from royalty method, which requires an estimate of future expected cash flows. The useful life associated with the brands is determined to be indefinite. For capitalized development expenditures, the fair value has been assessed according to a multi-criteria approach based on relief from royalty method and an excess-earning method. The fair value for the Dealer network has been assessed using the replacement cost method. The fair value of reacquired rights has been valued based on the discounted cash flows expected from the related agreement.

Amortization of intangible assets has been calculated on the fair value taking into account the estimated remaining useful life of the acquired assets. The related change in amortization as a result of the fair value adjustment to intangible assets was a net decrease in amortization expense of €40 million for the period January 1 to January 16, 2021, of which €40 million has been recorded within Research and development costs in relation to capitalized research and development costs and other intangible assets.

*B. Property, plant and equipment*

The fair value of property, plant and equipment was determined primarily through the replacement cost method, which requires an estimation of the physical, functional and economic obsolescence of the related assets. A market approach, which requires the comparison of the subject assets to transactions involving comparable assets, was applied to determine the fair value of land. The fair value of certain assets was determined through an income approach.

Depreciation has been calculated on the fair value taking into account the estimated remaining useful life of the acquired assets. The related change in depreciation as a result of the fair value adjustment to property, plant and equipment was a decrease in depreciation expense of €47 million for the period January 1 to January 16, 2021, of which €45 million has been recorded within Cost of revenues and €2 million has been recorded within Selling, general and other costs in the Unaudited Pro Forma Consolidated Financial Information.

*C. Financial liabilities*

Purchase price adjustments were recognized to step up to fair value the financial liabilities based on quoted market prices for listed debt and based on discounted cash flow models for debt that is not listed. The fair value adjustments to financial liabilities resulted in a decrease in interest expense due to the decrease of the effective interest rate based on current market conditions, of €21 million for the period January 1 to January 16, 2021, and has been recorded within Net financial income (expense) in the Unaudited Pro Forma Consolidated Financial Information.

D. *Other*

Primarily reflects:

- the recognition of additional revenue of €2 million for the period January 1 to January 16, 2021, as a result of a step up to fair value of deferred revenue relating to extended warranty service contracts, as well as additional finance costs of €4 million for the period January 1 to January 16, 2021, due to the recognition of the fair value adjustments of the related liabilities.

- the reversal of the impact on cost of revenues of €7 million for the period January 1 to January 16, 2021, of certain prepaid assets that were written off as part of the purchase price allocation.

The step up in the value of inventories has not been recognized as a pro forma adjustment as this impact has been recognized in Stellantis results for the year ended December 31, 2021.

*E. Tax expense*

Represents the tax effects on the pro forma adjustments reflected in the unaudited pro forma consolidated income statement, calculated based on statutory tax rates applicable in the relevant jurisdictions.

**Note 4 – Other Adjustments**

Other adjustments include the elimination of the intercompany transactions with Sevel in the Stellantis Consolidated Income Statement for the year ended December 31, 2021 of €6 million. Sevel is a joint operation that was previously owned 50 percent each by both PSA and FCA. Upon completion of the merger, Stellantis holds 100 percent of Sevel, which is fully consolidated from that date.

**Note 5 - Pro Forma Earnings per Share**

Refer to Note 28, *Earnings per share*, included within the Consolidated Financial Statements for the year ended December 31, 2021 for additional detail on the calculation of earnings per share.

Pro Forma diluted earnings per share is calculated by adjusting the historical diluted weighted average number of shares outstanding with the Pro Forma weighted average number of dilutive shares outstanding, as adjusted for the merger.

Refer to Note 28, *Earnings per share*, included within the Consolidated Financial Statements within this report for additional detail on the calculation of earnings per share.

*Pro Forma Basic earnings per share*

| | **Year ended December 31, 2021** | | |
|---|---|---|---|
| (€ million except otherwise noted) | **Stellantis** | **Continuing operations** | **Discontinued operations** |
| **Net profit attributable to owners of the parent, as adjusted** | **€ 14,200** | **€ 13,210** | **€ 990** |
| Add: FCA Net profit attributable to owners of the parent, January 1 - 16, 2021 | 30 | 30 | — |
| Add: Pro forma adjustments | 106 | 106 | — |
| **Pro Forma Net profit attributable to owners of the parent (A)** | **€ 14,336** | **€ 13,346** | **€ 990** |
| Weighted average number of shares outstanding for basic earnings per share (thousand), January 17 - December 31, 2021 (B) | 3,059,284 | 3,059,284 | 3,059,284 |
| **Pro Forma Basic earnings per share (€ per share) (A/B)** | **€ 4.69** | **€ 4.36** | **€ 0.32** |

*Pro Forma Diluted earnings per share*

| | Year ended December 31, 2021 | | |
|---|---|---|---|
| (€ million except otherwise noted) | Stellantis | Continuing operations | Discontinued operations |
| **Net profit attributable to owners of the parent, as adjusted** | **€ 14,200** | **€ 13,210** | **€ 990** |
| Add: FCA Net profit attributable to owners of the parent, January 1 - 16, 2021 | 30 | 30 | — |
| Add: Pro forma adjustments | 106 | 106 | — |
| **Pro Forma Net profit attributable to owners of the parent (A)** | **€ 14,336** | **€ 13,346** | **€ 990** |
| *Weighted average number of shares outstanding (thousand), January 17 - December 31, 2021* | *3,059,284* | *3,059,284* | *3,059,284* |
| *Number of shares deployable for share-based compensation, January 17 - December 31, 2021 (thousand)* | *23,651* | *23,651* | *23,651* |
| *Equity warrants delivered to GM (thousand)* | *68,497* | *68,497* | *68,497* |
| Pro Forma Weighted average number of shares outstanding for diluted earnings per share (thousand) (B) | 3,151,432 | 3,151,432 | 3,151,432 |
| **Pro Forma Diluted earnings per share (€ per share) (A/B)** | **€ 4.55** | **€ 4.23** | **€ 0.31** |

## STELLANTIS OVERVIEW

Stellantis is a global automaker and mobility provider which is engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide. Stellantis designs, engineers, manufactures, distributes and sells vehicles across five portfolios: (i) luxury vehicles under the Maserati brand; (ii) premium vehicles covered by Alfa Romeo, DS and Lancia brands; (iii) global sport utility vehicles under the Jeep brand; (iv) American brands covering Dodge, Ram and Chrysler vehicles and (v) European brands covering Abarth, Citroën, Fiat, Opel, Peugeot and Vauxhall vehicles. Stellantis centralizes design, engineering, development and manufacturing operations, to allow it to efficiently operate on a global scale. Stellantis supports its vehicle shipments with the sale of related service parts and accessories, as well as service contracts, worldwide. Stellantis makes retail and dealer financing, leasing and rental services available through its subsidiaries, joint ventures and commercial arrangements with third party financial institutions. In addition, Stellantis operates in the production systems sector under the Comau brand. Refer to Note 3, *Scope of consolidation* in the Consolidated Financial Statements included elsewhere in this report for detail on the sale of Teksid's cast iron automotive components business.

In connection with our Dare Forward 2030 strategic plan, we have also increased our focus on generating growth in several of our other areas, such as our pre-owned car business, the two mobility brands, Free2move and Share Now, as well as independent aftermarket parts and services and software with a particular focus on data services. Our focus on software also includes the deployment of technology across our vehicle platforms and leveraging Over-The-Air (“OTA”) features and services. We have created Stellantis Ventures which funds investments in early and later-stage startup companies that develop innovative, customer-centric technologies that targets the automotive and mobility sectors.

Stellantis’ ambition is to contribute to global carbon neutrality, with an ambitious carbon footprint reduction roadmap, committing to be carbon net zero by 2038 with a single-digit percent compensation of residual emissions versus 2021 level. Our decarbonization strategy includes: (i) cutting $CO_2$ vehicle emissions by offering a wide range of battery electric vehicles (“BEVs”) and plug-in hybrid electric vehicles (“PHEVs”) and innovation through low-carbon technologies; (ii) moving forward into a carbon-efficient production system by embracing green energy and reducing emissions and (iii) improving the environmental performance of the supply chain through a strong engagement of our supply chain to mitigate emissions. Additionally, this is supported through our circular economy business, whose main objectives are to extend the life of vehicles and parts by returning material and end-of-life vehicles back to the manufacturing process for new vehicles and products. We opened our first circular economy hub in Mirafiori, Turin (Italy) in 2023, supporting the 4R Strategy (Recycle, Repair, Reuse, Remanufacture)

In 2023, Stellantis shipped 6,393 thousand vehicles (including the Company's unconsolidated joint ventures), with Net revenues of €189.5 billion and Net profit of €18.6 billion, and generated €12.9 billion of Industrial free cash flows (See *Non-GAAP Financial Measures*). At December 31, 2023, the Company’s available liquidity was €62.6 billion (including €12.6 billion available under undrawn committed credit lines).

### History of Stellantis

Stellantis N.V. (“Stellantis”) was incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands in April 2014 under the name Fiat Chrysler Automobiles N.V.

In its current configuration, Stellantis is the result of the merger of FCA and PSA, each of which were leading independent global automotive groups prior to the merger.

Fiat S.p.A., the predecessor to FCA, was founded as Fabbrica Italiana Automobili Torino in July 1899 in Turin, Italy as an automobile manufacturer. Fiat grew in Italy and internationally in the following decades both organically and through the acquisition of several prominent brands and manufacturers including Lancia, Alfa Romeo, Maserati and Ferrari. In 2009, FCA US LLC, then known as Chrysler Group LLC (“FCA US”), acquired the principal operating assets of the former Chrysler LLC as part of a government-sponsored restructuring of the North American automotive industry. Between 2009 and 2014, Fiat S.p.A. expanded its initial 20 percent ownership interest to 100 percent of the ownership of FCA US and in October 2014, Fiat S.p.A. completed a corporate reorganization resulting in the establishment of FCA as the parent company of the FCA Group, with its principal executive offices in the United Kingdom. In January 2011, the separation of Fiat S.p.A.’s non-automotive capital goods business was completed with the creation of Fiat Industrial, now known as CNH Industrial N.V. In October 2015, the initial public offering of Ferrari N.V. was completed, followed by the spin-off of FCA’s remaining interest in Ferrari to its shareholders in January 2016.

Peugeot S.A. began manufacturing and selling vehicles to consumers in 1896 and also expanded its automotive business, particularly in the second half of the twentieth century. In 1974, PSA acquired all of the outstanding shares of Citroën S.A. and then merged the two companies in 1976. In 1978, PSA acquired Chrysler Corporation's stake in its industrial and commercial subsidiaries in Europe, as well as Chrysler Financial Corporation's European commercial financing subsidiaries. In 1995, PSA Finance Holding, which provided financing for Peugeot and Citroën vehicle sales, was transformed into a bank and subsequently renamed "Banque PSA Finance". PSA acquired the Opel and Vauxhall subsidiaries of GM in August 2017. As contemplated by the business combination agreement for the merger of FCA and PSA, on March 22, 2021, Stellantis distributed to shareholders its entire interest (approximately 39 percent) in Faurecia, an automotive equipment supplier and formerly the automotive equipment division of PSA, to holders of Stellantis common shares.

On December 17, 2019, FCA and PSA entered into a combination agreement (as amended, the "combination agreement") agreeing to merge the two groups. On January 16, 2021, PSA merged with and into FCA, with FCA as the surviving legal entity in the merger. On January 17, 2021, the combined company was renamed Stellantis, the board of directors was appointed and the Stellantis articles of association became effective. On this date, the Stellantis management and board of directors collectively obtained the power and the ability to control the assets, liabilities and operations of both FCA and PSA. As such, under IFRS 3 - Business Combinations ("IFRS 3"), January 17, 2021 is the acquisition date for the business combination.

On January 18, 2021, Stellantis common shares began trading on Euronext Milan and Euronext Paris, and on January 19, 2021, began trading on the New York Stock Exchange ("NYSE"). Stellantis common shares trade under the following symbols: Euronext Milan: "STLAM"; Euronext Paris: "STLAP"; NYSE: "STLA". From October 13, 2014, the common shares of FCA were traded on the NYSE under the symbol "FCAU" and on Euronext Milan under the symbol "FCA".

The principal office of Stellantis is located at Taurusavenue 1, 2132LS, Hoofddorp, the Netherlands (telephone number: +31 23 700 1511). Its agent for U.S. federal securities law purposes is Christopher J. Pardi, c/o FCA US LLC, 1000 Chrysler Drive, Auburn Hills, Michigan 48326.

**Major Shareholders**

As of February 20, 2024, the largest shareholders of Stellantis were Exor N.V. ("Exor") (holding 14.2 percent of the outstanding common shares), Établissements Peugeot Frères ("EPF") (holding 7.08 percent of the outstanding common shares) and Bpifrance Participations S.A. ("BPI") (holding 6.09 percent of the outstanding common shares). As a result of the loyalty voting mechanism, the voting powers of Exor, EPF and BPI are 22.29 percent, 11.12 percent and 9.9 percent, respectively. For a description of the loyalty voting mechanism, including the terms and conditions of our special voting shares, please see "*CORPORATE GOVERNANCE- Loyalty Voting Structure.*"

As of February 20, 2024 the share capital of the Company consists of the following: 3,165,189,336 common shares (of which 142,090,297 shares are owned by the Company), 866,522,224 Class A special voting shares and 208,622 Class B special voting shares, all with a par value of €0.01 each.

Based on the information in Stellantis' shareholder register, regulatory filings with the AFM and the SEC and other sources available to Stellantis, the following persons owned, directly or indirectly, in excess of three percent of Stellantis' capital and/or voting interest as of February 20, 2024:

| Stellantis Shareholders | Number of Issued Common Shares[(1)] | Percentage of Issued Common Shares |
|---|---|---|
| Exor | 449,410,092 | 14.20 |
| EPF[(2)] | 224,228,121 | 7.08 |
| BPI[(3)] | 192,703,907 | 6.09 |
| BlackRock Inc.[(4)] | 111,977,749 | 3.54 |

*(1) Issued shares includes common shares as well as 866,522,224 Class A special voting shares and 208,622 Class B special voting shares. All Class B special voting shares are owned by the Company. Refer also to Corporate Governance - Articles of Association and Information on Stellantis Shares - Share Capital for additional information*

*(2) EPF, through Peugeot Invest and its subsidiary Peugeot 1810, owns 224,228,121 common shares and 224,228,121 Class A special voting shares (11.12 percent of the issued shares)*

*(3) BPI owns 192,703,907 common shares and 192,703,907 Class A special voting shares (9.56 percent of the issued shares). BPI is a joint venture of EPIC Bpifrance (Bpi Groupe) and Caisse des Dépots et Consignations (both holding a 49.3 percent interest in Bpifrance SA). Caisse des Dépots et Consignations also (directly and indirectly) holds an additional 11,224,276 Stellantis common shares, representing an additional 0.35 percent of the common shares and 0.28 percent of the issued share capital and voting rights of Stellantis*

*(4) According to information published on the AFM website as of February 20, 2024, BlackRock Inc. owns 111,977,749 common shares (2.78 percent of the issued shares) and 136,209,739 voting rights (3.38 percent of the issued shares)*

Based on the information in Stellantis' shareholder register and other sources available to us, as of February 20, 2024, approximately 664 million Stellantis common shares, or approximately 21 percent of the Stellantis common shares, were held in the United States. As of the same date, approximately 340 record holders of Stellantis common shares had registered addresses in the United States.

Exor, EPF and BPI were subject to restrictions on share sales for the three-year period following the merger. These restrictions expired in early January 2024 and are no longer applicable.

**Progress towards Dare Forward 2030 Strategic Plan**

Achievements so far toward the Dare Forward 2030 Strategic Plan are as follows:

**Care**

Ethical responsibility is at the core of Stellantis to ensure a sustainable future of mobility for our customers, our employees, and our planet. Key achievements to date include:

- Remaining on track to achieve carbon net zero emission target by 2038 (with single-digit percentage compensation of the remaining emissions). Stellantis reduced its scope 1 and 2 absolute emissions tons $CO_2$-equivalent by 20 percent in 2023 versus baseline 2021. Scope 3 will be available in the 2023 Corporate Social Responsibility ("CSR") Report;

- First Circular Economy Hub inaugurated in Italy in November 2023;

- Three partnerships formed to boost circular economy activities:

    - An investment with Galloo France S.A. to create Sustainera Valorauto has been created in 2023 for end-of-life vehicle recycling

    - With Orano Batteries SAS, we have signed a memorandum of understanding for electric vehicle battery recycling

    - With Qinomic SAS, we have an agreement for electric retrofitting of commercial vehicles

- More than 40 percent reduction since 2021 in vehicle rate defects 3 months after customer delivery;

- During 2023, we hired 1,680 software professionals globally and transferred more than 4,500 Stellantis employees to join our software organization. Over 1,100 of our employees who transferred into the software organization benefited from the software and data academy up-skilling. These achievements accelerated our plan to reach our 2024 target;

- As of December 31, 2023, we have approximately 30 percent of leadership positions held by women (approximately 740 women);

- First employee share purchase plan, Shares to Win, launched in France and Italy (22 percent of the approximately 85,000 employees subscribed);

- Hosted Stellantis Student Awards celebrating more than 600 children of Stellantis employees from five regions for dedication to continues learning and education; and

- Celebrated the inauguration of CERN Science Gateway in Geneva, Switzerland; Stellantis Foundation provided the leading donation to support the state-of-the-art facility for science education and outreach.

**Tech**

Stellantis' ambition is to embrace breakthrough ideas to offer innovative, clean, safe and affordable mobility. Key achievements include:

- In 2023, sold 350,000 BEVs worldwide:
    - Number 3 in EU30 BEV sales, with a 14 percent increase compared to FY 2022
    - 30 BEVs in market at end of 2023, 48 planned by end of 2024
    - Revealed all-new Citroën ë-C3 starting at €23,300, is the most competitively priced B-segment electric vehicle ("EV") produced in Europe

- Six planned battery gigafactories with partners: three in North America and three in Enlarged Europe; strategic agreement with CATL for lithium iron phosphate battery supply in Europe;
- Revealed the Peugeot E-3008, the first model to use Stellantis' all-new BEV-centric STLA Medium platform, which takes the brand to the next level. This innovative platform has been designed to offer best-in-class performance for the most important criteria for customers: range (up to 700km);
- Partnership with Ample Inc, to integrate innovative battery swapping solution in Stellantis electric vehicles;
- Acquired equal share in Symbio, jointly with Forvia and Michelin, leader in zero-emission hydrogen mobility and inaugurated Symbio's first gigafactory, SymphonHy, in Saint-Fons, France;
- Implemented multifaceted semiconductor strategy to ensure supply security, drive innovation including the creation of the SiliconAuto joint venture with Foxconn;
- Secured electric vehicle battery raw material needs through 2027 resulting from agreements with and investments in partners. Refer to S*upply of Raw Materials* included elsewhere in this report for additional information;
- Launched Mobilisights, fully dedicated to growing the Company's data as a service ("DaaS") business and developing and licensing innovative B2B products, applications and services, in January 2023; and
- During 2023, Stellantis Ventures invested in 6 new startups and Stellantis signed 49 commercial contracts with new startups.

**Value**

Stellantis' ambition is to be 'second to none' in value creation for all stakeholders while unleashing an entrepreneurial mindset. Key achievements to date include:

- 19.2 percent Net revenues generated outside of North America and Enlarged Europe, growing 56 percent versus 2021;
- Launched Pro One commercial vehicle offensive: leader in Enlarged Europe with approximately 40 percent market share in BEVs, No. 1 position in South America, No. 2 in Middle East and Africa and No. 3 in North America;
- Commercial vehicles Net revenues represents 32 percent of Stellantis' Net revenues. This is a subset of Net revenues of the respective segments;

- Strengthened European financial services with two new simplified organizations to enhance multi-brand capacity: Stellantis Financial Services Europe (formerly Banque PSA Finance) and Leasys (consolidating the activities of Leasys and Free2move Lease);

- Digital Marketplace launched in major countries in Europe and in the U.S.;

- In November 2023, Stellantis paid €1.4 billion for an equity investment representing approximately 21 percent equity in Zhejiang Leapmotor Co. Ltd ("Leapmotor"), a Chinese new energy vehicle original equipment manufacturer ("OEM"). The investment is accounted for as an equity method investment and reported in China and India & Asia Pacific segment. Refer to Note 3, *Scope of consolidation* within the Consolidated Financial Statements included elsewhere in this report for additional information. In addition, a new joint venture called Leapmotor International, will be created in 2024 with ownership by Stellantis of 51 percent and by Leapmotor of 49 percent, subject to regulatory approvals. Stellantis will control and consolidate the joint venture. The joint venture will have exclusive rights for export and sale, as well as manufacturing of Leapmotor products outside of Greater China; and

- Signed agreement for new manufacturing site in South Africa and starting manufacturing of Fiat 500 model in Algerian plant in early 2024.

**Merger Synergies**

As a result of the merger, we have achieved significant synergies from the integration of the legacy businesses, in particular in the following four areas:

- *Technology, Platforms and Products*. The sharing and convergence of platforms, modules and systems, along with the optimization of research and development ("R&D") investments, manufacturing processes and tooling;

- *Purchasing*. Procurement savings resulting from leveraging the Company's enlarged scale and combined product development processes, leading to lower product costs, improved price alignment and broader access to suppliers;

- *Selling, General and Administrative Expenses ("SG&A")*. Savings from the integration of functions such as sales and marketing, and the optimization of costs in regions where both businesses had a well-established presence (*i.e.*, Enlarged Europe and South America); and

- *All Other Functions*. Synergies from the optimization of other functions, including logistics, supply chain, quality and after-market operations.

For the year ended December 31, 2023, the Company has achieved €8.4 billion of net cash synergies compared to €7.1 billion for the year ended December 31, 2022 exceeding the €5 billion annual steady state target established at the time of the merger. The Company exceeded this target more than two years earlier than planned.

The synergies noted above have helped to structurally reduce the Company's fixed cost base, improve its efficiency on R&D and capex spending and improve the Company's operating performance. We expect the synergies to continue to benefit the Company in the future. However, synergies will not be reported separately from other ongoing efforts for continuous improvement going forward.

**Overview of Our Business**

Stellantis' activities during the year ended December 31, 2023, were carried out through the following six reportable segments:

(i) North America: Stellantis' operations to manufacture, distribute and sell vehicles in the United States, Canada and Mexico, primarily under the Jeep, Ram, Dodge, Chrysler, Fiat and Alfa Romeo brands. Manufacturing plants are located in: US, Canada and Mexico;

(ii) Enlarged Europe: Stellantis' operations to manufacture, distribute and sell vehicles in Europe (which includes the 27 members of the European Union, the United Kingdom ("UK") and the members of the European Free Trade Association). Under the mainstream brands Citroën, Fiat, Opel, Peugeot, Vauxhall, premium brands Alfa Romeo, DS and Lancia. Manufacturing plants are located in: France, Italy, Spain, Germany, UK, Poland, Portugal, Serbia and Slovakia;

(iii) Middle East & Africa: Stellantis' operations to manufacture, distribute and sell vehicles primarily in Turkey, Algeria and Morocco under the Peugeot, Citroën, Opel, Fiat and Jeep brands. Manufacturing plants are located in Morocco, Algeria and Turkey, through our joint venture with Tofas-Turk Otomobil Fabrikasi A.S. ("Tofas");

(iv) South America: Stellantis' operations to manufacture, distribute and sell vehicles in South and Central America, primarily under the Fiat, Jeep, Peugeot and Citroën brands, with the largest focus of its business in Brazil and Argentina. Manufacturing plants are located in the main markets of Brazil and Argentina;

(v) China and India & Asia Pacific: Stellantis' operations to manufacture, distribute and sell vehicles in the Asia Pacific region (mostly in China, Japan, India, Australia and South Korea) carried out in the region through both subsidiaries and joint ventures, primarily under the Jeep, Peugeot, Citroën, Fiat, DS and Alfa Romeo brands. Manufacturing plants are located in India and Malaysia, through our joint operation India Fiat India Automobiles Private Limited ("FIAPL JV") and our wholly owned subsidiary Stellantis Gurun (Malaysia). In China,we had our joint venture with GAC Fiat Chrysler Automobiles Co ("GAC-Stellantis JV") until production ceased in January 2022. GAC JV filed for bankruptcy in November 2022. Refer to Note 3, *Scope of consolidation* within the Consolidated Financial Statements included elsewhere in this report for additional information. Our Citroën and Peugeot branded vehicles are manufactured in China by Dongfeng Peugeot Citroën Automobiles ("DPCA") under various license agreements; and

(vi) Maserati: Stellantis' operations to design, engineer, develop, manufacture, distribute worldwide and sell luxury vehicles under the Maserati brand. Design, engineering and manufacturing plants are located in Italy.

Stellantis also owns or holds interests in companies operating in other activities and businesses. These activities are grouped under "Other Activities", which primarily consists of our pre-owned car business, the Company's industrial automation systems design and production business, under the Comau brand name, mobility businesses through the brands Free2move and Share Now, the Company's software and data businesses, and other investments, including Archer Aviation Inc ("Archer"), as well as the financial services activities of dealer and customer financing primarily in North America, Enlarged Europe, South America and China. Refer to "*Sales Overview*" included elsewhere in this report for additional information. Also included are our companies that provide services, including accounting, payroll, tax, insurance, purchasing, information technology, facility management and security for the Company and management of central treasury activities. Refer to Note 3, *Scope of consolidation* in the Consolidated Financial Statements included elsewhere in this report for details on the sale of Teksid's cast iron automotive components business in Mexico and U.S. and the GAC-Stellantis JV bankruptcy filing and the increase in our investment in Archer.

***Definitions and abbreviations***

Passenger cars include sedans, station wagons and three- and five-door hatchbacks, that may range in size from "micro" or "A-segment" vehicles of less than 3.7 meters in length to "large" or "F-segment" cars that are greater than 5.1 meters in length.

Utility vehicles (“UVs”) include sport utility vehicles (“SUVs”), which are available with four-wheel drive systems that provide true off-road capabilities, and crossover utility vehicles, (“CUVs”), which are not designed for heavy off-road use. UVs can be divided among six main groups, ranging from “micro” or “A-segment”, defined as UVs that are less than 3.9 meters in length, to “large” or “F-segment”, defined as UVs that are greater than 5.2 meters in length.

Light trucks may be divided between vans (also known as light commercial vehicles, or “LCVs”), which typically are used for the transportation of goods or groups of people, and pickup trucks, which are light motor vehicles with an open-top rear cargo area. Minivans, also known as multi-purpose vehicles (“MPVs”) typically have seating for up to eight passengers.

A vehicle is characterized as “all-new” if it is a new product with no prior model year, or if its vehicle platform is significantly different from the platform used in the prior model year and/or it has had a full exterior renewal.

A vehicle is characterized as “significantly refreshed” if it continues its previous vehicle platform but has extensive changes or upgrades from the prior model year.

**Design and Manufacturing**

We sell vehicles in the SUV, passenger car, truck and LCV markets. Our SUV and CUV portfolio includes vehicles such as the Grand Wagoneer, Jeep Grand Cherokee, Jeep Meridian, Jeep Avenger, Alfa Romeo Tonale, Citroën C5 Aircross, Dodge Hornet, DS 3 Crossback, Maserati Grecale and Peugeot 3008. Our passenger car product portfolio includes vehicles such as the Opel and Vauxhall Mokka, Fiat New 500, Alfa Romeo Giulia, Citroën C3, Lancia Ypsilon, Maserati Quattroporte and Peugeot 308, and minivans such as the Chrysler Pacifica. We sell light duty and heavy duty pickup trucks such as the Ram 1500, Ram 2500/3500, Fiat Strada, Peugeot Landtrek, Jeep Gladiator, and chassis cabs such as the Ram 3500/4500/5500. Our LCVs include vans such as the Fiat Professional Doblò, Peugeot Partner, Citroën Berlingo, Opel/Vauxhall Combo and Ram ProMaster.

The Stellantis Production Way (“SPW”) is a set of manufacturing-related tools and principles intended to achieve best in class performance as measured by health and safety, quality, throughput, cost and environmental metrics, through empowerment of employees, enhancement of employee skill-sets, the sharing of best practices and the improved and economical use of production assets. Following the 2022 launch of SPW, Stellantis focused on implementation and execution in 2023, as SPW tools, principles and priorities were deployed throughout each of its manufacturing plants.

**Research and Development**

In alignment with its Dare Forward 2030 strategic plan targets, Stellantis’ recent research initiatives have been mainly concentrated in the areas of mobility electrification and clean energy, autonomous driving, infotainment technology, vehicle electronic and software architecture, and connectivity technologies. Significant activity has also continued with a focus to reduce overall vehicle energy demand, fuel consumption and emissions based on traditional technologies. Recent fuel consumption and emissions reduction activities have primarily focused on propulsion system technologies, including engines, transmissions, axles and drivelines, hybrid and electric propulsion and alternative fuels.

***Recent Technology Initiatives***

*Modular Vehicle Platforms*

In July 2023, Stellantis unveiled its STLA Medium platform, which has a best-in-class range of more than 700 kilometers. Production of the STLA Medium will begin in Europe in early 2024.

STLA Medium is designed to host compact to mid-size cars and UVs, and is one of the four platforms comprising Stellantis’ BEV-centric platform strategy, along with STLA Small (ultra-compact cars), STLA Large (mid-size to full-size vehicles) and STLA Frame (full-size SUV and pickup trucks). Each platform is designed to share electrified components, to be capable of adapting over time to evolutions in technology and to have a high level of flexibility (length and width).

The all-new, all-electric 2025 Ram 1500 REV will be built on STLA Frame and was introduced at the New York International Auto Show in April 2023. Deliveries of the 2025 Ram 1500 REV are expected to begin in the fourth quarter of 2024. The all-new 2025 Ram 1500 Ramcharger, a range-extended electric truck announced in November 2023, will also be built on the STLA Frame platform. Deliveries of the 2025 Ram 1500 Ramcharger are expected to begin in mid-2025.

*Full-Electric Propulsion Systems*

In February 2023, Stellantis announced a €140 million (U.S.$155 million) investment in three plants in Kokomo, Indiana, U.S. to produce new electric drive modules (“EDMs”) that will help power future electric vehicles assembled in North America.

Stellantis’ electric propulsion system strategy includes three families of EDMs that combine the motor, gearbox and inverter, each designed to meet different performance needs. The EDMs can be configured for front-wheel drive, rear-wheel drive and all-wheel drive. A program of hardware upgrades and OTA software updates is expected to extend the life cycle of the propulsion systems and, therefore, the vehicles. Stellantis intends to internally develop software and controls in order to maintain characteristics unique to each brand.

*Battery Technology and Production*

In September 2023, Stellantis announced the opening of its first battery technology center in Italy. The facility, located at Stellantis’ Mirafiori complex in Turin will enable the in-house testing and development of battery packs and related software.

In October 2023, Stellantis and StarPlus Energy joint venture partner Samsung SDI announced plans to locate a second battery manufacturing facility in Kokomo, Indiana, U.S. with production expected to begin in 2027. The first StarPlus Energy gigafactory, also in Kokomo, Indiana, is expected to begin operations in the first quarter of 2025 and the two facilities have a planned aggregate battery production of approximately 67 gigawatt hours (“GWh”) per year. In addition, production at the Windsor, Ontario (Canada) gigafactory owned by NextStar Energy, a Stellantis and LG Energy Solution joint venture, is expected to begin operations in 2024 and will have a battery production in excess of 45 GWh per year.

Automotive Cell Company (“ACC”), a Stellantis joint venture with Total/Saft and Mercedes-Benz AG, started preliminary production at its Billy-Berclau Douvrin (France) gigafactory in December 2023. ACC has also committed to gigafactories located in Kaiserslautern, Germany and Termoli, Italy.

In accordance with its Dare Forward 2030 long-term strategic plan, Stellantis is targeting to achieve 400GWh of battery capacity by 2030.

*Hydrogen*

In July 2023, Stellantis announced that it had acquired a 33.3 percent ownership position in Symbio, a leader in zero-emission hydrogen mobility. Symbio’s Saint-Fons, France gigafactory began production in 2023 and is expected to produce 50,000 hydrogen fuel cells per year by 2026. Forvia and Michelin are also each 33.3 percent shareholders in Symbio.

*Connectivity*

In January 2023, Stellantis announced the establishment of Mobilisights, a business unit dedicated to executing the Company’s DaaS strategy globally by serving as the gateway to telematic data from the Company’s connected vehicles. Stellantis targets to have an estimated 34 million connected vehicles on the road globally by 2030.

*Semiconductors*

In June 2023, Stellantis and Hon Hai Technology Group (Foxconn) announced the creation of SiliconAuto, a 50/50 joint venture dedicated to designing and selling a family of state-of-the-art semiconductors to supply the automotive industry, including Stellantis, beginning in 2026. SilconAuto is expected to support Stellantis’ future semiconductor needs, including with regard to STLA Brain, a service-oriented electronic and software architecture with full OTA updating capabilities.

**Intellectual Property**

Stellantis owns a significant number of patents, trade secrets, licenses, trademarks and service marks, including, in particular, the marks of its vehicle and component and production systems brands, which relate to its products and services. We expect the number to grow as we continue to pursue technological innovations. We file patent applications in Europe, the U.S. and around the world to protect technology and improvements considered important to our business. No single patent is material to our business as a whole.

**Property, Plant and Equipment**

As of December 31, 2023, Stellantis manufacturing facilities (including passenger vehicle and light commercial vehicle assembly, propulsion systems and components plants, and excluding joint ventures), are primarily located in Enlarged Europe (mainly in France, Germany, Italy, Spain and UK), North America (U.S., Canada and Mexico), South America (Brazil and Argentina) and Africa (Morocco). Stellantis companies have also historically owned other significant properties including parts distribution centers, research laboratories, test tracks, warehouses and office buildings. The total carrying value of Stellantis' property, plant and equipment as of December 31, 2023 was €37.7 billion.

A number of Stellantis manufacturing facilities and equipment, including land and industrial buildings, plant and machinery and other assets, were and are subject to mortgages and other security interests granted to secure indebtedness to certain financial institutions. As of December 31, 2023, property, plant and equipment reported as pledged as collateral for loans amounted to approximately €0.8 billion, excluding Right-of-use assets (refer to Note 11, *Property, plant and equipment,* within the Consolidated Financial Statements included elsewhere in this report for additional information*).*

Stellantis is not aware of any environmental issues that would materially affect the utilization of fixed assets. Refer to "*Industrial Environmental Control"* included elsewhere in this report for additional information.

**Supply of Raw Materials, Parts and Components**

Stellantis purchases a variety of components (including but not exclusively, mechanical, steel, electrical, electronic and plastic components as well as castings and tires), raw materials, supplies, utilities, logistics and other services from numerous suppliers. The purchase of raw materials, parts and components has historically accounted for a substantial majority of our total Cost of revenues. The raw materials we purchase include, but are not limited to, steel, rubber, aluminum, resin, copper, lead, precious metals (including platinum, palladium and rhodium) and battery materials (including lithium, manganese, nickel and cobalt).

Stellantis' focus on quality improvement, cost reduction, product innovation and production flexibility requires the Company to rely upon suppliers with a focus on quality and the ability to provide cost reductions. Stellantis has valued relationships with suppliers, and works to establish closer ties with a significantly reduced number of suppliers by selecting those with a leading position in the relevant markets. In addition, Stellantis has formed various partnerships in an effort to secure specific critical raw materials, including but not limited to, nickel, cobalt, lithium, manganese. Some supply agreements include take or pay conditions or investments in the supplier's equity. In 2023, Stellantis signed agreements with Controlled Thermal Resources Holdings Inc ("CTR") and Argentina Lithium for lithium, with Terrafame for nickel, with Alliance Nickel Ltd and Kuniko Ltd for cobalt and nickel, with Element 25 Limited for manganese and with McEwen Copper for copper.

For a discussion of Stellantis's risks relating to raw materials, parts and components, refer to "*Risk Factors - We face risks associated with increases in costs, disruptions of supply or shortages of raw materials, parts, components and systems used in our vehicles."* included elsewhere in this report for additional information. In order to mitigate these risks, Stellantis works proactively with suppliers to identify material and part shortages and take steps to mitigate their impact by deploying additional personnel, accessing alternative sources of supply and managing its production schedules. Stellantis also continues to refine processes to identify emerging capacity constraints in the supplier tiers given the ramp up in manufacturing volumes to meet volume targets. In addition, Stellantis continuously monitors supplier performance according to key metrics such as part quality, delivery, performance, financial solvency and sustainability.

## Employees

At December 31, 2023, Stellantis had a total of 258,275 employees (excluding employees of joint arrangements, associates and unconsolidated subsidiaries), a 5.2 percent decrease from December 31, 2022, and a 8.3 percent decrease from December 31, 2021. The following table provides a breakdown of employees as of December 31, 2023, 2022 and 2021 by geographical area.

| | At December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| North America | 81,341 | 88,835 | 91,289 |
| Enlarged Europe | 135,211 | 142,681 | 150,807 |
| Middle East & Africa | 6,101 | 5,311 | 5,983 |
| South America | 28,928 | 28,968 | 29,352 |
| China and India & Asia Pacific | 6,694 | 6,572 | 4,164 |
| **Total** | **258,275** | **272,367** | **281,595** |

Stellantis employees are free to join trade unions, provided they do so in accordance with local laws and the rules of the related trade union. Local collective agreements are led by the regions and/or countries which take the global Company polices into account and reflect local particularities. As of December 31, 2023, approximately 90 percent of our employees were covered by collective bargaining agreements.

An active dialogue was maintained in 2023 with various employee representation bodies existing at the national or transnational level. This is represented in Europe through the European Works Councils of PSA, Fiat and Opel and Vauxhall, in North America through the union, The International Union,United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") and in Canada through the union, Unifor.

***Trade Unions and Collective Bargaining***

Stellantis' social relations strategy is based on six commitments:

- Stellantis supports the principles of the United Nations Universal Declaration of Human Rights and the provision of a decent equitable work environment. We work towards providing competitive and living wages and have contracted with the Fair Wage network, an independent, recognized authority on fair and living wages;
- Stellantis is committed to comply with all applicable labor laws and regulations and aims to apply best practices in human resources management;
- Stellantis bases social dialogue on relationships with independent labor unions and employee representatives and seeks workplace cooperation;
- Stellantis' objective is to negotiate collective bargaining agreements that are pragmatic, inclusive and protective of its employees;
- Stellantis fosters social dialogue with the workforce on a daily basis; and
- Stellantis monitors social indicators in its subsidiaries and globally discloses in a transparent manner to its stakeholders.

The Company endorses the International Labor Organization's ("ILO") declaration on fundamental principles and rights at work.

Stellantis is committed to a strategy for collective agreements through innovative solutions to balance the social challenges while allowing the Company to remain competitive. During 2023, we signed more than 600 agreements, including:

- Official launch of negotiation of a global framework agreement;
- In North America, collective bargaining agreement with contracts with UAW in U.S. and with Unifor in Canada;
- Four-year national collective agreement in Italy;
- Agreements with plant employees in Madrid, Vigo, Zaragossa (Spain), Mangualde (Portugal), Pernambuco, Betim (Brazil), Palomar (Argentina), Szentgothard (Hungary) and also in France and Germany; and
- Three-year new collective agreement for Serbia starting in 2024.

*France*

During 2023, Stellantis signed several agreements, including a new three-year agreement, allowing for implementation of an agile and responsible employment policy to support the Company's transformation. It includes a wage agreement for 2024 covering remuneration, working time and flexibility. It also includes tools for anticipating job trends, identifying skill needs and offering training. An agreement was also negotiated to reinforce the measures of the departures plan by facilitating internal or external mobility on a voluntary basis. A health care agreement was also signed to improve some benefits such as access to alternative medicines while limiting increases in contributions.

*Hungary*

In 2023, a two-year wage and labor flexibility agreement with the union was signed. This agreement contains guaranteed wage increases including: (i) terms relating to cost-of-living adjustments for a set period, (ii) increases of certain benefits which are linked to either time-in-service or performance and (iii) a yearly amount for sport and leisure activities for employees to support work-life balance. At the same time, the agreement defines work patterns to be applied for the forecasted production volume in 2024 with the relevant compensation and defines level of labor flexibility to be available to the Company.

*Italy*

In March 2023, Stellantis signed with the Italian trade unions a collective bargaining agreement for the period 2023 to 2026 that covers approximately 43,000 employees. The agreement includes: (i) cost of living adjustments for 2023 (increase of 6.5 percent) and 2024 (increase of 4.5 percent), (ii) lump sum payments paid in 2023 and (iii) a new profit-sharing bonus linked to the Company results that will be paid in April 2024. Wage increases for 2025 and 2026 will be agreed between Stellantis and the Italian trade unions at the end of 2024. The collective agreement also provides new measures for welfare and wellbeing, as well as, a framework for remote working. It defines the conditions to ensure a sustainable future for the plants in Italy and improvements in work-life balance and wellbeing for the employees.

*Serbia*

In December 2023, Stellantis signed a three-year collective agreement providing employees' wage increases in line with inflation in lieu of minimum wage increases and redefining pay levels for the relaunch of the plant. It also provides more flexibility by introducing Stellantis' standard and reducing total time for breaks. In addition, the collective agreement introduces a bonus malus system as a tool to manage absenteeism, quality and performance indicators.

*Spain*

In 2023, all Spanish plants signed their own collective bargaining agreements for the next four years setting up a common framework of working conditions for our 13,600 employees. The agreements include: (i) a general wage increase partially linked to cost of living, (ii) a new profit sharing scheme based on individualized performance and (iii) new measures to ensure balance between work and personal life.

*U.S.*

In November 2023, the UAW-represented workforce ratified a new collective bargaining agreement that expires in April 2028. The provisions of the agreement contain opportunities for incremental compensation upon meeting agreed metrics related to absenteeism and attendance. The agreement includes wage increases, the reinstatement of the Cost of Living Allowance ("COLA"), a reduction in the time of progression to the top wage tier from eight years to three years, supplemental unemployment benefits eligibility after 90 days of continuous service, annual lump sum payments to retirees and surviving spouses, and retirement packages in 2024 and 2026. In addition, the agreement includes an increase in the defined benefit and defined contribution pension plan rates; along with a commitment to provide €925 million ($1,000 million) in funding to the defined pension plan, which was made in 2023. The agreement, which covers approximately 43,000 employees, includes a ratification bonus for all employees totaling approximately €201 million ($219 million), which was paid in December 2023.

*Canada*

Stellantis entered into a three-year labor agreement with Unifor in Canada that was ratified in November 2023, covering approximately 7,500 employees. The terms of this agreement provide employee wage and benefit increases, including improvements to base wage rates, reduced time for employees to progress to top wage, COLA protection and retirement incentive opportunities for long-service employees choosing to retire. Also included are increases to the defined benefit pension plan benefit for active employees and quarterly lump sum payments to retired employees. In addition, Unifor members hired on or after September 19, 2016 and currently participating in the defined contribution plan are expected to be enrolled in a College of Applied Arts and Technology pension plan effective January 2025. The agreement also includes, lump sum payments to both full and part-time employees, totaling approximately €49 million (CAD$72 million), which were paid in December 2023. The agreement expires in September 2026.

**Sales Overview**

New vehicle sales represent sales of vehicles primarily by dealers and distributors, or, directly by us in some cases, to retail and fleet customers. Sales include mass-market, premium and luxury vehicles manufactured at our plants, as well as vehicles manufactured by joint ventures and third party contract manufacturers and distributed under our brands. Sales figures exclude sales of vehicles that we contract manufacture for other OEMs. While vehicle sales are illustrative of our competitive position and the demand for our vehicles, sales are not directly correlated to Net revenues, Cost of revenues or other measures of financial performance in any given period, as such results were primarily driven by vehicle shipments to dealers and distributors or to retail and fleet customers. For a discussion of our shipments, see *FINANCIAL OVERVIEW—Shipment Information*. Sales and market shares for 2021 reported in the tables below include FCA for the period from January 1 to January 16, prior to the merger. Figures in all tables represented in this section may not add due to rounding. Additionally, prior period figures have been updated to reflect current information provided by third party industry sources.

The following table shows new vehicle sales by geographic market for the periods presented:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (millions of units) | |
| North America | 1.8 | 1.8 | 2.0 |
| Enlarged Europe | 2.7 | 2.6 | 3.1 |
| Middle East & Africa | 0.6 | 0.4 | 0.4 |
| South America | 0.9 | 0.8 | 0.8 |
| China and India & Asia Pacific | 0.2 | 0.2 | 0.2 |
| **Total Regions** | **6.2** | **5.8** | **6.6** |
| Maserati | 0.03 | 0.02 | 0.02 |
| **Total Worldwide** | **6.2** | **5.8** | **6.6** |

***North America***

*North America Sales and Competition*

The following table presents vehicle sales and estimated market share in the North America segment for the periods presented:

| | Years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023[(1)] | | 2022[(1)] | | 2021[(1)] | |
| **North America** | **Sales** | **Market Share** | **Sales** | **Market Share** | **Sales** | **Market Share** |
| | | | Thousands of units (except percentages) | | | |
| U.S. | 1,527 | 9.6% | 1,547 | 10.9% | 1,777 | 11.5% |
| Canada | 158 | 9.5% | 169 | 11.4% | 161 | 9.9% |
| Mexico | 97 | 6.8% | 74 | 6.6% | 66 | 6.3% |
| **Total** | **1,782** | **9.4%** | **1,791** | **10.7%** | **2,005** | **11.1%** |

*(1) Estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources: Canada - DesRosiers Automotive consultants, Mexico - INEGI (Government National Institute) and U.S. - Ward's Automotive*
*Maserati excluded from volumes and market share*

The following table presents estimated new vehicle market share information for Stellantis and our principal competitors in the U.S., our largest market in the North America segment:

| U.S. | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Automaker** | **Percentage of industry** | | |
| GM | 16.3% | 16.1% | 14.4% |
| Toyota | 14.2% | 14.9% | 15.2% |
| Ford | 12.6% | 13.2% | 12.4% |
| Hyundai/Kia | 10.4% | 10.4% | 9.7% |
| **Stellantis[(1)]** | **9.6%** | **10.9%** | **11.5%** |
| Honda | 8.2% | 7.0% | 9.5% |
| Nissan | 5.7% | 5.2% | 6.4% |
| Other | 23.1% | 22.3% | 21.0% |
| **Total** | **100%** | **100%** | **100%** |

*(1) Excluding Maserati*
*Estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources: Canada - DesRosiers Automotive consultants, Mexico - INEGI (Government National Institute) and U.S. - Ward's Automotive*

U.S. industry sales, including medium and heavy-duty vehicles, in addition to commercial vehicles, were up approximately1.8 million units in 2023 from 14.1 million units in 2022. Industry sales were up 12.4 percent over 2022 calendar year. Production, supply chain and semi-conductor concerns eased across the industry in 2023.

Our vehicle line-up in the North America segment primarily leveraged the brand recognition of the Jeep, Ram, Dodge and Chrysler brands to offer UVs, pickup trucks, cars and minivans under those brands. Vehicle sales and profitability in the North America segment were generally weighted towards larger vehicles such as UVs, trucks and vans, consistent with overall industry sales trends in the North America segment, which have become increasingly weighted towards UVs and trucks in recent years.

Sales in the U.S. were down 1 percent from 2022. The Jeep Wrangler 4xe, the Jeep Grand Cherokee 4xe and the Chrysler Pacifica Hybrid were the No. 1, No. 2 and No. 4 top-selling electric plug-ins in the U.S. market in 2023. Chrysler and Dodge brands were up year-over-year, 19 percent and 5 percent respectively. The Chrysler Pacifica was up 22 percent over 2022 results. Dodge Durango sales increased 25 percent over 2022 results. Additionally, the Ram brand's commercial truck segment continued to perform strongly, up 17 percent over 2022. Production of the ICE Dodge Challenger and Dodge Charger ended in 2023.

*North America Distribution*

In the North America segment, our vehicles are sold primarily to dealers in our dealer network for sale to retail consumers and to fleet customers. Fleet sales in the commercial channel are typically more profitable than sales in the government and daily rental channels since they more often involve customized vehicles with more optional features and accessories; however, vehicle orders in the commercial channel are usually smaller in size than the orders made in the daily rental channel. Fleet sales in the government channel are generally more profitable than fleet sales in the daily rental channel primarily due to the mix of products included in each respective channel.

*North America Dealer and Customer Financing*

In November 2021, Stellantis acquired First Investors Financial Services Group, now known as Stellantis Financial Services US Corp ("Stellantis Financial Services U.S."). Stellantis Financial Services U.S. provides U.S. customers and dealers with a complete range of financing options, including retail loans, leases, and floorplan financing. However, while Stellantis Financial Services U.S. grows, Stellantis also utilizes independent financial service providers, including Santander Consumer USA Inc. ("SCUSA") to complement its financing offer to dealers and retail customers in the U.S. In February 2013, FCA entered into a private label financing agreement with SCUSA (the "SCUSA Agreement"), under which SCUSA will continue to provide a wide range of wholesale and retail financial services to dealers and retail customers in the U.S., under the Chrysler Capital brand name. In April 2022, the SCUSA Agreement was amended and extended through 2025, allowing SCUSA to serve a complementary role to Stellantis Financial Services U.S. Under the SCUSA Agreement, SCUSA has certain rights, including limited exclusivity to participate in specified minimum percentages of certain retail financing subvention programs.

As of December 31, 2023, of the current approximately 2,600 Stellantis dealers in the U.S., Stellantis Financial Service U.S. provided wholesale lines of credit, starting in April 2023, to approximately 3 percent, SCUSA to approximately 9 percent of the dealers while Ally provided 29 percent. In 2023, approximately 76.7 percent of the retail vehicles sold to U.S. retail customers were financed or leased. Of those financed or leased retail sales, SCUSA, Ally, and Stellantis Financial Services U.S. (second full year of operations) market share represented 23.0 percent, 12.9 percent, and 11.3 percent respectively.

In Canada, our customers are served by cooperation agreements with main local banks providing retail financing and leasing.

In Mexico, we have a private label agreement with Banco Inbursa Group in order to provide dealer and retail customer financing programs for all brands following the acquisition by the latter of the entire share capital of Banque PSA Finance ("BPF") Finance México S.A. de C.V., SOFOM completed in December 2022.

***Enlarged Europe***

*Enlarged Europe Sales and Competition*

The following table presents Stellantis vehicle sales and market share in the Enlarged Europe segment for the periods presented:

| | Years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | 2021 | |
| **Enlarged Europe** | **Sales** | **Market Share** | **Sales** | **Market Share** | **Sales** | **Market Share** |
| | Thousands of units (except percentages) | | | | | |
| France | 634 | 29.4% | 620 | 33.1% | 749 | 35.8% |
| Italy | 591 | 33.6% | 535 | 36.4% | 637 | 39.0% |
| Germany | 389 | 12.5% | 371 | 12.9% | 417 | 14.4% |
| UK | 313 | 13.9% | 268 | 14.1% | 315 | 15.7% |
| Spain | 221 | 20.2% | 213 | 22.9% | 257 | 25.4% |
| Other | 550 | 14.2% | 543 | 13,1% | 676 | 16.6% |
| **Europe(1)** | **2,698** | **18.3%** | **2,550** | **19.7%** | **3,051** | **22.1%** |
| Other Europe(2) | 19 | 1.3% | 22 | 1.9% | 47 | 2.1% |
| **Total** | **2,717** | **16.8%** | **2,572** | **18.3%** | **3,098** | **19.3%** |

*(1) EU30 = EU27 (excluding Malta), Iceland, Norway, Switzerland and UK. Industry and market share information is derived from third-party industry sources (e.g. Agence Nationale des Titres Sécurisés ("ANTS"), Ministry of Infrastructure and Sustainable Mobility ("MIMS"), ANFAC Spain) and internal information*

*(2) Other Europe = Eurasia (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russia, Ukraine, Uzbekistan) and other Europe (Albania, Bosnia, Kosovo, Malta, Montenegro, North Macedonia, Serbia and Ukraine)*

*Maserati excluded from volumes and market share of the region*

The following table summarizes new passenger vehicle market share information and our principal competitors in Europe, our largest market in the Enlarged Europe segment:

| Europe 30[(1)] Passenger Cars | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| **Automaker** | **Percentage of industry** | | |
| Volkswagen | 24.0% | 23.0% | 22.9% |
| **Stellantis[(2)]** | **18.3%** | **19.7%** | **22.1%** |
| Renault | 10.5% | 10.1% | 10.2% |
| Hyundai/Kia | 7.5% | 8.2% | 7.4% |
| Toyota | 6.7% | 6.8% | 6.1% |
| Mercedes-Benz | 6.2% | 6.5% | 6.3% |
| BMW | 6.2% | 6.3% | 6.2% |
| Ford | 5.9% | 6.5% | 6.5% |
| Other | 14.7% | 12.8% | 12.2% |
| **Total** | **100%** | **100%** | **100%** |

*(1) Europe 30 = 27 members of the European Union excluding Malta and including Iceland, Norway, Switzerland and UK*
*(2) Excluding Maserati*
*Estimated market share information is derived from third-party industry sources (e.g., Agence Nationale des Titres Sécurisés ("ANTS"), Ministry of Infrastructure and Sustainable Mobility ("MIMS"), ANFAC Spain) and internal information*

In 2023, the automotive industry in the Europe 30 increased by 14 percent as compared to 2022, boosted in part by a significant jump in sales of BEVs as well as the easing of the components shortages and logistics challenges.

Sales in Europe 30 grew 5.8 percent in 2023 and achieved an 18.3 percent share on a full-year basis despite a decrease of 140 basis point versus 2022 mainly due to logistics constraints in the first half of the year.

There have been noteworthy achievements in key European markets, with sales passenger cars ("PC") and commercial vehicles ("CV") up compared to last year, with increases of: 2.2 percent in France, 5 percent in Germany, 10.5 percent in Italy, 3.5 percent in Spain and 16.7 percent in the UK. Positive performance from the rest of Europe too, with significant growth also in Belgium, Luxembourg, Ireland, Portugal, and Switzerland. Overall, France, Italy, and Portugal lead the total market, with France and the Netherlands ahead in the electrified market.

In the BEV market, Stellantis is growing rapidly, with a 14 percent increase in sales compared to 2022, seizing a 14.2 percent market share in Europe and leading in various BEV segments. BEV sales are steadily increasing from one quarter to the next, giving Stellantis third place in the Europe 30 market. Models such as the Fiat 500e, Opel/Vauxhall Corsa electric, Peugeot e-208, Jeep Avenger and the entire BEV Pro One Commercial Vehicles line-up (38.8 percent market share) have boosted the Company's performance.

*Enlarged Europe Distribution*

In Europe, we sell and service our vehicles through our own dealers (located in most European markets), independent dealers, retailers and authorized workshops. In other markets and in segments in which we do not have a substantial presence, we have agreements with general distributors.

During 2021, Stellantis engaged in a transformation process by terminating its distribution contracts and at the same time consulting its networks on the future distribution model. This process was undertaken in anticipation of implementing new distribution schemes starting July 2023. Stellantis' vision is to promote a sustainable distribution model and all involved stakeholders will benefit from these changes with the customer experience at the core. Customers will be able to take advantage of a multi-brand and multi-channel approach with a wider range of services. Dealers, evolving into retailers, will have a new and efficient business model aimed at benefiting from Stellantis' 14-brand portfolio, creating synergies, optimizing distribution costs and offering additional sustainable mobility solutions.

In 2023, Stellantis and its European dealers have signed over 8,000 sales and 25,000 aftersales contracts in ten key European countries, their shared objectives include simplification, a multi-brand approach, customer-centricity, and quality assurance. Stellantis initially adopted the new retailer model in Austria, Belgium, Luxembourg and the Netherlands in September 2023, and has been swiftly working to further enhance the model in these early adopter countries, allowing its network sufficient time to adapt in a competitive landscape with new entrants.

*Enlarged Europe Dealer and Customer Financing*

In 2023 Stellantis reorganized the leasing and financing activities in Europe that were previously (i) managed by FCA Bank, a 50 percent joint venture with Crédit Agricole Consumer Finance S.A. ("CACF") for the former FCA brands (Abarth, Alfa Romeo, Fiat, Jeep, Lancia, Chrysler and Maserati), and (ii) managed by BPF for the former PSA brands, through two separate partnerships, one with Group Santander Consumer Finance ("SCF") for the Peugeot, Citroën and DS brands (with each of BPF and SCF holding approximately a 50 percent interest), and one with BNP Paribas Personal Finance ("BNPP PF") for the Opel and Vauxhall brands (with each of BPF and BNPP PF holding a 50 percent interest).

As part of this reorganization, Stellantis created a new European multi-brand operational leasing company with CACF (with each of Stellantis and CACF holding a 50 percent interest), that resulted from the combination of the leasing activities of Leasys, (a former subsidiary of FCA Bank) and the activities of Free2Move Lease/F2ML, a business unit initially created within the former Groupe PSA and in charge of the business to business ("B2B") long-term leasing activity. This new company took the name of Leasys and concentrates on the long-term operational leasing segment.

The joint ventures with BNPP PF and SCF were reorganized so the joint ventures with BNPP PF now operate financing activities in Germany, Austria and in the UK and the joint ventures with SCF operate financing activities in France, Italy, Spain, Belgium, Poland, the Netherlands and through a commercial agreement with SCF in Portugal. In each of these countries, the financing activities of the relevant joint venture cover all Stellantis brands.

This overall reorganization was completed as of and is effective since April 2023. BPF is now known as Stellantis Financial Services Europe. Refer to Note 3, *Scope of consolidation - Disposals* within the Consolidated Financial Statements included elsewhere in this report for additional information.

Sales activities within certain Eastern European countries are supported by private label agreements with local banks covering both the wholesale and retail financing needs.

***Middle East & Africa***

*Middle East & Africa Sales and Competition*

The following table presents Stellantis vehicle sales and market share in the Middle East & Africa segment for the periods presented:

| | Years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | 2022 | | 2021 | |
| **Middle East & Africa** | **Sales** | **Market Share** | **Sales** | **Market Share** | **Sales** | **Market Share** |
| | Thousands of units (except percentages) | | | | | |
| Turkey | 419 | 34.0% | 250 | 31.9% | 219 | 29.7% |
| Algeria | 56 | 86.5% | 14 | 53.5% | 11 | 31.4% |
| Morocco | 33 | 20.7% | 34 | 20.8% | 37 | 21.1% |
| Gulf(1) | 33 | 2.4% | 26 | 2.3% | 33 | 3.2% |
| Overseas France(2) | 21 | 28.8% | 24 | 33.8% | 23 | 31.6% |
| Israel Zone(3) | 21 | 7.4% | 22 | 8.0% | 24 | 7.8% |
| Egypt | 8 | 11.3% | 17 | 16.3% | 42 | 22.9% |
| Other(4) | 23 | 2.6% | 28 | 2.9% | 22 | 2.3% |
| **Total** | **614** | **14.8%** | **415** | **11.9%** | **411** | **11.8%** |

*(1) Includes: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE and Yemen*
*(2) Includes: French Guiana, Mayotte, Reunion, Martinique and Guadeloupe*
*(3) Includes: Israel and Palestine*
*(4) Without banned countries: Iran, Sudan and Syria*
*Estimated market share information is derived from third-party industry sources of MEA countries (e.g., AMIC (Egypt), ODD (Turkey), AMBG (Saudia Arabia, Qatar, United Arab Emirates, Yemen), AIVAM (Morocco)) and internal information*
*Maserati excluded from volumes and market share of the region*

In 2023, the total industry volume of Middle East & Africa increased by 19 percent, with growth in Turkey, Middle East (Gulf and Bahrain, Lebanon, Iraq and Pakistan) and Algeria markets. Due to geopolitical events, the Egyptian market decreased by 30 percent. Despite these headwinds, sales increased by 48 percent with 199 thousand more deliveries and market share gains in most of the major countries.

Overall market share of the region reached 14.8 percent, up by 290 basis points compared to 2022. The increase was primarily due to positive performance in Turkey, Algeria and Gulf. Despite being one of the main market brands in Egypt, we were limited by supply availability for Fiat brand during the year.

Commercial vehicle sales increased by 71 percent, up to 181.6 thousand units, or 21.8 percent market share. Stellantis secured its number two commercial vehicles position in the region.

The following table summarizes new vehicle market share information and our principal competitors in the Middle East & Africa:

| G6[1] Middle East & Africa | Years ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **2021** |
| **Automaker** | **Percentage of industry** | | |
| Toyota | 18.0% | 20.3% | 18.9% |
| **Stellantis[2]** | **16.9%** | **14.8%** | **15.1%** |
| Hyundai/Kia | 13.3% | 13.9% | 14.1% |
| Renault | 8.6% | 9.3% | 9.2% |
| Volkswagen | 7.7% | 6.8% | 8.1% |
| Ford | 5.2% | 4.7% | 4.5% |
| BMW | 1.1% | 1.1% | 1.1% |
| Mercedes-Benz | 1.4% | 1.4% | 1.3% |
| Other | 27.8% | 27.7% | 27.6% |
| **Total** | **100%** | **100%** | **100%** |

*(1) G6: Turkey, Morocco, Israel zone, Gulf, Overseas France and Egypt*
*Israel Zone: Israel and Palestine*
*Gulf: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE and Yemen*
*Overseas France: French Guiana, Mayotte, Reunion, Martinica and Guadeloupe*
*(2) Excluding Maserati*
*Estimated market share information is derived from third-party industry sources of MEA countries (e.g. AMIC (Egypt), ODD (Turkey), AMBG (Saudia Arabia, Qatar, United Arab Emirates, Yemen), AIVAM (Morocco)) and internal information*

*Middle East & Africa Distribution*

In Turkey, Peugeot, Citroën, DS and Opel brands are distributed through a national sales company, consolidating operations for these four brands, whereas Fiat, Alfa Romeo and Jeep brands are distributed by a joint venture with Koc Automotiv Group, Tofas.

In Morocco, a national sales company is in charge of distributing Fiat, Alfa Romeo, and Jeep, while Peugeot, Citroën, DS and Opel Brands are managed by local importers. In South Africa we also operate through a national sales company that distributes Peugeot, Citroën, Opel, Fiat, Jeep and Alfa Romeo. In Algeria, a national sales company is in charge of distributing Fiat, while Opel is managed by local importer. In all other markets of the region, we distribute through agreements with local general distributors, with the regional offices of Stellantis located in Cairo, Egypt and Dubai coordinating operations in Egypt and Middle East.

*Middle East & Africa Dealer and Customer Financing*

In Turkey, our activities related to the former FCA brands are carried out through a 100 percent owned subsidiary of our joint venture, Tofas, that provides financial services and insurance products mainly to retail customers, while the activities related to the PSA brands are carried out by a subsidiary of Stellantis Financial Services Europe, which markets a range of retail financing and insurance products in cooperation with a TEB Finansman AS, a subsidiary BNPP PF, with Garanti Bank, a subsidiary of BBVA and, from June 2023, with Yapi Kredi.

Cooperation agreements are also in place with third-party financial institutions to provide dealer network and retail customer financing in South Africa, Morocco and Algeria.

***South America***

*South America Sales and Competition*

The following table presents our vehicle sales and market share in the South America segment for the periods presented:

| | Years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023[(1)] | | 2022[(1)] | | 2021[(1)] | |
| **South America** | **Sales** | **Market Share** | **Sales** | **Market Share** | **Sales** | **Market Share** |
| | Thousands of units (except percentages) | | | | | |
| Brazil | 687 | 31.4% | 647 | 32.9% | 636 | 32.0% |
| Argentina | 120 | 28.2% | 117 | 30.7% | 103 | 29.1% |
| Other South America | 72 | 6.4% | 80 | 6.2% | 73 | 6.1% |
| **Total** | **879** | **23.5%** | **844** | **23.2%** | **812** | **22.9%** |

*(1) Estimated market share data presented are based on management's estimates of industry sales data, which use certain data provided by third-party sources, National Organization of Automotive Vehicles Distribution and Association of Automotive Producers*
*Maserati excluded from volumes and market share*
*Cuba excluded from volumes and market share*

The following table presents Stellantis vehicle market share information and our principal competitors in Brazil, our largest market in the South America segment:

| **Brazil** | Years ended December 31, | | |
|---|---|---|---|
| | **2023[(1)]** | **2022[(1)]** | **2021[(1)]** |
| **Automaker** | Percentage of industry | | |
| **Stellantis[(2)]** | **31.4%** | **32.9%** | **32.0%** |
| Volkswagen | 16.4% | 14.3% | 15.9% |
| GM | 15.0% | 14.8% | 12.2% |
| Ford | 1.3% | 1.1% | 2.0% |
| Other | 35.9% | 37.0% | 37.9% |
| **Total** | **100%** | **100%** | **100%** |

*(1) Estimated market share data presented are based on management's estimates of industry sales data, which use data provided by ANFAVEA (Associação Nacional dos Fabricantes de Veiculos Automotores)*
*(2) Excluding Maserati*

Automotive industry volumes within the countries in which the South America segment operates increased by 2.6 percent to 3.7 million units in 2023, which was primarily driven by Brazilian market growth, which represented a 11 percent increase in the industry, mainly due to fleet customers higher purchasing volumes, and a 12 percent increase in the industry in Argentina, reflecting the gradual recovery of sales.

Stellantis' market share in South America increased 0.3 basis points from 23.2 percent in 2022 to 23.5 percent in 2023, keeping leadership in the South America region, as well as in Brazil and Argentina markets with 31.4 percent and 28.2 percent, respectively. Fiat Strada was top seller passenger car in Brazil and Fiat Mobi and Fiat Argo are among top 10 selling models and in Argentina Fiat Cronos was the top seller with Peugeot 208 at second position.

Our vehicle line-up in South America leverages the brand recognition of Fiat, as well as the relatively urban population of countries like Brazil, and offers vehicles in smaller segments, such as the Fiat Argo as well as the Fiat Mobi. Fiat is the brand leader in the region with an increase of 0.9 basis points from 13.6 percent in 2022 to 14.5 percent in 2023, primarily driven by the success of the new Fastback launched at the end of 2022. Fiat also led the pickup truck market in Brazil, with the Fiat Strada and the Fiat Toro (both represent a total of 42.6 percent market share in the segment). Jeep achieved 5.8 percent of the total sales in Brazil with 16.2 percent market share in the SUV segment.

*South America Distribution*

In South America, the law in each country regulates retail vehicle distribution. In Brazil and Argentina, distribution is through dealers of each brand, although it is common for the same distributor to have several stores in order to offer different brands. In other countries, distribution is through multi-brands importers or dealers.

*South America Dealer and Customer Financing*

In the South America segment, we provide access to dealer and retail customer financing as well as rental products through captive finance companies and through strategic relationships with financial institutions.

In Argentina, we have a 100 percent owned captive finance company that offers dealer and retail customer financing as well as rental services for the former FCA brands (FCA Compañia Financiera S.A.) and a 50 percent owned joint venture that offer dealer and retail customer financing as for the former PSA brands (PSA Finance Argentina Compañia Financiera S.A., with Banco Bilbao Vizcaya Argentaria S.A. owning the other 50 percent).

In Brazil, we have two 100 percent owned captive finance companies that offer dealer and retail customer financing as well as rental services as for the former FCA brands, namely Banco Stellantis S.A. (former "Banco Fidis") and FCA Rental Locadora de Automoveis Ltda (commercially known as Flua). Historically, the former PSA brands offered dealer and retail customer financing through a 50/50 percent joint venture (Banco PSA Finance Brasil S.A.) with Banco Santander Brasil S.A. In August 2023, Stellantis Financial Services Europe purchased the 50 percent shares held by Banco Santander Brasil S.A. in Banco PSA Finance Brasil S.A. (and also the 50 percent shares held by Banco Santander Brasil S.A. in Stellantis Corretora de Seguros e Servicos Ltda., a company providing insurance services), with the objective of ultimately carrying out retail customer financing activities for all Stellantis brands in Brazil and starting with the integration as from second half of 2023 of the activities related to the Jeep and Ram branded vehicles.

In Brazil, in addition and in parallel to the above, we have entered into a commercial partnership (private label financing agreement) with Banco Santander Brasil S.A. in August 2023, under which Banco Santander Brasil S.A. will provide financing to retail customers purchasing Fiat branded vehicles in Brazil. The partnership agreement expires in August 2025.

***China and India & Asia Pacific***

*China and India & Asia Pacific Sales and Competition*

The following table presents our vehicle sales and market share in the China and India & Asia Pacific segment:

| | Years ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023[(1)(5)] | | 2022[(1)(5)] | | 2021[(1)(5)] | |
| **China and India & Asia Pacific** | **Sales** | **Market Share** | **Sales** | **Market Share** | **Sales** | **Market Share** |
| | Thousands of units (except percentages) | | | | | |
| China[(2)*] | 69 | 0.3% | 94 | 0.4% | 124 | 0.6% |
| Japan | 33 | 0.8% | 34 | 1.0% | 45 | 1.2% |
| India[(3)] | 17 | 0.4% | 20 | 0.5% | 13 | 0.4% |
| Australia | 18 | 1.5% | 17 | 1.7% | 18 | 1.8% |
| Asean & General Distributors(“AGD”)[(4)] | 11 | 0.3% | 20 | 0.6% | 14 | 0.5% |
| South Korea | 7 | 0.4% | 9 | 0.6% | 13 | 0.9% |
| New Zealand | 3 | 1.8% | 3 | 2.1% | 4 | 2.8% |
| China and India & Asia Pacific major Markets | 159 | 0.4% | 198 | 0.6% | 231 | 0.7% |
| **Total** | **159** | **0.4%** | **198** | **0.5%** | **231** | **0.6%** |

** Includes Hong Kong and Taiwan*
*(1) Estimated market share information is derived from third-party industry sources of China & Asia Pacific countries (e.g. CADA and CPCA (China PC Domestic), CATARC (China PC Import), FCAI (Australia), SIAM (India PC), JADA and JAIA (Japan), MIA (New Zeeland), IHS (Thailand), MAA (Malaysia)) and internal information*
*(2) Data include vehicles sold by our joint ventures in China for Stellantis brands*
*(3) India market share is based on wholesale volumes*
*(4) AGD includes Bangladesh, Brunei, Cambodia, French Polynesia, Indonesia, Laos, Malaysia, Myanmar, Nepal, New Caledonia, Philippines, Singapore, Sri Lanka, Thailand and Vietnam*
*(5) Sales reflect retail deliveries. China and India & Asia Pacific industry reflects aggregate for major markets where the Company competes (China (PC), Japan (PC), India (PC), South Korea (PC and Pickups), Australia, New Zealand and AGD). Market share is based on retail/registrations except, as noted above, in India where market share is based on wholesale volumes*
*Maserati excluded from volumes and market share*

In 2023, 25.5 million vehicles (PC and CV) were sold in China, which represents a 7 percent year-over-year increase.The automotive industry grew by 8.4 percent in India due to new model launches from local OEMs lifting the market, 15.8 percent in Japan, 12.6 percent in Australia and 3.5 percent in South Korea as the markets started to recover from the component parts shortage. AGD experienced a decrease of 1.8 percent due to economic slowdown and high inflation within the market during the year.

We sell a range of vehicles in the China and India & Asia Pacific segment, including small and compact cars, premium mid-size cars, utility vehicles and light commercial vehicles. Although our smallest segment by vehicle sales, China and India & Asia Pacific segment represents a significant growth opportunity and we are invested in building relationships with key partners in India to increase our manufacturing footprint and presence in the region. In November 2023, Stellantis paid €1.4 billion for an equity investment representing approximately 21 percent equity in Zhejiang Leapmotor Technology Co. Ltd, a Chinese new energy vehicle OEM. The investment is accounted for as an equity method investment and reported in China and India & Asia Pacific segment. In addition, a joint venture, called Leapmotor International, will be created in 2024 with ownership by Stellantis of 51 percent and by Leapmotor of 49 percent. Stellantis controls the joint venture and will consolidate the entity. The joint venture will have exclusive rights for export and sale, as well as manufacturing of Leapmotor products outside of Greater China. The joint venture expects to begin shipments in the second half of 2024. In the China and India & Asia Pacific segment we also distribute vehicles that are manufactured in the U.S. and Europe through our dealers and distributors.

*China and India & Asia Pacific Distribution*

In the key markets in the China and India & Asia Pacific segment (China, Australia, India, Japan, South Korea and AGD), Stellantis vehicles are sold by our 100 percent owned subsidiaries or through DPCA to local independent dealers. The Dongfeng Peugeot Citroën Automobile Sales Co ("DPCS") markets the vehicles produced by DPCA under various license agreements in China, and a Stellantis fully-owned national sales company in China operates and manages the import vehicles' sales in China (except Maserati). We also operate through national sales companies in Australia, Japan, India and South Korea. In AGD and smaller markets, we have agreements with general distributors.

*China and India & Asia Pacific Dealer and Customer Financing*

In China, we operate a 100 percent owned finance and lease companies, Stellantis Automotive Finance Co., Ltd and, since April 2023, following the finalization of an equity transfer agreement with Dongfeng, Stellantis Leasing Services Co Ltd. These entities allow us to support our sales activities in China offering to our dealer networks and retail and commercial customers, a full range of wholesale and retail financing as well as financial and operational leasing products. Cooperation agreements are also in place with third-party financial institutions to provide dealer network and retail customer financing in India, South Korea, Australia and Japan.

**Maserati**

The following table shows the distribution of Maserati sales by geographic regions and as a percentage of total sales for each of the years ended December 31, 2023, 2022 and 2021:

| | 2023 Sales | As a percentage of 2023 sales | 2022 Sales | As a percentage of 2022 sales | 2021 Sales | As a percentage of 2021 sales |
|---|---|---|---|---|---|---|
| U.S./Mexico | 7,907 | 29.6 % | 6,945 | 29.7 % | 7,765 | 32.0 % |
| Europe top 4[(1)] | 6,035 | 22.6 % | 5,442 | 23.3 % | 3,434 | 14.1 % |
| China | 4,367 | 16.4 % | 4,680 | 20.0 % | 7,357 | 30.3 % |
| Japan | 1,729 | 6.5 % | 1,238 | 5.3 % | 1,080 | 4.5 % |
| Other countries | 6,651 | 24.9 % | 5,099 | 21.8 % | 4,633 | 19.1 % |
| **Total** | **26,689** | **100.0 %** | **23,404** | **100.0 %** | **24,269** | **100.0 %** |

*(1) Italy, United Kingdom, Germany and Switzerland*
*China includes Hong Kong*
*U.S. includes Mexico and Puerto Rico*

In 2023, a total of 26.7 thousand Maserati vehicles were sold, an increase of 3.3 thousand units compared to 2022 as a result of sales performance mainly in North America, Europe and Japan. This increase was mainly due to sales of Grecale, particularly the Grecale GT.

In 2023, Maserati launched the all-new GranTurismo, which is available in three versions (Modena, Trofeo and the fully electric Folgore). Additionally, Maserati revealed the Grecale Folgore, the brand's first fully electric SUV, the track-only hypercar MCXtrema (62 units globally) and the GT2 (track-only race car, approved for the GT2 European championship).

In Europe, depending on the country, access to dealer and customer financing for Maserati vehicles are either through joint ventures with BNPP PF or with SCF. In China, our 100 percent owned captive finance companies, Stellantis Automotive Finance Co. Ltd and Stellantis Leasing Services Co Ltd. provide dealer and retail financing and financial and operational leasing products. In the U.S., JPMorgan Chase Bank provides retail financing. In other regions, we rely on local agreements with financial services providers for the financing of Maserati brand vehicles to dealers and end customers.

**Cyclical Nature of the Business**

As is typical in the automotive industry, Stellantis' vehicle sales are highly sensitive to general economic conditions, availability of low interest rate vehicle financing for dealers and retail customers and other external factors, including fuel prices, and as a result could vary substantially from quarter to quarter and year to year. Retail consumers tend to delay the purchase of a new vehicle when disposable income and consumer confidence is low. Moreover, increases in inflation may lead to subsequent increases in the cost of borrowing and availability of affordable credit for vehicle financing, which may further influence retail consumers to delay the purchase of a new vehicle. In addition, Stellantis' vehicle production volumes and related revenues could vary from month to month, sometimes due to plant shutdowns, which could occur for several reasons including raw material or component unavailability, production changes from one model year to the next and actions to balance vehicle supply and demand fluctuations and also to adjust dealer stock levels appropriately. Plant shutdowns, whether associated with model year changeovers or other factors such as temporary supplier interruptions, could have a negative impact on Stellantis' revenues and working capital as Stellantis continues to pay suppliers under established terms while Stellantis would not receive proceeds from vehicle sales. Refer to *Liquidity and Capital Resources—Liquidity Overview* included elsewhere in this report for additional information.

**Legal Proceedings**

*Takata airbag inflators*

Putative class action lawsuits were filed in March 2018 against FCA US LLC ("FCA US"), a wholly owned subsidiary of Stellantis, in the U.S. District Courts for the Southern District of Florida and the Eastern District of Michigan, asserting claims under federal and state laws alleging economic loss due to Takata airbag inflators installed in certain of our vehicles. The cases were subsequently consolidated in the Southern District of Florida.

On November 8, 2022, the Court granted summary judgment in FCA US's favor against all claimants except those in Georgia and North Carolina. Plaintiffs were granted leave to file an amended complaint to add additional states to the pending action. The Court later entered an order to reset FCA US's renewed motions for summary judgment to address the remaining amended claims.

On June 20, 2023, the Court entered an order preliminarily granting class certification for the amended complaint. FCA US filed an appeal of the Court's preliminary order. On July 13, 2023, the Court revisited its class certification order and further narrowed the classes based on a recent Court of Appeals decision.

*Emissions Matters*

On January 10, 2019, FCA US announced it had reached final settlements on civil environmental and consumer claims with the U.S. Environmental Protection Agency ("EPA"), the Civil Division of the U.S. Department of Justice ("DoJ"), the California Air Resources Board ("CARB"), the State of California, 49 other States and U.S. Customs and Border Protection, for which we accrued €748 million during the year ended December 31, 2018. Approximately €350 million of the amount accrued by FCA US, which was prior to the merger, was related to civil penalties to resolve differences over diesel emissions requirements. A portion of the amount accrued, prior to the merger, was attributable to settlement of a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle to eligible customers affected by the recall. That settlement received final court approval on May 3, 2019. On April 9, 2021, FCA US reached an agreement with substantially all of the approximately 3,200 consumers that exercised their right to opt out of the class action settlement to settle their claims for an amount that is not material to the Company.

In September 2019, the DoJ filed criminal charges against an employee of FCA US for, among other things, fraud, conspiracy, false statements and violations of the Clean Air Act primarily in connection with efforts to obtain regulatory approval of the vehicles that were the subject of the civil settlements described above. In April 2021, two additional employees of a Stellantis subsidiary were indicted by the DoJ on similar charges. The three employees were placed on administrative leave following their indictments. On July 20, 2023, the FCA US employee plead guilty to conspiring to violate the Clean Air Act.

On June 3, 2022, FCA US announced that it had agreed to a settlement to resolve the DoJ, Criminal Division's investigation as it relates to FCA US. The settlement, which received court approval, includes a guilty plea, a fine of approximately $96 million, and the forfeiture of approximately $204 million in gains. Prior to the merger, we accrued approximately €200 million during the three months ended September 30, 2020 as our best estimate of probable loss with regard to matters under discussion. In light of subsequent progress in our discussions with the DoJ, Criminal Division, we increased our accrual for this matter to approximately €266 million as of December 31, 2021, which is sufficient to cover the forfeiture and penalty paid in connection with the plea agreement. We remain subject to a number of related private lawsuits (the "Non Opt-Out Litigation").

We have also received inquiries from other regulatory authorities in a number of jurisdictions as they examine the on-road tailpipe emissions of several automakers' vehicles and, when jurisdictionally appropriate, we continue to cooperate with these governmental agencies and authorities.

In Europe, we have continued to work with the Italian Ministry of Transport ("MIT") and the Dutch Vehicle Regulator ("RDW"), the authorities that certified FCA diesel vehicles for sale in the European Union, and the UK Driver and Vehicle Standards Agency in connection with their review of several diesel models.

We also responded to inquiries from the German authority, the Kraftfahrt-Bundesamt ("KBA"), regarding emissions test results for FCA diesel vehicles, and discussed the KBA reported test results, our emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its exclusive jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. Thereafter, mediations were held under European Commission ("EC") rules, between the MIT and the German Ministry of Transport and Digital Infrastructure, which oversees the KBA, in an effort to resolve their differences. The mediation concluded and no action was taken with respect to FCA. In May 2017, the EC announced its intention to open an infringement procedure against Italy regarding Italy's alleged failure to respond to EC's concerns regarding certain FCA emission control calibrations. The MIT responded to the EC's allegations by confirming that the vehicles' approval process was properly performed. In December, 2021, the EC notified Italy of its position that Italy did not comply with its obligation to enforce EU emission type approval rules. In January 2024, the EC notified the MIT of the alleged non-compliance of Fiat Ducato Euro 6 vehicles based on tests performed at the EC's request.

In May 2023, the KBA notified Stellantis of its investigation of certain Opel Euro 5, Peugeot Euro 6b, Fiat Euro 5 and Euro 6 vehicles and its intent to require remedial measures based on the alleged non-compliance of the diesel engines in certain of those vehicles. The KBA subsequently expanded its inquiry to include Euro 5 and Euro 6 engines used in certain Alfa Romeo, Fiat and Jeep vehicles, as well as Suzuki vehicles equipped with diesel engines supplied by FCA Italy (now known as Stellantis Europe) and requested information relating to all Stellantis vehicles that may make use of strategies similar to those allegedly used by the identified vehicles. The KBA has subsequently advised that these vehicles are non-compliant and has demanded that Stellantis submit a plan to bring the vehicles into compliance. We continue to cooperate with the KBA and, at this stage, we are unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss. Given the number of vehicles potentially involved, however, the cost of any recall, and the impact that any recall could have on related private litigation, may be significant.

In December 2019, the MIT notified FCA of communications with the Dutch Ministry of Infrastructure and Water Management ("I&W") regarding certain irregularities allegedly found by the RDW and the Dutch Center of Research TNO in the emission levels of certain Jeep Grand Cherokee Euro 5 models and a vehicle model of another OEM containing a Euro 6 diesel engine supplied by FCA. In January 2020, the Dutch Parliament published a letter from the I&W summarizing the conclusions of the RDW regarding those vehicles and engines and indicating an intention to order a recall and report their findings to the Public Prosecutor, the EC and other member states. FCA engaged with the RDW to present our positions and cooperate to reach an appropriate resolution of this matter. FCA proposed certain updates to the relevant vehicles that have been tested and approved by the RDW and are now being implemented.

In addition, as part of the judicial investigation of several automakers in France, commencing in 2016 and 2017, Automobiles Peugeot and Automobiles Citroën were placed under examination by the Judicial Court of Paris in June 2021 on allegations of consumer fraud in connection with the sale of Euro 5 diesel vehicles in France between 2009 and 2015. In July 2021, FCA Italy was placed under examination by the same court for possible consumer fraud in connection with the sale of Euro 6 diesel vehicles in France between 2014 and 2017. FCA Italy was also designated as a material witness in connection with allegations of obstruction of the actions of an economy ministry antifraud inspector in 2016 and 2017. As is typical in a French criminal inquiry, each of the companies were required to pay bail for the potential payment of damages and fines and to ensure representation in court, and to provide a guarantee for the potential compensation of losses. None of these amounts were, individually or in the aggregate, material to the Company.

The French market surveillance authority (SSMVM) issued a decision of non-compliance regarding NOx emissions of the Euro 6b Peugeot 308 in July 2023 and with regard to the Euro 6b Lancia Ypsilon in November 2023. We have appealed these decisions and our appeals remain pending.

In July 2020, unannounced inspections took place at several of FCA's sites in Germany, Italy and the UK at the initiative of the Public Prosecutors of Frankfurt am Main and of Turin, as part of their investigations of potential violations of diesel emissions regulations and consumer protection laws. In April 2022, former FCA companies received an order to produce documents to the Public Prosecutors. In October 2022, inspections took place at the Italian offices of FCA Italy and Maserati and at the German office of Maserati Deutschland. We have begun settlement discussions with the Public Prosecutor of Frankfurt regarding the former FCA vehicles. At the Public Prosecutor of Turin's request, the Italian proceedings were dismissed in September 2023 and October 2023. In late 2023, we entered into a settlement regarding the Public Prosecutor of Frankfurt's criminal investigation of the emissions of certain PSA diesel engines for an amount that is not material to the Company.

We also face class actions and individual claims in several European countries and Israel. Several former FCA and PSA companies and our Dutch dealers have been served with two class actions filed in the Netherlands by Dutch foundations seeking monetary damages and vehicle buybacks in connection with alleged emissions non-compliance of certain diesel vehicles. We have also been notified of a potential class action on behalf of Dutch consumers alleging emissions non-compliance of certain former FCA vehicles sold as recreational vehicles, as well as a securities class action in the Netherlands, alleging misrepresentations by FCA, now Stellantis. A class action alleging emissions non-compliance has also been filed in Portugal regarding former FCA vehicles, in the UK regarding former FCA and PSA vehicles, and in Israel regarding former PSA vehicles. We are also defending approximately 12,000 individual consumer claims alleging emissions non-compliance of certain former FCA vehicles in Germany, as well as a significant number of cases relating to former FCA and PSA vehicles in the Netherlands and Austria.

In December 2018, the Korean Ministry of Environment ("MOE") announced its determination that approximately 2,400 FCA vehicles imported into Korea during 2015, 2016 and 2017 were not emissions compliant and that the vehicles with a subsequent update of the emission control calibrations voluntarily performed by FCA, although compliant, would have required re-homologation of the vehicles concerned. In May 2019, the MOE revoked certification of the above-referenced vehicles and announced an administrative fine for an amount not material to the Company which has been paid by our Korean subsidiary. On May 11, 2023, the Seoul Administrative Court dismissed our Korean subsidiary's appeal of the certification revocation and our Korean subsidiary has filed a notice of appeal. Our Korean subsidiary has also paid an administrative fine, in an amount not material to the Company, imposed by the Korean Fair Trade Commission for a purported breach of the Act on Fair Labeling and Advertisement in connection with these vehicles.

In November 2021, the MOE issued notice of its intention to impose a recall order, revocation of certification and an administrative fine on the basis of the alleged non-compliance of approximately 2,250 other FCA vehicles. The amount of the administrative fine is not material to the Company. We are waiting for the MOE to issue the final disposition on this matter. In both cases, the authorities decided to not refer the matter to prosecutors, as they had found no evidence of wrongdoing by our Korean subsidiary.

*National Training Center*

On January 27, 2021, FCA US announced an agreement with the U.S. Attorney's Office for the Eastern District of Michigan to resolve its investigation into past misconduct of certain former FCA US employees involving the UAW-Chrysler National Training Center ("NTC"). Pursuant to the agreement, which received court approval on July 19, 2021, FCA US agreed to plead guilty to a single count of conspiracy to violate the Labor Management Relations Act and the payment of a fine in an amount that is not material to the Company and which was accrued prior to the merger. FCA US also agreed to implement an independent compliance monitor for three years with respect to the dissolution of the NTC and internal controls as they relate to the trusts being implemented to replace the NTC.

Several putative class action lawsuits have been filed against FCA US in U.S. federal court alleging harm to UAW workers as a result of these acts. Those actions have been dismissed both at the trial court stage and on appeal. Three plaintiffs in these lawsuits also filed charges alleging unfair labor practices with the U.S. National Labor Relations Board (the "Board"). The Board issued a complaint regarding these allegations and sought a cease and desist order as well as the posting of a notification with respect to the alleged practices, but subsequently dismissed the charges.

On July 20, 2020, a group of employees in FCA's Toledo, Ohio Jeep plant filed a lawsuit in U.S. District Court for the Northern District of Ohio against FCA US, the UAW and certain individuals claiming violations of the Racketeer Influenced and Corrupt Organizations ("RICO") Act and civil conspiracy. On October 20, 2020, FCA US filed a motion to dismiss. Plaintiffs filed their second amended complaint on June 25, 2021. The case has been stayed pending decisions on motions to dismiss in two related cases in the U.S. District Court for the Eastern District of Michigan.

On October 16, 2020 and February 28, 2021, lawsuits were filed in U.S. District Court for the Eastern District of Michigan, by groups of current and former employees making similar claims. The court granted FCA US's motion to dismiss one of the cases and that decision has been appealed by plaintiffs. FCA US's motion to dismiss the other case remains pending. On March 30, 2023, plaintiffs in the dismissed action filed a new lawsuit in Michigan state court asserting common law claims, which the UAW removed to federal court. On September 27, 2023, the federal court denied Plaintiffs' motion to remand. On January 5, 2024, FCA US filed a motion to dismiss, which remains pending.

*General Motors Litigation*

On November 20, 2019, General Motors LLC and General Motors Company (collectively, "GM") filed a lawsuit in the U.S. District Court for the Eastern District of Michigan against FCA US, FCA N.V., now Stellantis N.V., and certain individuals, claiming violations of the RICO Act, unfair competition and civil conspiracy in connection with allegations that FCA US made payments to UAW officials that corrupted the bargaining process with the UAW and as a result FCA US enjoyed unfair labor costs and operational advantages that caused harm to GM. GM also claimed that FCA US had made concessions to the UAW in collective bargaining that the UAW was then able to extract from GM through pattern bargaining which increased costs to GM and that this was done by FCA US in an effort to force a merger between GM and FCA N.V. The court dismissed GM's lawsuit with prejudice. The U.S. Court of Appeals for the Sixth Circuit subsequently affirmed the dismissal of GM's complaint. On April 17, 2023, the U.S. Supreme Court declined to grant review of the Sixth Circuit's decision, which finally resolved the federal court case.

Following dismissal of its Federal court case, GM filed an action against FCA US and FCA N.V., now Stellantis N.V., in Michigan state court, making substantially the same claims as it made in the federal litigation. On October 15, 2021, the court granted Stellantis N.V. and FCA US's motion for summary disposition. GM filed a motion for reconsideration and on December 6, 2021, the court granted GM's motion, permitting GM to amend its complaint. GM filed a second amended complaint on December 23, 2021. On May 16, 2022, the court denied FCA US's motion for summary disposition and permitted discovery to proceed against FCA US. On July 20, 2022, the court granted Stellantis N.V.'s motion for summary disposition, but on November 28, 2022 the court granted GM's motion for reconsideration and permitted jurisdictional discovery to proceed against Stellantis N.V. The parties are currently engaged in discovery, which is expected to continue through fall 2024.

**Environmental and Other Regulatory Matters**

At Stellantis, we engineer, manufacture and sell our products and offer our services around the world, subject to requirements applicable to our products that relate to vehicle emissions, fuel economy, emission control software calibration and on-board diagnostics and vehicle safety, as well as those applicable to our manufacturing facilities that relate to stack emissions, the management of waste, water and hazardous materials, prohibitions on soil contamination, and worker health and safety. Our vehicles and the propulsion systems that power them must also comply with extensive regional, national and local laws and regulations (including those that regulate end-of-life vehicles (“ELVs”) and the chemical content of our parts).

We are subject to a range of regulatory requirements affecting our facilities and products, and compliance with these requirements involves significant costs and risks. We consistently monitor the relevant global regulatory requirements affecting our facilities and products and adjust our operations and processes as we seek to remain in compliance although, in certain exceptional circumstances, we may from time to time fail to meet a particular regulatory requirement. For a discussion of the environmental and other regulatory-related risks we face, refer to “*Risk Factors-Risks Related to the Legal and Regulatory Environment in which We Operate.*” included elsewhere in this report for additional information.

***Automotive Tailpipe Emissions***

Numerous laws and regulations place limits on vehicle emissions, including standards on tailpipe exhaust emissions and evaporative emissions. These standards govern a category of emissions called “criteria emissions” that does not include greenhouse gases (“GHGs”). Related laws impose requirements on how vehicles’ emission control systems are designed to ensure emissions are controlled in normal, real driving conditions, as well as requirements to employ diagnostic software to identify and diagnose problems with emission control components, which if undiagnosed could lead to higher emissions. This diagnostic software is called an on-board diagnostic system (“OBD”).

Regulations also require manufacturers to conduct vehicle testing to demonstrate compliance with these emissions limits for the useful life of a vehicle.

These requirements become more challenging each year, especially in light of increased scrutiny of emission control systems for internal combustion engines, and we expect these emissions and requirements will continue to become even more rigorous worldwide.

*North America Region*

The U.S. Environmental Protection Agency (“EPA”) has established federal Tier 3 emissions standards, and federal law also allows CARB to enforce its Low Emission Vehicle (“LEV”) III emission standards. CARB adopted Advanced Clean Car II Regulations (“ACC II”) for new 2026 and subsequent model year California light-duty vehicles, which will impose even more stringent LEV IV standards.

EPA and CARB both review manufacturers’ emission control software design as part of their emission certification evaluation, whereas EPA has delegated the administration of OBD software requirements to CARB.

In addition to its LEV III emissions standards, CARB regulations also require that a specified percentage of cars and certain light-duty trucks sold in California qualify as zero emission vehicles, such as electric vehicles, hybrid electric vehicles or hydrogen fuel cell vehicles. ACC II requires that ZEV sales increase to 100 percent of new vehicle sales by the 2035 model year. Federal law further allows other states to adopt CARB’s criteria emission, GHG and ZEV standards. Other states have adopted or are in the process of adopting CARB standards. Similarly, Quebec recently amended its light-duty regulations to require that ZEV sales increase to 100 percent of new vehicle sales by the 2035 model year.

*Enlarged Europe Region*

In Europe, emissions are regulated by the European Union (“EU”) and the United Nations Economic Commission for Europe. EU Member States can provide tax incentives/contributions for the purchase of vehicles that are rated as zero emission vehicles (such as BEVs) or for vehicles that meet emission standards earlier than the compliance date. Vehicles must meet emission requirements and receive specific approval from an appropriate Member State authority before they can be sold in any EU member state, and these regulatory requirements include random testing of newly assembled vehicles and market surveillance testing of vehicles in the field for emission compliance.

Euro 6 emission levels are currently in effect for all passenger cars and light commercial vehicles which required additional technologies and increased the cost of diesel engines compared to prior Euro 5 standards. These new technologies have put additional cost pressure on the already challenging European market for small and mid-size diesel-powered vehicles. Further requirements of Euro 6 have been developed by the EU and are effective for all new passenger cars and light commercial vehicles. In addition to the Worldwide Harmonized Light Vehicle Test Procedure ("WLTP"), the new real driving emissions ("RDE") test procedure to directly assess the regulated emissions of light duty vehicles under real driving conditions is effective. More stringent test requirements related to RDE, as well as requirements relating to On-board Fuel and/or Energy Consumption Monitoring Device for Fuel Consumption Monitoring, is effective for all new passenger cars registered after January 1, 2021 and all new light commercial vehicles registered after January 1, 2022.

A new Euro 7 regulation was provisionally agreed upon in late 2023 and is expected to apply beginning in 2026. The primary new requirements of the new Euro 7 regulation will be the introduction of limits for particles emitted by brakes and tire abrasion, as well as more stringent battery durability requirements.

For a discussion of emissions-related inquiries from relevant governmental agencies in the European Union, refer to Note 26, *Guarantees granted, commitments and contingent liabilities,* within the Consolidated Financial Statements included elsewhere in this report for additional information. Refer also to "*Risk Factors-Risks Related to the Legal and Regulatory Environment in which We Operate*" included elsewhere in this report for additional information.

*South America Region*

Certain countries in South America follow U.S. procedures, standards and OBD requirements, while others follow the European procedures, standards and OBD requirements described above. In Brazil, vehicle emission standards are regulated by the Ministry of the Environment. The current phase of regulations (PROCONVE L7) set new fuel efficiency and safety standards and a next step (PROCONVE L8) will come into effect in January 2025 with fleet target limits (US BIN methodology) and RDE limits. Argentina has implemented regulations that mirror the EU Euro 5 standards for all new vehicles. In Chile, Euro 6 standards are in effect for all licensed vehicles.

*China and India & Asia Pacific Region*

China 6 standards were released in 2016 and were applied nationwide, beginning in January 2021, with China 6a thresholds and China 6b thresholds in July 2023. China 6a and 6b have more stringent tailpipe emissions thresholds than Euro 6, implement OBD requirements similar to U.S. OBD II and evaporative emission control requirements, and add RDE and U.S. onboard refueling vapor recovery requirements. Beginning July 2023, RDE conformity factor 2.1 was implemented and emission durability mileage was extended to 200,000 kilometers. A preliminary study on China 7 emissions has been initiated which, in addition to emissions pollutants, may add ammonia and brake wear particles to the regulations. OBD requirements are also expected to be updated to accommodate the increasing market penetration of BEVs. The formal legislation process is expected to begin in 2024.

South Korea has implemented regulations that are similar to California's LEV III regulations for all gasoline vehicles and diesel vehicles are required to meet Euro 6 EU emissions requirements. Japan has adopted the WLTP without Extra High phase for all models. WLTP is a global harmonized standard for regulating GHG emissions, non-GHG pollutants, and fuel or energy consumption for light-duty vehicles and electric range for battery electric vehicles or hybrids.

India has implemented nationwide Bharat Stage VI ("BSVI") Emission norms (equivalent to Euro 6). Stage 2 of BSVI norms (with more stringent OBD limits, RDE and an in-use performance ratio) was implemented beginning April 2023. Beginning in April 2023, the conformity factor for RDE was also confirmed and implemented. Currently E5/E10 fuel is the reference fuel for BSVI, and there is a plan to change the fuel to E20 in April 2025. It has been proposed to change the emission test cycle from Modified Indian Driving Cycle (MIDC) to WLTP beginning in April 2027.

In addition, Australia is developing a revised Regulatory Impact Statement to introduce mandatory Euro 6 standards beginning in 2027, however Euro 5 standards are expected to remain in force until such time.

***Automotive Fuel Economy and Greenhouse Gas Emissions***

*North America Region*

In the U.S., the National Highway Traffic Safety Administration ("NHTSA") enforces minimum corporate average fuel economy ("CAFE") standards for fleets of new passenger cars and light-duty trucks sold in the U.S. CAFE standards apply to all domestic and imported passenger car and light-duty truck fleets and currently target year-over-year increases in fuel economy through model year 2026. Failure to meet NHTSA CAFE standards results in the payment of civil penalties. CAFE civil penalties are calculated by multiplying the number of vehicles by the penalty rate, which is subject to an annual inflation adjustment.

EPA has also promulgated a GHG rule under the federal Clean Air Act, the stringency of which increases year-over-year through model year 2026.

In March 2022, the EPA reinstated California's authority under the Clean Air Act to enforce its own, more stringent, GHG emission standards for passenger vehicles and light duty trucks (the "California Waiver"). California emission standards covered by the California Waiver may be adopted by other states and to date 17 other states (the "California Waiver States") have adopted California's GHG emissions standards under the California Waiver.

Prior to the EPA's withdrawal of the California Waiver, automotive OEMs were deemed to be compliant with California's GHG emissions standards if they were compliant with the EPA's GHG standards. This "deemed to comply" mechanism was removed from the California regulation prior to the reinstatement of the California Waiver. As interpreted by CARB, the EPA's reinstatement of the California Waiver together with the removal of the "deemed to comply" mechanism means that automotive OEMs are retroactively subject to the separate California GHG standards beginning with the model year 2021 fleet. OEMs may achieve compliance with the California GHG emission standards in several ways, including through the sale of emission-compliant vehicles within their fleet for a given model year, through the carryforward or carryback of excess credits generated by a compliant fleet in past or future years, by the purchase of California-specific regulatory credits from third parties or by a combination of the foregoing.

For heavy duty vehicles (>8,500 pound gross vehicle weight rating), the U.S. GHG and fuel consumption standard is utility based (payload and towing) and is increasing in stringency through 2027.

The Canadian market has adopted GHG standards derived from the U.S. government's footprint-based structure and generally align with its technology-adoption compliance approach.

Mexico is expected to adopt a fleet average target for $CO_2$ per kilometer, using the U.S. government's footprint-based regulatory structure. Starting in model year 2025, the stringency of the annual target will increase annually and will do so until model year 2027, when it will reach 85.0-116.7 grams of $CO_2$ per kilometer. The Mexican government is also expected to provide $CO_2$ credits for the use of efficient technologies, including electric vehicles, off-cycle technologies and efficient air conditioning systems. Voluntary reporting of model years 2019 through 2024 is allowed for credit generation.

*Enlarged Europe Region*

Each automobile manufacturer must meet a specific registrations-weighted fleet average target for $CO_2$ emissions from vehicles registered in the European Union. This regulation sets an industry fleet average target of 95 grams of $CO_2$ per kilometer. Automobile manufacturers that make use of innovative technologies, or eco-innovations, which improve real-world fuel economy but may not show results in the test cycles, such as solar panels or LED lighting, may gain an average credit for the manufacturer's fleet of up to seven grams of $CO_2$ per kilometer. The EU has also adopted standards for regulating $CO_2$ emissions from LCVs. This regulation set an industry fleet average target of 147 grams of $CO_2$ per kilometer for LCVs.

Regulation (EU) 2019/631 sets $CO_2$ emissions targets starting from 2025 and 2030 and requires a 15 percent reduction from 2021 levels in 2025 (both passenger cars and LCV), a 37.5 percent reduction for passenger cars and a 31 percent reduction for LCV in 2030 from 2021 levels.

WLTP is in force for all registered passenger cars and LCVs. WLTP is intended to provide $CO_2$ emissions and fuel consumption values that are more representative of real driving conditions.

Other countries in Enlarged Europe region outside of the EU perimeter, such as Switzerland, have introduced specific regulations aimed to reduce vehicle $CO_2$ emissions or fuel consumption. The United Kingdom is continuing to follow the EU GHG policy for cars and LCVs post-Brexit, but changes are currently under discussion that might diverge from that regulation in the future.

*South America Region*

Rota 2030 establishes mandatory requirements for vehicle commercialization in Brazil, including: (a) adhesion to Vehicle Labeling Program; (b) commitment to achieve a minimum level of energy efficiency; and (c) commitment to achieve a minimum level of structural performance and driver assistance technologies. The regulation for the next Rota 2030, phase of Energy Efficiency ($CO_2$ /fuel efficiency) began in 2022 and incorporates three fleets split into passenger, large SUV and light commercial vehicle categories. Among other things, the rule rewards the improvement of sugar cane ethanol combustion efficiency and also recognizes and provides credit flexibilities for technologies that provide benefits in conditions that are not seen on the standardized government test cycles.

In Argentina, although there is no current mandatory greenhouse gas requirement, in 2022 the government implemented a comparative labeling based on the European statements (NEDC cycle).

In Chile, a federal law was published to establish an energy efficiency program. The technical rules and targets were defined in February 2022 and targets implementation by March 2024 for light vehicles.

*China and India & Asia Pacific Region*

China has adopted WLTP for conventional and PHEVs and a unique Chinese test cycle is applied to battery electric vehicles. The 2021-2025 Phase V Corporate Average Fuel Consumption (“CAFC”) rules increase in stringency, reaching a target of 4.6 liters per 100 kilometers by 2025.

New Energy Vehicles (“NEVs”) consist of PHEVs, BEVs, and fuel cell vehicles, which generate positive NEV credits, improve CAFC performance and provide a volume multiplier in the CAFC calculation, subject to meeting certain criteria. Currently, off-cycle credit flexibilities in China are available in the areas of high efficiency air conditioning and regenerative braking technologies, subject to meeting certain standards.

China’s Ministry of Industry and Information Technology have released administrative rules regarding CAFC and NEV credits. Non-compliance with the CAFC target in these administrative rules can be offset through carry-forward CAFC credits, transfer of CAFC credits within affiliates, the OEMs use of its own NEV credits, or the purchase of NEV credits. Non-compliance with the NEV credit target can be offset either by the purchase of NEV credits or the OEM’s own eligible carry-forward NEV credits. The homologation of new products that exceed CAFC targets will be suspended for OEMs that are unable to offset CAFC and/or NEV deficits until the deficits are offset.

India and certain other Asia Pacific markets have enacted fuel consumption and GHG targets. For example, India began enforcing phase I CAFC targets ($CO_2$ ~130gm/km @ 1037 kg) starting in April 2017 with more stringent phase II CAFC targets ($CO_2$ ~113gm/km @ 1082 kg) beginning in April 2022. There is a proposal to enforce Phase III CAFC targets with WLTP beginning in April 2027, however, the $CO_2$ targets have not yet been finalized.

South Korea has implemented a Phase III of CAFE/$CO_2$ standards, with more stringent targets. Japan has implemented a fuel economy standard that switched from vehicle weight class average to corporate average fuel economy. In Australia, although there is no mandatory GHG standard, the Federal Chamber of Automotive Industries member companies implemented a voluntary $CO_2$ target for light vehicles. A new regulatory framework for CAFE/$CO_2$ standards is expected to to be equally or more stringent than EU new car $CO_2$ standards.

***Management of end-of-life products***

In European markets, pursuant to the EU End-of-Life Vehicle Directive (2000/53/EC) (the "EU ELV Directive"), all vehicle manufacturers are required to set up a take-back network with professional dismantling partners to collect the vehicles from their last owners or holders when such vehicles have reached the end of their lives, and recycle them to achieve a minimum recycling and recovery rate of 95 percent of the average weight vehicle. The EU is working on a new ELV Regulation, reviewing the EU ELV and the EU reusability, recyclability and recoverability directives for application beginning in 2025. The new regulation aims to integrate the principles of eco-design and the obligations of recycled materials in new vehicles, for better management of ELVs and better efficiency by reducing illegal export of old used vehicles out of EU, increasing the quantity and quality of recycled materials, and defining a fair allocation of costs between the stakeholders. In July 2023, the EU published Regulation 2023/1542 regarding batteries and waste batteries, with a particular focus on automotive traction batteries.

France has published a new ELV decree that aims to reduce illegal activity, take charge of abandoned ELVs, and offer a free service for collection of ELVs from the last owners residing in the French territories, including overseas. The Decree imposes the establishment either of an "Eco-Organism" (a collective non-profit system) on behalf of OEMs or a "Individual System" by each OEM to directly assume the collection and processing of all its ELVs. The majority of the OEMs have opted for implementation of the Individual System.

***Vehicle Safety***

*North America Region*

All new vehicles and vehicle equipment sold in the U.S. are governed by the National Traffic and Motor Vehicle Safety Act of 1966 (the "NTMVS Act"), which requires that all new vehicles and equipment meet the Federal Motor Vehicle Safety Standards ("FMVSS") established by NHTSA. Costs continue to increase to meet the FMVSS and other requirements from NHTSA and to meet the expectations of other public organizations and trade associations, such as the New Car Assessment Programs ("NCAPs") of various markets, the safety rating program of the Insurance Institute for Highway Safety ("IIHS") and voluntary commitments led by the Alliance for Automobile Innovation. These new vehicle and equipment requirements and expectations include some that are not globally harmonized. For example, NCAPs rate and compare vehicles to provide consumers with additional information about new vehicle safety and may employ crash tests and other evaluations that differ from applicable mandatory regulations. In the U.S., the NCAP uses a five-star rating system to indicate vehicle safety levels.

The NTMVS Act also mandates that vehicle manufacturers address any defects related to vehicle safety through safety recall campaigns. A manufacturer is obligated to recall vehicles if it is determined that vehicles fail to meet a safety standard or contain a safety-related defect. The manufacturer must notify NHTSA and vehicle owners and provide a remedy at no cost. The actual costs of such a safety recall campaign can be significant and may result in reputational harm.

The regulatory requirements in Canada generally align with U.S. regulations; but the Canadian Motor Vehicle Safety Act grants the Minister of Transport the power to mandate that manufacturers report defects or non-compliance that it deems are a safety issue. A new regulation implementing Administrative Monetary Penalties ("AMPs") was implemented in 2023. Analysis of Technical Information for Vehicles and Equipment regulations have been proposed and final regulations are expected by the end of 2024.

*Enlarged Europe Region*

Vehicles sold in Europe are subject to vehicle safety regulations and standards, primarily under the General Safety Regulation ("GSR"), established by the EU and introduced United Nations Economic Commission for Europe ("UNECE") regulations. In very limited cases, new vehicles sold in Europe may be subject to regulations and standards established by individual member states. The EU is also likely to adopt additional, more rigorous, requirements in the future, especially in the area of autonomous vehicle features, such as a driver availability monitoring system, automated lane keeping systems, vehicle platooning and systems to replace driver's control. The GSR incorporates the United Nations vehicle approval regulations and includes compulsory introduction of various active and passive safety requirements, including manufacturer's certifications for cybersecurity features and related vehicle applications. New GSR regulations are expected to have an emphasis on mandatory active safety features, such as lane departure warning systems, advanced driver distraction warning, intelligent speed assistance, and advanced emergency braking.

*South America Region*

Vehicles sold in the South America region are subject to different vehicle safety regulations according to each country, generally based on UNECE standards. In 2017, Brazil published a draft of its 10-year safety regulatory roadmap, providing a staged approach to implementation of new testing requirements, active safety technology. Brazil has established mandatory fleet safety targets with penalties for non-compliance and potential tax incentives for exceeding such targets.

*China and India & Asia Pacific Region*

In China, a mandatory comprehensive event data recorder regulation, which is more complex and expansive than U.S. regulations, was introduced and implemented on new passenger vehicles beginning in 2022, and new mandatory eCall requirements are being drafted in China, Malaysia, and South Korea.

A rating system similar to the US NCAPs, known as C-NCAP, employs a strict rating structure to reduce the number of five-star ratings. Moreover, the China Insurance Auto Safety Index, similar to IIHS, enforces stringent standards for passenger and pedestrian protection and technologies directed at driver assistance. Compliance with these systems and standards introduce additional obligations for safety testing and added mandated safety features, potentially incurring substantial added cost.

***Industrial Environmental Control***

Our operations are subject to a wide range of environmental protection laws including those laws regulating air emissions, water discharges, waste management and related environmental effects, and environmental clean-up if waste disposal was done outside of legal requirements. Certain environmental statutes require that responsible parties fund remediation actions regardless of fault, legality of original disposal, or ownership of a disposal site. Under certain circumstances, these laws impose liability for related damages to natural resources.

To comply with these requirements, Stellantis utilizes environmental management system (“EMS”) on its operations, which are designed to ensure compliance with applicable regulatory requirements and reduce the environmental impact of our manufacturing activities. This program operationalizes our commitment to responsible environmental management of our manufacturing methods and processes. We have established a corporate requirement that all of our manufacturing facilities become certified under the EMS requirements set forth in the ISO 14001 standard (ISO is an international standard-setting organization). As of December 31, 2023, the majority of Stellantis manufacturing plants had an ISO 14001 certified EMS in place.

# FINANCIAL OVERVIEW

### Management's Discussion and Analysis of the Financial Condition and Results of Operations

*The following discussion of our financial condition and results of operations should be read together with the information included under "STELLANTIS OVERVIEW" and the Consolidated Financial Statements included elsewhere in this report. This discussion includes forward-looking statements and involves numerous risks and uncertainties relating to Stellantis, including, but not limited to, those described under "Cautionary Statements Concerning Forward Looking Statements" and "Risk Factors". Actual results may differ materially from those contained in any forward looking statements.*

### Trends, Uncertainties and Opportunities

The trends, uncertainties and opportunities facing Stellantis are summarized below:

*Shipments and Sales.* Vehicle shipments are generally driven by expectations of consumer demand for vehicles, which is affected by economic conditions, availability and cost of dealer and customer financing and incentives offered to retail customers, as discussed further below.

In our financial information presented in this report, we recognized revenue at the same time as the transfer of control of goods sold. For new vehicles, this transfer generally corresponds to the date when the vehicles were made available to independent dealers or, in the case of direct sales to end-customers through owned dealers, the delivery date of the vehicle to end-customers.

Revenues from service contracts and connectivity services are generally recognized over the contract period in proportion to the costs expected to be incurred based on the Company's historical experience. These services are either included in the selling price of the vehicle or separately priced. Revenue for services is allocated based on the estimated stand-alone selling price. Costs associated with these services are deferred and are subsequently amortized to expense consistent with how the related revenue is recognized.

*Logistics Challenges.* Capacity-related logistics challenges that began in 2022 continued to negatively impact vehicle shipment volumes in Enlarged Europe in early 2023, but were largely resolved by year end. However, certain actions taken to address these challenges resulted in a significant increase in logistics costs in Enlarged Europe during the second half of 2023. While we have identified and implemented certain initiatives to reduce these costs, this trend may continue in 2024.

*Financing.* Given that a large percentage of the vehicles we sell to dealers and retail customers worldwide are financed, the availability and cost of financing is a significant factor affecting our vehicle shipment volumes and Net revenues. Availability of customer financing could affect the vehicle mix, as customers who have access to greater financing are able to purchase higher priced vehicles, whereas when customer financing is constrained, vehicle mix could shift towards less expensive vehicles. The low interest rate environment, which had been prevalent until 2021, had the effect of reducing the effective cost of vehicle ownership. In response to the inflationary surge in Europe, in the United Kingdom, in the U.S. and elsewhere, central banks aggressively increased interest rates in 2022 and continued to increase rates in 2023. Although central bank monetary tightening may begin to subside, the increases to date and other market factors are reflected in rates across credit markets, including consumer credit. More expensive vehicle financing may make our vehicles less affordable to retail consumers or steer consumers to less expensive vehicles that would be less profitable for us.

*Electrification.* In March 2022, we announced our Dare Forward 2030 long-term strategy and confirmed our plans to make significant investments in electrification and set aggressive targets for future low emission vehicle sales. The impact of the transition to electrification on our results is complex and difficult to predict and will depend on regulatory developments, government incentives and retail consumers' willingness and ability to purchase more expensive BEVs. Whether our investments in electric platforms will lead to attractive returns and, more generally, the degree to which electrification may have a negative impact on our margins, are each highly uncertain. In addition, the timeline of our transition to electrification and the duration of the impacts, both positive and negative, of this transition on our margins and results of operations are also highly uncertain. Refer to "*Vehicle Profitability*" below for a discussion of margins on the sale of BEVs. Refer also to "*Risk Factors - Our future performance depends on our ability to successfully manage the industry-wide transition from internal combustion engines to full electrification.*" included elsewhere in this report for additional information.

*Product Development and Technology.* A key driver of consumer demand, and therefore our performance, is the continued refresh, renewal and evolution of our vehicle portfolio, and we have announced commitments of significant capital and resources toward the introduction of new vehicle platforms and new software technologies. In order to realize a return on the significant investments we have made and intend to make, and to maintain competitive operating margins, we will have to continue significant investment in new vehicle launches. We believe past efforts in developing common vehicle platforms and propulsion systems have accelerated the time-to-market for many of our vehicle launches and over time resulted in cost savings. We expect this positive trend to accelerate as a result of our announced plans to converge on four vehicle platforms for future vehicle launches.

The costs associated with product development, vehicle improvements and launches, impact our Net profit. In addition, our ability to continue to make the necessary investments in product development, and recover the related costs, depends in large part on the market acceptance and success of the new or significantly refreshed vehicles we introduce. New launches are supported by marketing and profitability studies carried out several years prior to their actual launch, which increases the risk of not meeting customer preferences, resulting in lower volumes than forecasted or selling at lower prices and negatively impacting profitability.

The research and development expenses presented in the financial information in this report include the cost of scientific and technical activities, intellectual property rights, and the education and training necessary for the development, production or implementation of new or substantially improved materials, methods, products, processes, systems or services. Development expenditures are recognized as an intangible asset if we can demonstrate (i) our intention to complete the intangible asset as well as the availability of technical, financial and other resources for this purpose; (ii) that it is probable that the future economic benefits attributable to the development expenditure will flow to the entity; and (iii) that the cost of the asset can be reliably measured. Capitalized development expenditures includes related borrowing costs.

Future developments in our product portfolio could lead to significant capitalization of development assets and thereafter amortization of such assets. Our time to market is approximately 24 months, but varies depending on the specific product, from the date the design is signed-off for tooling and production, after which the product goes into production, resulting in an increase in amortization. Therefore, our operating results are impacted by the cyclicality of our research and development expenditures based on our product plans and our ability to bring projects timely into production.

In order to meet expected changes in consumer demand and regulatory requirements, and in consideration of the environmental, economic and social impacts of the Company's activities, we intend to invest significant resources in product development and research and development. New markets for alternative fuel source vehicles and software-based technologies, such as autonomous vehicles, are also continuing to emerge and we expect both to invest resources in these areas and to optimize our R&D investments. Notwithstanding this optimization, we have entered a cycle of significantly higher investments, particularly as it relates to electrification, which is expected to lead to higher amortization charges once the subject assets start production.

*Vehicle Profitability.* Our results of operations reflect the profitability of the vehicles we sell, which tends to vary based upon a number of factors, including vehicle size and model, the content of those vehicles, brand positioning, and the mix of electric, hybrid and internal-combustion engines. Vehicle profitability also depends on sales prices to dealers and fleet customers, net of sales incentives, costs of materials and components, as well as transportation and warranty costs.

Our larger vehicles, such as UVs and pickup trucks, have historically been more profitable on a per vehicle basis than smaller vehicles. In recent years, consumer preferences for certain larger vehicles, such as SUVs, have remained high; however, there is no guarantee this trend will continue.

In addition, against a backdrop of significant technological development, changing consumer patterns and new competitive forces, the cost of complying with tightening regulatory requirements could negatively impact our profitability. Vehicle models that are equipped with BEV or PHEV propulsion systems tend to have lower margins than those equipped with internal-combustion engines, with the significant costs of batteries largely accounting for this differential. Although battery prices are expected to gradually decline and are partially offset in some cases by governmental subsidies and tax exemptions, we expect that in the near term the profitability of BEV or PHEV vehicles will continue to lag behind those equipped with internal-combustion engines.

Recently introduced internal-combustion models are generally more profitable than older models, and vehicles equipped with additional options are generally more profitable than those with fewer options. As a result, our ability to offer attractive vehicle options and upgrades is critical to our ability to increase our profitability on these vehicles. In addition, in the U.S. and Europe, our vehicle sales to dealers for sale to their retail consumers are normally more profitable than our fleet sales, in part because the retail consumers are more likely to prefer additional optional features while fleet customers increasingly tend to concentrate purchases on smaller vehicles with fewer optional features, which have historically had a lower profitability per unit.

Vehicles sold under certain brand and model names are generally more profitable when there is strong brand recognition of those vehicles.

*Pricing.* The automotive industry has historically experienced intense price competition resulting from the variety of available competitive vehicles and excess global manufacturing capacity. Manufacturers have typically promoted products by offering dealer, retail and fleet incentives, including cash rebates, option package discounts, and subsidized financing or leasing programs, leading to increased price pressure and sharpened competition within the industry. We plan to continue to use such incentives, as needed, to price vehicles competitively and to manage demand and support inventory management profitability.

Our ability to maintain or increase pricing has impacted, and will continue to impact, our results of operations and profitability. In 2023, our pricing increased or remained stable in all regions where we operate. Increased competition, however, is expected to drive a challenging pricing environment in the global automotive industry for the foreseeable future.

*Production costs.* Production costs include purchases (including costs related to the purchase of components and raw materials), labor costs, depreciation, amortization, logistic and product warranty and recall campaign costs. We purchase a variety of components, raw materials, supplies, utilities, logistics and other services from numerous suppliers. Fluctuations in production costs are primarily related to the number of vehicles we produce and sell along with shifts in vehicle mix, as newer models of vehicles generally have more technologically advanced components and enhancements and therefore higher costs per unit.

Production costs may also be affected by fluctuations in raw material prices. For example, some of the batteries contained in our electric and hybrid models include rare raw materials, which are exposed to heightened shortage risks and potentially rising procurement costs. Our aggregate cost of raw materials, excluding hedging impact, decreased by approximately €1.4 billion in 2023, we experienced an aggregate increase of approximately €2.2 billion in 2021 and a further increase of approximately €6.7 billion in 2022, in each case excluding hedging impacts. To the extent the cost of raw materials increase and we are unable to mitigate its effects, our future profitability could be impacted.

We typically seek to manage production costs and minimize their volatility by using fixed price purchase contracts, commercial negotiations and technical efficiencies.

Despite our efforts, our production costs related to raw materials and components have increased as a result of tariffs introduced in recent years; uncertainty related to tariffs and trade policy in our larger markets including the U.S., the European Union and China has made it more difficult to predict our raw material and components costs. Our production costs have also increased as we have significantly enhanced the content of our vehicles as we renew and refresh our product offerings. Over time, technological advancements and improved material sourcing may reduce the cost to us of the additional enhancements. In addition, we seek to recover higher costs through pricing actions, but even when market conditions permit this, there may be a time lag between the increase in our costs and our ability to realize improved pricing. Accordingly, our results are typically adversely affected, at least in the short term, until price increases are accepted in the market.

Further, in many markets where our vehicles are sold, we are required to pay import duties on those vehicles, which are included in production costs. We reflect these costs in the price charged to our customers to the extent market conditions permit. However, for many of our vehicles, particularly in the mass-market vehicle segments, we cannot always pass along increases in those duties to our dealers and distributors and remain competitive. Our ability to price our vehicles to recover those increased costs has affected, and will continue to affect, our profitability.

Labor cost is also a meaningful portion of our production costs. Consistent with broader inflationary trends, the terms of collective bargaining agreements that we entered into in 2023, including with the UAW in the U.S. and Unifor in Canada, involved significant increases in wages and other costs.

*Economic Conditions.* Demand for new vehicles tends to reflect economic conditions in the various markets in which we operate because retail sales depend on individual purchasing decisions, which in turn are affected by many factors including inflation, employment levels, consumer confidence, and levels of disposable income. Fleet sales and sales of light commercial vehicles are also influenced by economic conditions, which drive vehicle utilization and investment activity. Further, demand for light commercial vehicles and pickup trucks is driven, in part, by construction and infrastructure projects. Therefore, our performance is directly correlated with the macroeconomic trends in the markets in which we operate.

Several of the markets in which we operate are experiencing an uncertain economic climate and retail consumers have been impacted by higher fuel prices, a general cost of living inflation and higher borrowing costs. This may translate into lower sales, particularly in the more profitable segments of our product mix.

*Regulation.* We are subject to a complex set of regulatory regimes throughout the world in which vehicle safety, emissions and fuel economy regulations have become increasingly stringent and the related enforcement regimes increasingly active. These developments may affect our vehicle sales as well as our profitability and reputation. We are subject to applicable national and local regulations with which we must comply in order to continue operations in every market, including a number of markets in which we derive substantial revenue. Developing, engineering and manufacturing vehicles that meet these requirements and therefore may be sold in those markets requires a significant expenditure of management time and financial resources.

We expect that our plans to converge on four platforms for future vehicle launches will allow us to deploy electrification technologies and $CO_2$ abating technologies across our range of brands and react quickly to changes in regulation. However, these costs and the costs incurred to meet other regulatory requirements may be difficult to pass through to customers, so the increased costs may affect our results of operations and profitability.

In addition, regulatory requirements in relation to GHG emissions from vehicles are increasingly stringent. For example, in March 2022, the EPA reinstated California's authority under the Clean Air Act to enforce its own, more stringent, GHG emission standards for passenger vehicles and light duty trucks (the "California Waiver"). California emission standards covered by the California Waiver may be adopted by other states and to date 17 other states (the "California Waiver States") have adopted California's GHG emissions standards under the California Waiver.

Prior to the EPA's withdrawal of the California Waiver, automotive OEMs were deemed to be compliant with California's GHG emissions standards if they were compliant with the EPA's GHG standards. This "deemed to comply" mechanism was removed from the California regulation prior to the reinstatement of the California Waiver. As interpreted by CARB, the EPA's reinstatement of the California Waiver together with the removal of the "deemed to comply" mechanism means that automotive OEMs are retroactively subject to the separate California GHG standards beginning with the model year 2021 fleet. OEMs may achieve compliance with the California GHG emission standards in several ways, including through the sale of emission-compliant vehicles within their fleet for a given model year, through the carryforward or carryback of excess credits generated by a compliant fleet in past or future years, by the purchase of California-specific regulatory credits from third parties or by a combination of the foregoing.

We did not meet the California GHG targets for model year 2021 or 2022, and do not expect to meet the California GHG targets for model year 2023, as in planning these model years prior to reinstatement of the California Waiver we assumed the ability to utilize existing credits based on regulations in force at the time. We intend to be compliant with the California GHG program, and for those years and any other model year with deficits, we intend to seek to cover such deficits with excess credits generated through our compliance in model years within the applicable five-year carryback period.

We are executing on several important steps to support our carryback strategy, including the allocation of significant capital to the development of electrified platforms for North American vehicles and the planned electrification of the Ram portfolio as well as agreements to secure battery production and related raw materials. Additionally, we expect to launch twelve BEVs in the U.S. by the end of 2025. For more information regarding our recent electrification activities, refer to "*STELLANTIS OVERVIEW- Overview of Our Business - Research and Development*". The success of our carryback strategy depends on future levels and mix of production and sales, as well as general market demand for BEVs, all of which are inherently speculative. Moreover, the financial impact of our efforts to change the mix of vehicles we sell in California and the California Waiver States as we seek to comply are unclear but may be significant, and may have a material adverse impact on our financial position and results of operations in future years.

We understand that certain other automobile OEMs are subject to less stringent California GHG emissions standards pursuant to settlement agreements entered into with CARB. We are currently evaluating the enforceability of the California GHG emissions standards as applied by CARB, particularly in light of their retroactive application following the EPA's reinstatement of the California Waiver, as well as the disparate treatment of other automotive OEMs which are not subject to the same standards. If we were to challenge the retroactive application of the California GHG emissions standards, the direct and indirect costs of such challenge may be significant and there can be no assurance that it would be successful.

*Effects of Foreign Exchange Rates.* We are affected by fluctuations in foreign exchange rates (i) through translation of foreign currency financial statements into Euro for consolidation, which we refer to as the translation impact, and (ii) through transactions by our subsidiaries in currencies other than their own functional currencies, which we refer to as the transaction impact. Given our presence in numerous countries outside the Eurozone, a strengthening of foreign currencies (in particular of the U.S. Dollar, given the size of our U.S. operations) against the Euro generally would have a positive effect on our financial results, which are reported in Euro, and on our operations in relation to sales in those countries of vehicles and components produced in Europe. For example, in 2023 unfavorable foreign currency translation negatively impacted our Net revenues by approximately €6.5 billion, primarily driven by weakening of the Turkish Lira, U.S. Dollar and Argentine Peso against the Euro.

Additionally, a significant portion of our operating cash flow has historically been generated in U.S. Dollars and, although a portion of our debt is denominated in U.S. Dollars, the majority of our indebtedness is denominated in Euro. Given the mix of our debt and liquidity, strengthening of the U.S. Dollar against the Euro generally provides a positive impact on our net cash position and weakening of the U.S. Dollar against the Euro may have a correspondingly negative impact on our financial results and net cash position. In order to reduce the impacts of foreign exchange rates, we have historically hedged a percentage of certain exposures. Refer to Note 31*, Qualitative and quantitative information on financial risks* within the Consolidated Financial Statements included elsewhere in this report for additional information.

**Shipment Information**

As discussed in *STELLANTIS OVERVIEW—Overview of Our Business*, our activities were carried out through six reportable segments: five regional reportable vehicle segments North America, Enlarged Europe, Middle East & Africa, South America and China and India & Asia Pacific and the Maserati global luxury brand segment. The following table sets forth vehicle shipment information by segment. Vehicle shipments are generally aligned with current period production which is driven by plans to meet consumer demand. Revenue is recognized when control of our vehicles, services or parts has been transferred and the Company's performance obligations to customers has been satisfied. The Company has determined that our customers from the sale of vehicles and service parts are generally dealers, distributors, fleet customers or directly to retail customers. Transfer of control, and therefore revenue recognition, generally correspond to the date when the vehicles or service parts were made available to the customer, or when the vehicles or service parts were released to the carrier responsible for transporting them to the customer. New vehicle sales with guaranteed residual value guarantees provided by the Company are recognized as revenue when control of the vehicle transferred to the customer, except in situations where the Company issued a put option for which there is a significant economic incentive to exercise. The Company also sold vehicles where, the contract included a put option whereby the customer could require the Company to repurchase the vehicles. For these types of arrangements, the Company assessed whether a significant economic incentive did not exist for the customer to exercise its put option, then revenue was recognized when control of the vehicle transferred to the fleet customer. Refer to Note 2, *Basis of preparation*, within the Consolidated Financial Statements included elsewhere in this report for further details on our revenue recognition policy.

For a description of our dealers and distributors see *STELLANTIS OVERVIEW—Sales Overview*. Accordingly, the number of vehicles sold does not necessarily correspond to the number of vehicles shipped for which revenues were recorded in any given period.

| | **Years ended December 31,** | |
|---|---|---|
| (thousands of units) | **2023** | **2022** |
| North America | 1,903 | 1,861 |
| Enlarged Europe | 2,814 | 2,626 |
| Middle East & Africa | 443 | 283 |
| South America | 879 | 859 |
| China and India & Asia Pacific | 102 | 127 |
| Maserati | 27 | 26 |
| **Total Consolidated shipments** | **6,168** | **5,782** |
| Joint venture shipments | 225 | 221 |
| **Total Combined shipments** | **6,393** | **6,003** |

For discussion of shipments for North America, Enlarged Europe, Middle East & Africa, South America, and China and India & Asia Pacific and Maserati for 2023 as compared to 2022 and for 2022 as compared to 2021 refer to *Results by Segment* below.

**Non-GAAP Financial Measures**

We monitor our operations through the use of several non-generally accepted accounting principles ("non-GAAP") financial measures: Adjusted operating income, Industrial free cash flows and Industrial net financial position. We believe that these non-GAAP financial measures provide useful and relevant information regarding our operating results and enhance the overall ability to assess our financial performance and financial position. They provide us with comparable measures which facilitate management's ability to identify operational trends, as well as make decisions regarding future spending, resource allocations and other operational decisions. These and similar measures are widely used in the industry in which we operate, however, these financial measures may not be comparable to other similarly titled measures of other companies and are not intended to be substitutes for measures of financial performance as prepared in accordance with IFRS as issued by the IASB, as well as IFRS as adopted by the European Union.

*Adjusted operating income*: Adjusted operating income/(loss) excludes from Net profit/(loss) from continuing operations adjustments comprising restructuring and other termination costs, impairments, asset write-offs, disposals of investments and unusual operating income/(expense) that are considered rare or discrete events and are infrequent in nature, as inclusion of such items is not considered to be indicative of the Company's ongoing operating performance, and also excludes Net financial expenses/(income) and Tax expense/(benefit).

Effective from January 1, 2023, our Adjusted operating income/(loss) includes Share of the profit/(loss) of equity method investees. The comparatives for the years ended December 31, 2022 and 2021, have been adjusted accordingly. This change was implemented as management believes these results are becoming increasingly relevant due to the number of partnerships Stellantis has recently engaged in, and will continue to engage in in the future, around electrification and other areas critical to the future of mobility.

Unusual operating income/(expense) are impacts from strategic decisions as well as events considered rare or discrete and infrequent in nature, as inclusion of such items is not considered to be indicative of the Company's ongoing operating performance. Unusual operating income/(expense) includes, but may not be limited to:

- Impacts from strategic decisions to rationalize Stellantis' core operations;
- Facility-related costs stemming from Stellantis' plans to match production capacity and cost structure to market demand; and
- Convergence and integration costs directly related to significant acquisitions or mergers.

For the year ended December 31, 2021, Pro Forma Adjusted operating income includes the Adjusted operating income of FCA for the period January 1 - January 16, 2021.

Adjusted operating income is used for internal reporting to assess performance and as part of the Company's forecasting, budgeting and decision making processes as it provides additional transparency to the Company's core operations. We believe this non-GAAP measure is useful because it excludes items that we do not believe are indicative of the Company's ongoing operating performance and allows management to view operating trends, perform analytical comparisons and benchmark performance between periods and among our segments. We also believe that Adjusted operating income is useful for analysts and investors to understand how management assesses the Company's ongoing operating performance on a consistent basis. In addition, Adjusted operating income is one of the metrics used in the determination of the annual performance bonus for the Chief Executive Officer of the Company and other eligible employees, including members of the Top Executive Team.

Refer to the sections *Company Results* and *Results by Segment* below for further discussion and for a reconciliation of this non-GAAP measure to Net profit/(loss) from continuing operations, which is the most directly comparable measure included in our Consolidated Income Statement. Adjusted operating income should not be considered as a substitute for Net profit/(loss) from continuing operations, cash flow or other methods of analyzing our results as reported under IFRS.

*Adjusted diluted EPS*: is calculated by adjusting Diluted earnings per share from operations for the post-tax impact per share of the same items excluded from Adjusted operating income as well as tax income/(expenses) considered rare or discrete events that are infrequent in nature. We believe this non-GAAP measure is useful because it also excludes items that we do not believe are indicative of the Company's ongoing operating performance and provides investors with a more meaningful comparison of the Company's ongoing quality of earnings. Refer to the section Company Results below for a reconciliation of this non-GAAP measure to Diluted earnings per share from operations, which is the most directly comparable measure included in our Consolidated Financial Statements. Adjusted diluted EPS should not be considered as a substitute for Basic earnings per share, Diluted earnings per share from operations or other methods of analyzing our quality of earnings as reported under IFRS.

*Industrial free cash flows*: is our key cash flow metric and is calculated as Cash flows from operating activities less: (i) cash flows from operating activities from discontinued operations; (ii) cash flows from operating activities related to financial services, net of eliminations; (iii) investments in property, plant and equipment and intangible assets for industrial activities and (iv) contributions of equity to joint ventures and minor acquisitions of consolidated subsidiaries and equity method and other investments; and adjusted for: (i) net intercompany payments between continuing operations and discontinued operations; (ii) proceeds from disposal of assets and (iii) contributions to defined benefit pension plans, net of tax. The timing of Industrial free cash flows may be affected by the timing of monetization of receivables, factoring and the payment of accounts payables, as well as changes in other components of working capital, which can vary from period to period due to, among other things, cash management initiatives and other factors, some of which may be outside of the Company's control. In addition, Industrial free cash flows is one of the metrics used in the determination of the annual performance bonus for the Chief Executive Officer of the Company and other eligible employees, including members of the Top Executive Team.

Refer to *Liquidity and Capital Resources —Industrial free cash flows* for further information and the reconciliation of this non-GAAP measure to Cash flows from operating activities, which is the most directly comparable measure included in our Consolidated Statement of Cash Flows. Industrial free cash flows should not be considered as a substitute for Net profit/(loss) from continuing operations, cash flow or other methods of analyzing our results as reported under IFRS.

*Industrial net financial position* is calculated as: Debt plus derivative financial liabilities related to industrial activities less (i) cash and cash equivalents; (ii) financial securities that are considered liquid; (iii) current financial receivables from the Company or its jointly controlled financial services entities and (iv) derivative financial assets and collateral deposits. Therefore, debt, cash and cash equivalents and other financial assets/liabilities pertaining to Stellantis' financial services entities are excluded from the computation of the Industrial net financial position. Industrial net financial position includes the Industrial net financial position classified as held for sale. We believe Industrial net financial position is useful in providing a measure of the Company's net cash, considering cash and cash equivalents and financial securities. Due to different sources of cash flows used for the repayment of the financial debt between industrial activities and financial services (by cash from operations for industrial activities and by collection of financial receivables for financial services) and the different business structure and leverage implications, we provide a separate analysis of Net financial position between industrial activities and financial services. Refer to *Liquidity and Capital Resources —Industrial net financial position* for further information.

### Results of Operations

#### Company Results – 2023 compared to 2022 and 2022 compared to 2021

The following is a discussion of the Company's results of operations for the year ended December 31, 2023 as compared to the year ended December 31, 2022 and for the year ended December 31, 2022 as compared to the year ended December 31, 2021, on both an IFRS and pro forma basis (refer to *UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION* for additional information). Share of the profit/(loss) of equity method investees is included in our Operating income/(loss) and Adjusted operating income effective January 1, 2023. The comparatives for the years ended December 31, 2022 and 2021, have been adjusted accordingly.

| Years ended December 31, | | | (€ million) | Pro Forma Year ended December 31, |
|---|---|---|---|---|
| **2023** | **2022** | **2021** | | **2021** |
| € 189,544 | € 179,592 | € 149,419 | Net revenues | € 152,119 |
| 151,400 | 144,327 | 119,943 | Cost of revenues | 122,207 |
| 9,541 | 8,981 | 9,130 | Selling, general and other costs | 9,320 |
| 5,619 | 5,200 | 4,487 | Research and development costs | 4,560 |
| 20 | 72 | (35) | Gains/(losses) on disposal of investments | (35) |
| 1,119 | 1,144 | 698 | Restructuring costs | 698 |
| 491 | 264 | 737 | Share of the profit of equity method investees | 740 |
| **22,376** | **20,276** | **15,863** | **Operating income/(loss)** | **16,039** |
| (42) | 768 | 734 | Net financial expenses/(income) | 746 |
| **22,418** | **19,508** | **15,129** | **Profit/(loss) before taxes** | **15,293** |
| 3,793 | 2,729 | 1,911 | Tax expense/(benefit) | 1,939 |
| **18,625** | **16,779** | **13,218** | **Net profit/(loss) from continuing operations** | **13,354** |
| — | — | 990 | Profit/(loss) from discontinued operations, net of tax | 990 |
| **€ 18,625** | **€ 16,779** | **€ 14,208** | **Net profit/(loss)** | **€ 14,344** |
| | | | | |
| | | | **Net profit/(loss) attributable to:** | |
| € 18,596 | € 16,799 | € 14,200 | Owners of the parent | € 14,336 |
| € 29 | € (20) | € 8 | Non-controlling interests | € 8 |
| | | | | |
| | | | **Net profit/(loss) from continuing operations attributable to:** | |
| € 18,596 | € 16,799 | € 13,210 | Owners of the parent | € 13,346 |
| € 29 | € (20) | € 8 | Non-controlling interests | € 8 |
| | | | | |
| | | | **Net profit/(loss) from discontinued operations attributable to:** | |
| € — | € — | € 990 | Owners of the parent | € 990 |
| € — | € — | € — | Non-controlling interests | € — |

***Net revenues***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € 189,544 | € 179,592 | € 149,419 | 5.5 % | 20.2 % | Net revenues | € 152,119 | 18.1 % |

For a discussion of Net revenues for each of the six reportable segments (North America, Enlarged Europe, Middle East & Africa, South America, China and India & Asia Pacific and Maserati) for 2023 as compared to 2022 and for 2022 as compared to 2021 see *Results by Segment* below.

***Cost of revenues***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € 151,400 | € 144,327 | € 119,943 | 4.9 % | 20.3 % | Cost of revenues | € 122,207 | 18.1 % |
| 79.9 % | 80.4% | 80.3% | | | Cost of revenues as % of Net revenues | 80.3 % | |

Cost of revenues includes purchases (including commodity and components costs), labor costs, depreciation, amortization, logistics cost, product warranty and recall campaign costs.

The increase in Cost of revenues in 2023 compared to 2022 was primarily related to (i) higher shipment volumes in Middle East & Africa and Enlarged Europe, (ii) product line and trim mix, (iii) higher warranty costs in Enlarged Europe and North America which is partially offset by (iv) foreign currency translation differences mainly due to the fluctuations of the U.S. Dollar against the Euro, (v) lower raw materials costs and purchasing savings and (vi) amounts that have been excluded from Adjusted operating income primarily due to (i) costs of €428 million related to collective bargaining agreements in the U.S. and Canada, (ii) devaluation losses of €147 million related to the Argentine Peso resulting from the new government's economic policies, and non-repeat of matters related to 2022 of (iii) €660 million related to Model Year 2019 - 2021 U.S. CAFE penalty rate adjustment and (iv) €951 million for extension of the Takata airbags recall campaign in Enlarged Europe, North America, Middle East & Africa and South America.

The increase in Cost of revenues in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 was primarily related to synergies for purchasing, manufacturing and supply chain activities more than offset by: (i) higher raw material costs, (ii) product line mix in North America and South America, (iii) higher volumes in North America, (iv) higher energy and logistics costs, (v) foreign currency translation differences mainly due to the fluctuations of the U.S. Dollar and Brazilian Real against the Euro and economic policies, and non-repeat of matters related to 2022 of (vi) €660 million provision related to Model Year 2019 - 2021 U.S. CAFE penalty rate adjustment and (vii) €951 million for extension of the Takata airbags recall campaign in Enlarged Europe, North America, Middle East & Africa and South America.

***Selling, general and other costs***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € 9,541 | € 8,981 | € 9,130 | 6.2 % | (1.6)% | Selling, general and other costs | € 9,320 | (3.6)% |
| 5.0% | 5.0% | 6.1% | | | Selling, general and other costs as % of Net revenues | 6.1 % | |

The increase in Selling, general and other costs in 2023 compared to 2022 was primarily related to (i) compensation of €102 million paid in relation to the FCA Bank transaction (refer to Note 3, *Scope of Consolidation*, within the Consolidated Financial Statements included elsewhere in this report for additional information), (ii) higher costs to support increase in volume in financial services, (iii) higher share based compensation costs and (iv) higher information technology expenses to support transformation activities.

The decrease in Selling, general and other costs in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 was primarily related to synergies and cost containment actions partially offset by foreign currency translation differences.

***Research and development costs***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € 3,300 | € 3,233 | € 2,761 | 2.1 % | 17.1 % | Research and development expenditures expensed | € 2,818 | 14.7 % |
| 2,193 | 1,889 | 1,575 | 16.1 % | 19.9 % | Amortization of capitalized development expenditures | 1,591 | 18.7 % |
| 126 | 78 | 151 | 61.5 % | (48.3)% | Impairment and write-off of capitalized development expenditures | 151 | (48.3)% |
| **€ 5,619** | **€ 5,200** | **€ 4,487** | **8.1 %** | **15.9 %** | **Total Research and development costs** | **€ 4,560** | **14.0 %** |

| Years ended December 31, | | | | Pro Forma Year ended December 31, |
|---|---|---|---|---|
| 2023 | 2022 | 2021 | (€ million) | 2021 |
| 1.7 % | 1.8 % | 1.8 % | Research and development expenditures expensed as % of Net revenues | 1.9 % |
| 1.2 % | 1.1 % | 1.1 % | Amortization of capitalized development expenditures as % of Net revenues | 1.0 % |
| 0.1 % | — % | 0.1 % | Impairment and write-off of capitalized development expenditures as % of Net revenues | 0.1 % |
| **3.0 %** | **2.9 %** | **3.0 %** | **Total Research and development costs as % of Net revenues** | **3.0 %** |

Research and development expenditures expensed increased slightly in 2023 compared to 2022, primarily related to increases in the number of vehicle programs in early stages of development and which are therefore not yet capitalized partially offset by foreign currency translation.

The increase in Amortization of capitalized development expenditures in 2023 compared to 2022 was primarily related to the full-year amortization for new vehicles launched during 2022 and the partial-year amortization for new vehicles launched during 2023, particularly in North America, Enlarged Europe and Maserati partially offset by foreign currency translation.

The increase in Research and development expenditures expensed in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 was primarily related to increased early vehicle development spending as well as foreign currency translation.

The increase in Amortization of capitalized development expenditures in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 was primarily related to the launch of the all-new Wagoneer/Grand Wagoneer and all-new Jeep Grand Cherokee during 2021 and foreign currency translation.

The following table summarizes total Research and development expenditures for the years ended December 31, 2023, 2022 and 2021 and total Pro Forma research and development expenditures for the year ended December 31, 2021:

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € 4,184 | € 3,487 | € 2,976 | 20.0 % | 17.2 % | Capitalized development expenditures[(1)] | € 3,055 | 14.1 % |
| 3,300 | 3,233 | € 2,761 | 2.1 % | 17.1 % | Research and development expenditures expensed | 2,818 | 14.7 % |
| **€ 7,484** | **€ 6,720** | **€ 5,737** | 11.4 % | 17.1 % | **Total Research and development expenditures** | **€ 5,873** | 14.4 % |
| 55.9 % | 51.9 % | 51.9 % | | | Capitalized development expenditures as % of Total Research and development expenditures | 52.0 % | |
| **3.9 %** | **3.7 %** | **3.8 %** | | | **Total Research and development expenditures as % of Net revenues** | **3.9 %** | |

*(1) Does not include capitalized borrowing costs of €167 million, €102 million and €140 million for the years ended December 31, 2023, 2022 and 2021, respectively, and €140 million for the year ended December 31, 2021, on a pro forma basis in accordance with IAS 23 - Borrowing costs (Revised)*

The Company conducts research and development for new vehicles and technology to improve the performance, safety, fuel efficiency, reliability, consumer perception and environmental impact of its vehicles. Research and development costs consist primarily of material costs, services and personnel related expenses that support the development of new and existing vehicles with propulsion systems technologies. Refer to *Trends, Uncertainties and Opportunities—Product Development and Technology* and *Overview of Our Business - Research and Development* included elsewhere in this report for additional information.

The increase in total Research and development expenditures in 2023 compared to 2022 was primarily related to increased capitalized development expenditures for the development of vehicles and products, including the BEV rollout and software development plans set out in our Dare Forward 2030 strategy.

The increase in total Research and development expenditures in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 was primarily related to increased early vehicle development spending as well as increased spending on development of electrified vehicles and foreign currency exchange rates.

***Restructuring Costs***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € 1,119 | € 1,144 | € 698 | (2.2)% | 63.9 % | Restructuring costs | € 698 | 63.9 % |

The decrease in Restructuring costs in 2023 compared to 2022 was primarily due to Enlarged Europe with the prior year being significantly impacted by workforce reduction plans, partially offset by an increase in North America which includes €243 million relating to the new collective bargaining agreements in U.S. and Canada that have been excluded from Adjusted operating income.

The increase in Restructuring costs in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 was primarily related to workforce reduction mainly in Enlarged Europe, North America and South America.

***Share of the profit/(loss) of equity method investees***

| Years ended December 31, | | | Increase/(Decrease) | | | Year ended December 31, | Increase/(Decrease) |
|---|---|---|---|---|---|---|---|
| **2023** | **2022** | **2021** | **2023 vs. 2022** | **2022 vs. 2021** | (€ million) | **2021** | **2022 vs. Pro Forma 2021** |
| € 491 | € 264 | € 737 | 86.0 % | (64.2)% | Share of the profit/(loss) of equity method investees | € 740 | (64.3)% |

The increase in the Share of the profit of equity method investees in 2023 compared to 2022 is largely due to the recognition in 2022 of €297 million impairments related to our GAC Stellantis JV and a €133 million loss from the planned sale of FCA Bank, as discussed below. This is partially offset by the loss of Punch Powertrain joint ventures and lower results in financial services joint ventures in Europe.

The decrease in Share of the profit of equity method investees in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 was primarily related to the impairment related to GAC-Stellantis JV for an amount of €297 million and a loss of €133 million from the planned sale of FCA Bank to CACF in 2023. Refer to Note 3, *Scope of consolidation* within the Consolidated Financial Statements included elsewhere in this report for additional information.

***Net financial expenses/(income)***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/(Decrease) |
|---|---|---|---|---|---|---|---|
| **2023** | **2022** | **2021** | **2023 vs. 2022** | **2022 vs. 2021** | (€ million) | **2021** | **2022 vs. Pro Forma 2021** |
| € (42) | € 768 | 734 | (105.5)% | 4.6 % | Net financial expenses/(income) | € 746 | 2.9 % |

The improvement in the Net financial expenses/(income) in 2023 compared to 2022 primarily reflects higher yield on liquidity investments supported by the increase in market interest rates. This has been partially offset by the foreign exchange losses on cash denominated in Argentine Peso following the currency devaluation, the write-down of an investment in supply chain finance funds and the cost of newly issued bonds. Refer to Note 6, *Net financial expenses/(income)* within the Consolidated Financial Statements included elsewhere in this report for additional information.

The increase in Net financial expenses in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 primarily reflects the cost of hedging and currency depreciation in Argentina, the application of hyperinflationary accounting for entities whose functional currency is the Turkish Lira, the increased interest expense on notes and the lower amount of borrowing costs capitalized, partially offset by the increased return on cash investments.

***Tax expense/(benefit)***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/(Decrease) |
|---|---|---|---|---|---|---|---|
| **2023** | **2022** | **2021** | **2023 vs. 2022** | **2022 vs. 2021** | (€ million) | **2021** | **2022 vs. Pro Forma 2021** |
| € 3,793 | € 2,729 | € 1,911 | 39.0 % | 42.8 % | Tax expense/(benefit) | € 1,939 | 40.7 % |
| 16.9 % | 14.0 % | 12.6 % | +290 bps | +140 bps | Effective tax rate | 13.3 % | +70 bps |

The effective tax rate was 16.9 percent and 14.0 percent for the years ended December 31, 2023 and 2022, respectively. The increase of 290 bps was primarily related to a lower tax benefit for net recognition of Deferred tax assets, primarily in Enlarged Europe.

The effective tax rate was 14.0 percent and 12.6 percent for the years ended December 31, 2022, and 2021, respectively. The increase of 140 bps was primarily related to a lower tax benefit for net recognition of Deferred tax assets, primarily in Enlarged Europe.

***Net profit/(loss) from continuing operations***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/(Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € 18,625 | € 16,779 | € 13,218 | 11.0 % | 26.9 % | Net profit/(loss) from continuing operations | € 13,354 | 25.6 % |

The increase in Net profit from continuing operations in 2023 compared to 2022 was primarily due to the improved operating performance and items excluded from Adjusted operating income as well as financial income, partially offset by higher tax expense due primarily to increased profit before taxes.

The increase in Net profit from continuing operations in 2022 on an IFRS basis compared to the IFRS and Pro Forma 2021 was primarily related to higher operating performance particularly in North America, South America and Enlarged Europe which is partially offset by higher restructuring expenses and lower share of profit of equity method investees.

***Profit/(loss) from discontinued operations, net of tax***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/(Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € — | € — | € 990 | — % | (100.0)% | Profit/(loss) from discontinued operations, net of tax | € 990 | (100.0)% |

For the year ended December 31, 2021, Profit/(loss) from discontinued operations related to the results of Faurecia. Following the loss of control of Faurecia at the beginning of January 2021, a gain of €990 million has been recognized consisting of a gain of €515 million upon the classification of the investment in Faurecia as a financial asset and the subsequent remeasurement at fair value through profit and loss of €475 million. Refer to Note 3, *Scope of consolidation*, within the Consolidated Financial Statements included elsewhere in this report for additional information.

***Adjusted operating income***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/(Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | (€ million) | 2021 | 2022 vs. Pro Forma 2021 |
| € 24,343 | € 24,017 | € 18,564 | 1.4 % | 29.4 % | Adjusted operating income | € 18,751 | 28.1 % |
| 12.8 % | 13.4 % | 12.4 % | -60 bps | +100 bps | Adjusted operating income margin (%) | 12.3 % | +110 bps |

| | Year ended December 31, 2022 | | |
|---|---|---|---|
| (€ million) | As reported | Share of profit/(loss) of equity method investees | As adjusted |
| Adjusted operating income | € 23,323 | € 694 | € 24,017 |
| Adjusted operating income margin (%) | 13.0 % | +40 bps | 13.4 % |

| (€ million) | Year ended December 31, 2021 | | |
|---|---|---|---|
| | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Adjusted operating income | € 17,827 | € 737 | € 18,564 |
| Adjusted operating income margin (%) | 11.9 % | +50 bps | 12.4 % |

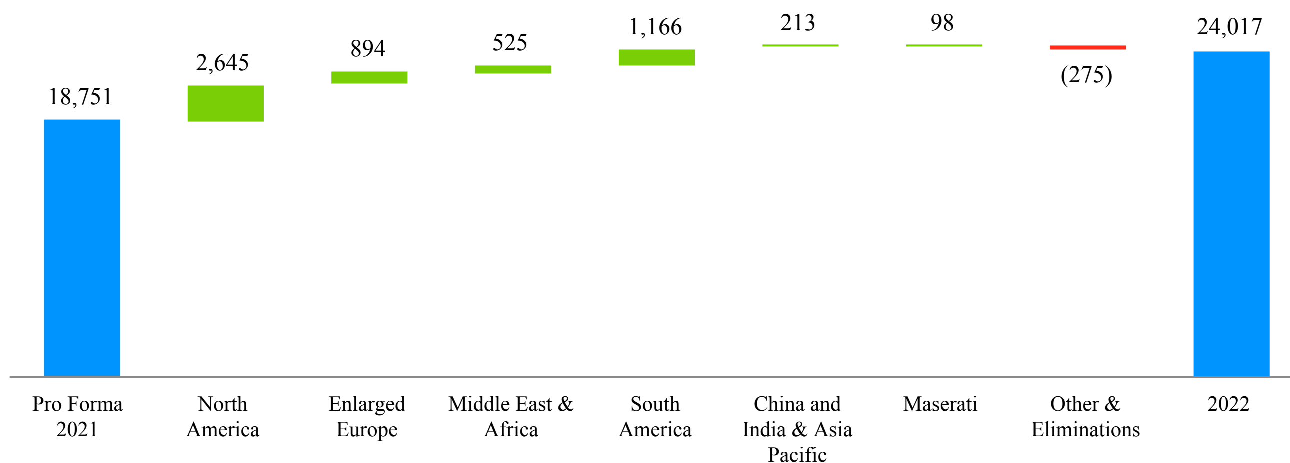
| (€ million) | Year ended December 31, 2021 | | |
|---|---|---|---|
| | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Pro Forma Adjusted operating income | € 18,011 | € 740 | € 18,751 |
| Pro Forma Adjusted operating income margin (%) | 11.8 % | +50 bps | 12.3 % |

The following charts present Company's Adjusted operating income walk by segment for 2023 compared to the corresponding period in 2022:

**Adjusted operating income by segment**
**2023 compared to 2022**
**(€ million)**

The following charts present Company's Adjusted operating income walk by segment for 2022 compared to the corresponding period in 2021 Pro Forma:

**Adjusted operating income by segment**
**2022 compared to 2021 Pro Forma**
**(€ million)**




For a discussion of Adjusted operating income for each of our six reportable segments (North America, Enlarged Europe, Middle East & Africa, South America, China and India & Asia Pacific, and Maserati) in 2023 as compared 2022 and in 2022 as compared to Pro Forma 2021 see *Results by Segment* below.

The following table summarizes the reconciliation of Net profit from continuing operations, which is the most directly comparable measure included in the Consolidated Income Statement, to Adjusted operating income:

| (€ million) | | Year ended December 31, 2023 |
|---|---|---|
| **Net profit/(loss) from continuing operations** | **€** | **18,625** |
| Tax expense/(benefit) | | 3,793 |
| Net financial expenses/(income) | | (42) |
| **Operating income/(loss)** | | **22,376** |
| Adjustments: | | |
| Restructuring and other costs, net of reversals | | 1,161 |
| Collective bargaining agreements costs | | 428 |
| Argentina currency devaluation | | 302 |
| Impairment expense and supplier obligations | | 201 |
| Reorganization of financial services | | 76 |
| Takata recall campaign | | (10) |
| Patents litigation | | (61) |
| Gains on disposal of equity investments and other assets | | (201) |
| Other | | 71 |
| Total adjustments | | 1,967 |
| **Adjusted operating income** | **€** | **24,343** |

The following table is the reconciliation of Net profit from continuing operations, which is the most directly comparable measure included in the Consolidated Income Statement, to Adjusted operating income:

| (€ million) | | Year ended December 31, 2022 |
|---|---|---|
| **Net profit/(loss) from continuing operations** | **€** | **16,779** |
| Tax expense/(benefit) | | 2,729 |
| Net financial expenses/(income) | | 768 |
| **Operating income/(loss)** | | **20,276** |
| Adjustments: | | |
| Restructuring and other costs, net of reversals | | 1,144 |
| Takata recall campaign | | 951 |
| CAFE penalty rate | | 660 |
| Change in estimate of non-contractual warranties | | 314 |
| Impairment of GAC-Stellantis JV | | 297 |
| Impairment expense and supplier obligations | | 237 |
| Patents litigation | | 134 |
| Write down of FCA Bank investment | | 133 |
| Other | | (129) |
| Total adjustments | | 3,741 |
| **Adjusted operating income** | **€** | **24,017** |

The following table is the reconciliation of Net profit from continuing operations, which is the most directly comparable measure included in the Consolidated Income Statement, to Pro Forma Adjusted operating income:

| (€ million) | | Year ended December 31, 2021 |
|---|---|---|
| **Net profit/(loss) from continuing operations** | **€** | **13,218** |
| Tax expense/(benefit) | | 1,911 |
| Net financial expenses/(income) | | 734 |
| **Operating income/(loss)** | | **15,863** |
| Add: FCA operating income, January 1 - 16, 2021 | | 80 |
| Add: Pro Forma adjustments | | 96 |
| **Pro Forma Operating income/(loss)** | | **16,039** |
| Adjustments: | | |
| Restructuring and other costs, net of reversals | | 873 |
| Change in estimate of non-contractual warranties | | 732 |
| Reversal of inventory fair value adjustment in purchase accounting | | 522 |
| Impairment expense and supplier obligations | | 309 |
| Brazilian indirect tax - reversal of liability/recognition of credits | | (253) |
| Other | | 529 |
| Total adjustments January 1 - December 31, 2021 | | 2,712 |
| **Pro Forma Adjusted operating income** | **€** | **18,751** |

The following table is the reconciliation of Net profit from continuing operations, which is the most directly comparable measure included in the Consolidated Income Statement, to Adjusted operating income:

| (€ million) | | Year ended December 31, 2021 |
|---|---|---|
| **Net profit/(loss) from continuing operations** | **€** | **13,218** |
| Tax expense/(benefit) | | 1,911 |
| Net financial expenses/(income) | | 734 |
| **Operating income/(loss)** | | **15,863** |
| Adjustments: | | |
| Restructuring and other costs, net of reversals | | 873 |
| Change in estimate of non-contractual warranties | | 732 |
| Reversal of inventory fair value adjustment in purchase accounting | | 522 |
| Impairment expense and supplier obligations | | 309 |
| Brazilian indirect tax - reversal of liability/recognition of credits | | (253) |
| Other | | 529 |
| Total adjustments January 1 - December 31, 2021 | | 2,712 |
| Less: Adjustments January 1- 16, 2021 | | 11 |
| **Adjusted operating income** | **€** | **18,564** |

During the year ended December 31, 2023, Adjusted operating income excluded adjustments primarily related to:

- €1,161 million of restructuring costs and other costs, primarily related to workforce reductions and includes €243 million relating to the new collective bargaining agreements in North America;

- €428 million primarily related to past service costs arising from employee benefit plan amendments related to the new collective bargaining agreements in North America. Total cost of €671 million is comprised of €243 million in Restructuring and other costs, net of reversals and €428 million in Collective bargaining agreements costs. Refer to Note 26, *Guarantees granted, commitments and contingent liabilities* within the Consolidated Financial Statements included elsewhere in this report for additional information;

- €302 million related to the impact of the December 2023 devaluation of the Argentine Peso from the new government's economic policies, comprised of €(197) million in Net revenues, €(147) million in Cost of revenues, and €42 million in Selling, general and other costs;

- €201 million of impairments, mainly impairment of research and development assets in China and India & Asia Pacific, and impairment of certain platform assets in Enlarged Europe;

- €76 million of net costs associated with the reorganization of our financial services activities in Europe;

- €61 million of reversal of provisions related to litigation by certain patent owners related to the use of certain technologies in prior periods; and

- €201 million mainly related to gains on disposals of investments and fixed assets.

During the year ended December 31, 2022, Adjusted operating income excluded adjustments primarily related to:

- €1,144 million of restructuring costs, primarily related to workforce reductions mainly in Enlarged Europe, North America and South America;

- €951 million for an extension of Takata airbags recall campaign. Refer to Note 21, *Provisions*, within the Consolidated Financial Statements included elsewhere in this report for additional information;

- €660 million, resulting from an increase in provision related to Model Year 2019 - 2021 CAFE penalty rate adjustment;

- €314 million of further refinements in estimate for warranty costs incurred after the contractual warranty period;

- €297 million of the full impairment of our equity method investment and includes write off of balances relating to loan receivables, trade receivables and capitalized development expenditures. Refer to *Company Results - Share of the profit/(loss) of equity method investees* included elsewhere in this report for additional information;

- €237 million, primarily of impairment expense in Enlarged Europe, mainly related to Russia, as well as North America and South America;

- €134 million of provision related to litigation by certain patent owners related to the use of certain technologies in prior periods;

- €133 million of write down of FCA Bank investment associated with the reorganization of our financial services activities in Europe; and

- €129 million of Other, mainly related to release of litigation provisions, changes in ownership of equity method investments, partially offset by net losses on disposals.

During the year ended December 31, 2021, Pro Forma Adjusted operating income excluded adjustments primarily related to:

- €873 million of restructuring and other costs related to the reorganization of operations and the dealer network primarily in Enlarged Europe;

- €732 million of change in estimate for warranty costs incurred after the contractual warranty period. Refer to Note 21, *Provisions*, within the Consolidated Financial Statements included elsewhere in this report for additional information;

- €522 million of reversal of fair value adjustment recognized in purchase accounting on FCA inventories;

- €309 million of impairment primarily related to certain vehicle platforms in Enlarged Europe;

- €253 million benefit related to final decision of Brazilian Supreme Court on calculation of state value added tax, resulting in the recognition of €87 million in Net revenues and €166 million in Selling, general and other costs. Refer to Note 23, *Other liabilities*, within the Consolidated Financial Statements included elsewhere in this report for additional information; and

- €529 million of other costs primarily related to merger and integration activities.

During the year ended December 31, 2021, Adjusted operating income excluded the same adjustments excluded for Pro Forma Adjusted operating income, as well as, adjustments for the period January 1 - 16, 2021, which were primarily costs related to the merger.

***Adjusted diluted EPS***

| | Years ended December 31, | | Pro Forma | Increase/(Decrease) | Increase/(Decrease) |
|---|---|---|---|---|---|
| (€ per share) | 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. Pro Forma 2021 |
| Adjusted diluted EPS | € 6.42 | € 5.99 | € 4.46 | 7.2 % | 34.3 % |

The following table summarizes the reconciliation of Diluted earnings per share from continuing operations to Adjusted diluted earnings per share.

| | Years ended December 31, | |
|---|---|---|
| (€ million except otherwise noted) | 2023 | 2022 |
| **Net profit attributable to owners of the parent** | **18,596** | **16,799** |
| Weighted average number of shares outstanding (000) | 3,107,725 | 3,140,089 |
| Number of shares deployable for share-based compensation (000) | 24,733 | 23,870 |
| Weighted average number of shares outstanding for diluted earnings per share (000) | 3,132,458 | 3,163,959 |
| **Diluted earnings per share (A) (€/share)** | **5.94** | **5.31** |
| | | |
| Adjustments, per above | 1,967 | 3,741 |
| Tax impact on adjustments | (452) | (733) |
| Unusual items related to income taxes | — | (851) |
| **Total adjustments, net of taxes** | **1,515** | **2,157** |
| Impact of adjustments above, net of taxes, on Diluted earnings per share from continuing operations (B) (€/share) | 0.48 | 0.68 |
| **Adjusted Diluted earnings per share (€/share) (A+B)** | **6.42** | **5.99** |

The following table summarizes the reconciliation of Pro Forma Diluted earnings per share from continuing operations, to Pro Forma Adjusted diluted earnings per share.

| (€ million except otherwise noted) | Year ended December 31, 2021 |
|---|---|
| **Net profit from continuing operations attributable to owners of the parent** | **13,210** |
| Add: FCA Net profit from continuing operations attributable to owners of the parent, January 1 - 16, 2021 | 30 |
| Add: Pro forma adjustments, net of taxes | 106 |
| **Pro Forma Net profit from continuing operations attributable to owners of the parent (A)** | **13,346** |
| | |
| Weighted average number of shares outstanding, January 17 - December 31, 2021 (000) | 3,059,284 |
| Number of shares deployable for share-based compensation, January 17 - December 31, 2021 (000) | 23,651 |
| Equity warrants delivered to General Motors (000) | 68,497 |
| **Weighted average number of shares outstanding for diluted earnings per share ("EPS"), January 17 - December 31, 2021 (000) (B)** | **3,151,432** |
| | |
| **Pro Forma diluted EPS from continuing operations (€/share) (A/B=C)** | **4.23** |
| | |
| Adjustments, per above | 2,712 |
| Tax impact on adjustments | (475) |
| Unusual items related to income taxes | (1,516) |
| Total adjustments, net of taxes | 721 |
| Impact of adjustments above, net of taxes, on Pro Forma Diluted earnings per share from continuing operations (D) (€/share) | 0.23 |
| **Pro Forma Adjusted diluted earnings per share (€/share) (C+D)** | **4.46** |

**Results by Segment – 2023 compared to 2022 and 2022 compared to 2021**

| | Net revenues | | | Adjusted operating income | | | Consolidated Shipments | | |
|---|---|---|---|---|---|---|---|---|---|
| | Years ended December 31, | | | | | | | | |
| (€ million, except shipments which are in thousands of units) | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 | 2023 | 2022 | 2021 |
| North America | € 86,500 | € 85,475 | € 67,715 | € 13,298 | € 13,987 | € 11,089 | 1,903 | 1,861 | 1,764 |
| Enlarged Europe | 66,598 | 63,311 | 58,728 | 6,519 | 6,218 | 5,373 | 2,814 | 2,626 | 2,847 |
| Middle East & Africa | 10,560 | 6,453 | 5,165 | 2,503 | 1,188 | 672 | 443 | 283 | 272 |
| South America | 16,058 | 15,620 | 10,496 | 2,369 | 2,048 | 873 | 879 | 859 | 811 |
| China and India & Asia Pacific | 3,528 | 4,505 | 3,927 | 502 | 641 | 437 | 102 | 127 | 118 |
| Maserati | 2,335 | 2,320 | 2,003 | 141 | 201 | 116 | 27 | 26 | — |
| Other activities | 5,211 | 3,169 | 2,768 | (322) | 179 | (27) | — | — | — |
| Unallocated items & eliminations(1) | (1,246) | (1,261) | (1,383) | (667) | (445) | 31 | — | — | — |
| **Total** | **€189,544** | **€179,592** | **€149,419** | **€ 24,343** | **€ 24,017** | **€ 18,564** | **6,168** | **5,782** | **5,836** |

*(1) Primarily includes intercompany transactions which are eliminated on consolidation*

| | Pro Forma | | |
|---|---|---|---|
| | Net revenues | Adjusted operating income | Consolidated Shipments |
| (€ million, except shipments which are in thousands of units) | Year ended December 31, 2021 | | |
| North America | € 69,736 | € 11,342 | 1,820 |
| Enlarged Europe | 59,060 | 5,324 | 2,860 |
| Middle East & Africa | 5,201 | 663 | 273 |
| South America | 10,681 | 882 | 830 |
| China and India & Asia Pacific | 3,980 | 428 | 120 |
| Maserati | 2,021 | 103 | 24 |
| Other activities | 2,728 | (22) | — |
| Unallocated items & eliminations(1) | (1,288) | 31 | — |
| **Total** | **€ 152,119** | **€ 18,751** | **5,927** |

*(1) Primarily includes intercompany transactions which are eliminated on consolidation*

Refer to Note 29, *Segment reporting* included elsewhere in this report for additional detail on the Company's reportable segments.

The following is a discussion of Net revenues, shipments and Adjusted operating income for each of our six reportable segments for the year ended December 31, 2023 as compared to the year ended December 31, 2022, and for the year ended December 31, 2022 as compared to IFRS and Pro Forma year ended December 31, 2021. Until December 31, 2022, the operating environment impacts, primarily of pricing, market share, product and market mix and costs were reported separately from the impacts of Company performance. From January 2023, we no longer separate changes between the operating environment and the Company performance and instead report all changes by nature. As a result, volume changes are now allocated to one driver whereas prior to 2023, they were split between the operating environment and Company performance which included the difference between shipments to the network and sales to end customers. Likewise, mix changes are no longer split between industry mix and mix attributable to Company performance. We believe that this provides a straightforward and easier explanation of the variances.

- **Volume & Mix**: reflects changes in new car volumes (consolidated shipments), driven by industry volume, market share and dealer stocks, and mix evolutions such as channel, product line and trim mix. It also reflects the impact of some non-pricing items;

- **Vehicle Net Price**: reflects changes in prices, net of discounts and other sales incentive programs;

- **Industria**l: reflects manufacturing and purchasing cost changes associated with content, technology and enhancement of vehicle features, as well as industrial, logistics and purchasing efficiencies and inefficiencies. The impact of fixed manufacturing costs absorption related to the change in production output is included here. Cost changes to purchasing of raw materials, warranty, compliance costs, as well as depreciation and amortization related to property, plant and equipment are also included here;

- **SG&A**: primarily includes costs for advertising and promotional activities, purchased services, information technology costs and other costs not directly related to the development and manufacturing of Stellantis products;

- **R&D**: includes research and development costs, as well as amortization; and

- **FX and Other**: includes other items not mentioned above, such as used cars, parts & services, sales to partners, royalties, as well as foreign currency exchange translation, transaction and hedging.

*North America*

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | | 2021 | 2022 vs Pro Forma 2021 |
| 1,903 | 1,861 | 1,764 | 2.3 % | 5.5 % | Shipments (thousands of units) | 1,820 | 2.3 % |
| € 86,500 | € 85,475 | 67,715 | 1.2 % | 26.2 % | Net revenues (€ million) | € 69,736 | 22.6 % |
| € 13,298 | € 13,987 | € 11,089 | (4.9)% | 26.1 % | Adjusted operating income (€ million) | € 11,342 | 23.3 % |
| 15.4 % | 16.4 % | 16.4 % | -100 bps | — bps | Adjusted operating income margin (%) | 16.3 % | +10 bps |

| | Year ended December 31, 2022 | | |
|---|---|---|---|
| (€ million) | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Adjusted operating income | 13,989 | (2) | 13,987 |
| Adjusted operating income margin (%) | 16.4 % | — bps | 16.4 % |

| | Year ended December 31, 2021 | | |
|---|---|---|---|
| (€ million) | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Adjusted operating income | 11,103 | (14) | 11,089 |
| Adjusted operating income margin (%) | 16.4 % | — bps | 16.4 % |

| | Year ended December 31, 2021 | | |
|---|---|---|---|
| (€ million) | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Pro Forma Adjusted operating income | 11,356 | (14) | 11,342 |
| Pro Forma Adjusted operating income margin (%) | 16.3 % | — bps | 16.3 % |

***Shipments***

The increase in North America shipments in 2023 compared to the corresponding period in 2022 was mainly due to higher volumes of Jeep Grand Cherokee, Dodge Hornet and Charger, and Ram Promaster.

The increase in North America shipments on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was mainly due to higher volumes of all-new Grand Wagoneer, Jeep Compass and Chrysler Pacifica, partially offset by lower volumes of Grand Cherokee and Ram pickups.

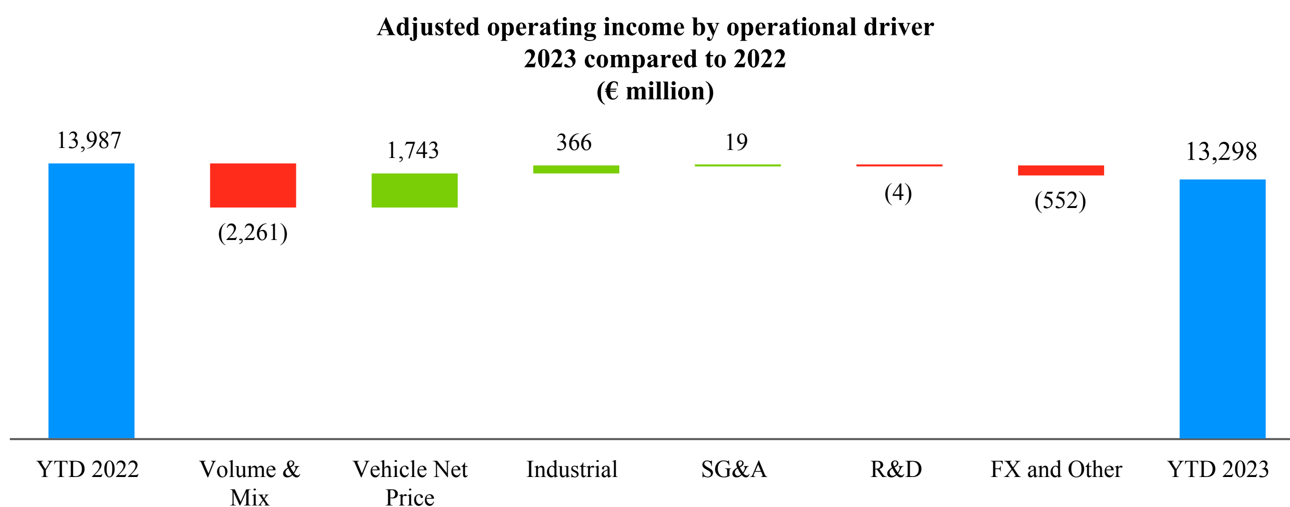
*Net revenues*

The increase in North America Net revenues in 2023 compared to the corresponding period in 2022 was primarily due to higher volumes and strong net pricing, largely offset by unfavorable foreign exchange translation and mix effects.

The increase in North America Net revenues on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was primarily due to strong net pricing, favorable vehicle mix and positive foreign exchange translation effects.

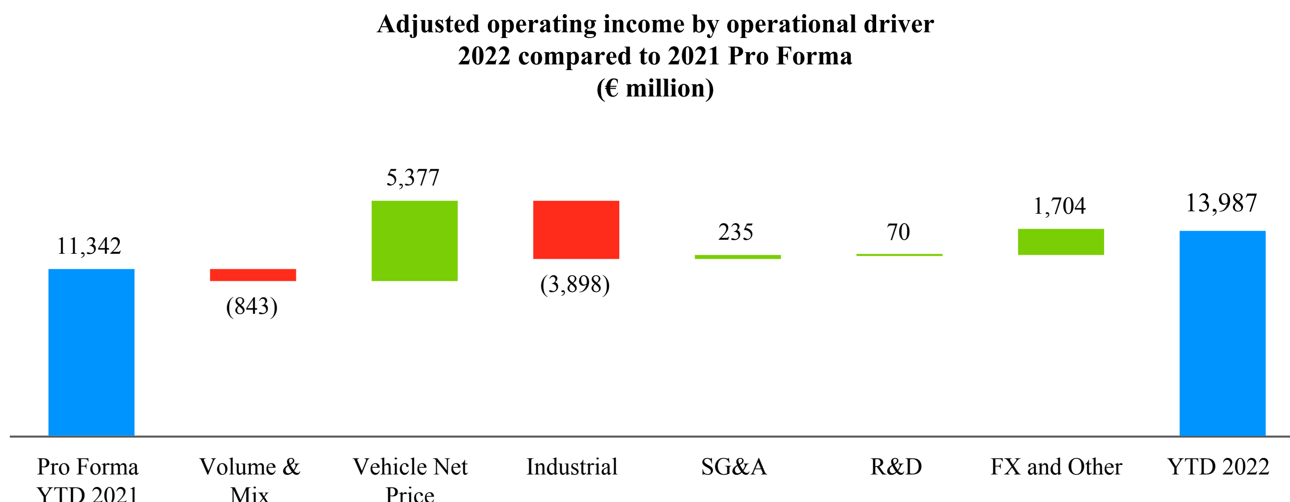
***Adjusted operating income***

The following chart reflects the change in North America Adjusted operating income by operational driver for 2023 as compared to the same period in 2022 Pro Forma:



The decrease in North America Adjusted operating income in 2023 compared to the corresponding period in 2022 was primarily due to unfavorable mix, foreign exchange and production disruptions and costs related to labor agreements, partially offset by higher net pricing and volumes.

The following chart reflects the change in North America Adjusted operating income by operational driver for 2022 as compared to the same period in 2021 Pro Forma:




The increase in North America Adjusted operating income on an IFRS basis in 2022 compared to the Pro Forma basis for the corresponding period in 2021 was primarily due to higher Net revenues and favorable foreign exchange translation effects, partially offset by increased raw materials, components and logistics costs.

***Enlarged Europe***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | | 2021 | 2022 vs Pro Forma 2021 |
| 2,814 | 2,626 | 2,847 | 7.2 % | (7.8)% | Shipments (thousands of units) | 2,860 | (8.2)% |
| € 66,598 | € 63,311 | € 58,728 | 5.2 % | 7.8 % | Net revenues (€ million) | € 59,060 | 7.2 % |
| € 6,519 | € 6,218 | € 5,373 | 4.8 % | 15.7 % | Adjusted operating income (€ million) | € 5,324 | 16.8 % |
| 9.8 % | 9.8 % | 9.1 % | — bps | +70 bps | Adjusted operating income margin (%) | 9.0 % | +80 bps |

| | Year ended December 31, 2022 | | |
|---|---|---|---|
| (€ million) | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Adjusted operating income | 6,293 | (75) | 6,218 |
| Adjusted operating income margin (%) | 9.9 % | -10 bps | 9.8 % |

| | Year ended December 31, 2021 | | |
|---|---|---|---|
| (€ million) | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Adjusted operating income | 5,419 | (46) | 5,373 |
| Adjusted operating income margin (%) | 9.2 % | -10 bps | 9.1 % |

| | Year ended December 31, 2021 | | |
|---|---|---|---|
| (€ million) | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Pro Forma Adjusted operating income | 5,370 | (46) | 5,324 |
| Pro Forma Adjusted operating income margin (%) | 9.1 % | -10 bps | 9.0 % |

***Shipments***

The Enlarged Europe shipments increased in 2023 compared to the corresponding period in 2022, due to higher shipments by Fiat Ducato, all-new Jeep Avenger, Opel Astra, Peugeot 2008 and Alfa Romeo Tonale.

The Enlarged Europe shipments decreased on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021, with demand for all-new Peugeot 308, Fiat Panda, DS 4, Citroën C5 X and Alfa Romeo Tonale, more than offset by impact of unfilled semiconductor orders, logistics challenges and discontinuation of Peugeot 108 and Citroën C1 in 2022.

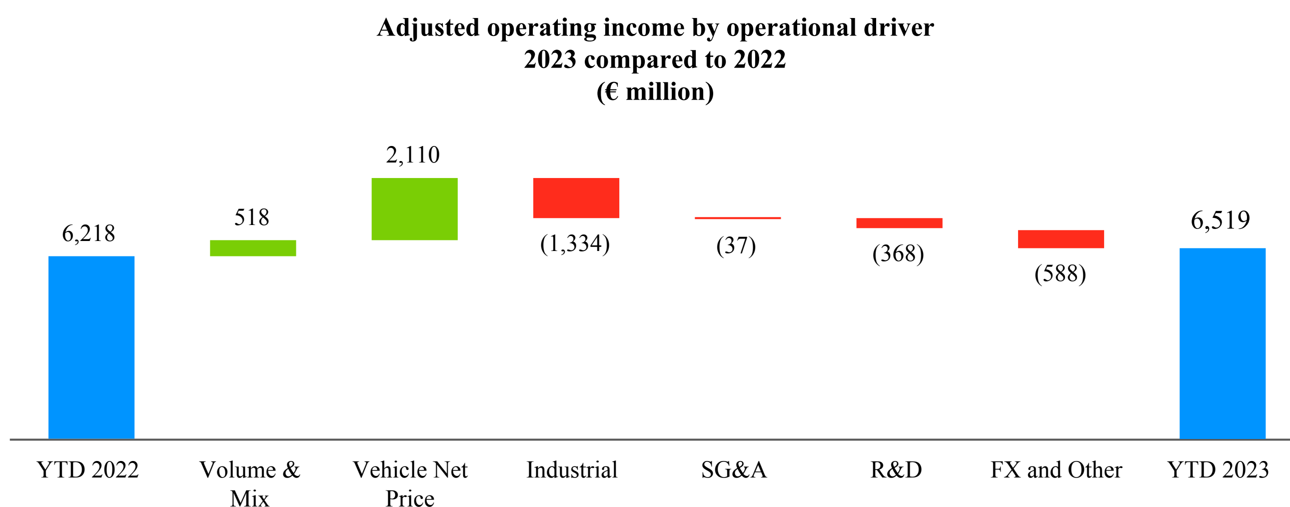
***Net revenues***

The Enlarged Europe Net revenues increased in 2023 compared to the corresponding period in 2022, mainly due to increased volume, positive net pricing and favorable mix, partially offset by higher volume with buyback commitments and foreign exchange translation impacts.

The Enlarged Europe Net revenues increased on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021, mainly due to positive net pricing, favorable vehicle mix, driven by new models, BEVs and PHEVs, and lower volumes with buyback commitments, partially offset by reduced shipment volumes.

***Adjusted operating income***

The following chart reflects the change in Enlarged Europe Adjusted operating income by operational driver for 2023 as compared to the same period in 2022:



The increase in Enlarged Europe Adjusted operating income in 2023 compared to the corresponding period in 2022 was primarily due to higher net pricing, offset by increased logistic and purchasing costs, as well as higher warranty and R&D costs.

The following chart reflects the change in Enlarged Europe Adjusted operating income by operational driver for 2022 as compared to the same period in 2021 Pro Forma:

**Adjusted operating income by operational driver**
**2022 compared to 2021 Pro Forma**
**(€ million)**

The increase in Enlarged Europe Adjusted operating income on an IFRS basis in 2022 compared to the Pro Forma basis for the corresponding period in 2021 was primarily due to increased Net revenues, cost containment actions and elevated used car profitability, partially offset by higher raw materials, energy, components and logistics costs.

***Middle East & Africa***

| Years ended December 31, | | | Increase/ (Decrease) | Increase/ (Decrease) | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| **2023** | **2022** | **2021** | **2023 vs. 2022** | **2022 vs. 2021** | | **2021** | **2022 vs Pro Forma 2021** |
| 616 | 426 | 387 | 44.6 % | 10.1 % | Combined shipments (thousands of units) | 389 | 9.5 % |
| 443 | 283 | 272 | 56.5 % | 4.0 % | Consolidated shipments (thousands of units) | 273 | 3.7 % |
| € 10,560 | € 6,453 | € 5,165 | 63.6 % | 24.9 % | Net revenues (€ million) | € 5,201 | 24.1 % |
| € 2,503 | € 1,188 | € 672 | 110.7 % | 76.8 % | Adjusted operating income (€ million) | € 663 | 79.2 % |
| 23.7 % | 18.4 % | 13.0 % | +530 bps | +540 bps | Adjusted operating income margin (%) | 12.7 % | +570 bps |

| | Year ended December 31, 2022 | | |
|---|---|---|---|
| (€ million) | **As reported** | **Share of profit/ (loss) of equity method investees** | **As adjusted** |
| Adjusted operating income | 1,078 | 110 | 1,188 |
| Adjusted operating income margin (%) | 16.7 % | +170 bps | 18.4 % |

| (€ million) | Year ended December 31, 2021 | | |
|---|---|---|---|
| | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Adjusted operating income | 554 | 118 | 672 |
| Adjusted operating income margin (%) | 10.7 % | +230 bps | 13.0 % |

| (€ million) | Year ended December 31, 2021 | | |
|---|---|---|---|
| | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Pro Forma Adjusted operating income | 545 | 118 | 663 |
| Pro Forma Adjusted operating income margin (%) | 10.5 % | +220 bps | 12.7 % |

***Shipments***

The increase in Middle East & Africa consolidated shipments in 2023 compared to the corresponding period in 2022 was mainly due to higher volumes of Fiat Doblo Cargo, Fiat Tipo, Citroën C4 X, Peugeot 408 and Fiat Ducato.

The increase in Middle East & Africa consolidated shipments on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was mainly due to higher volumes of Opel Mokka, Corsa and Crossland X.

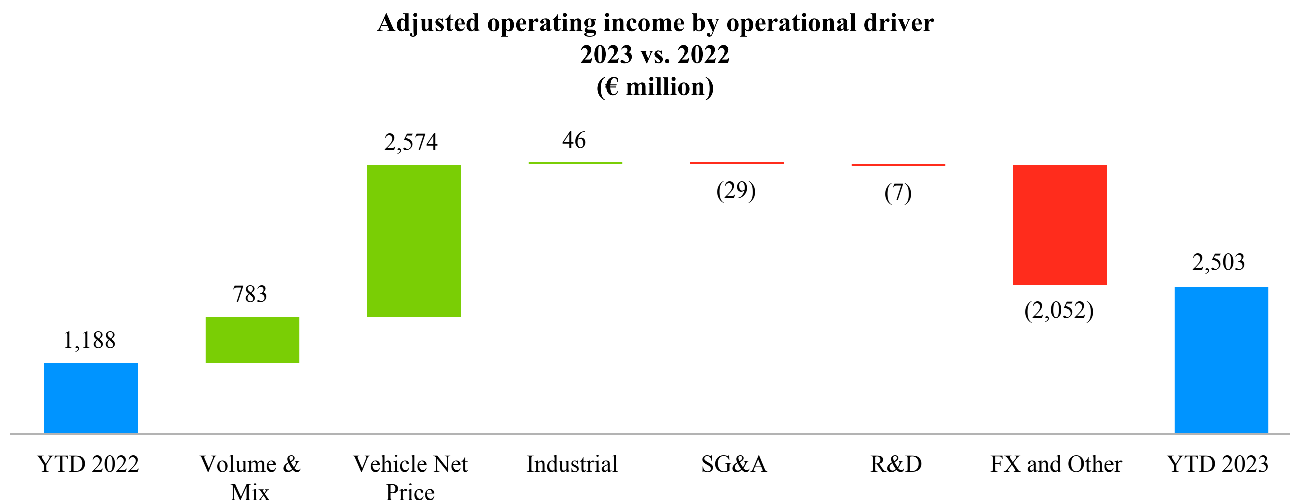
***Net revenues***

The increase in Middle East & Africa Net revenues in 2023 compared to the corresponding period in 2022 was primarily due to volume growth, strong net pricing, including pricing actions to offset Turkish Lira devaluation, and improved mix, partially offset by negative foreign exchange translation effects, mainly from Turkish Lira.

The increase in Middle East & Africa Net revenues on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was primarily due to strong net pricing, including pricing actions to offset Turkish Lira devaluation, and improved market mix, partially offset by negative foreign exchange translation effects, mainly from Turkish Lira.

***Adjusted operating income***

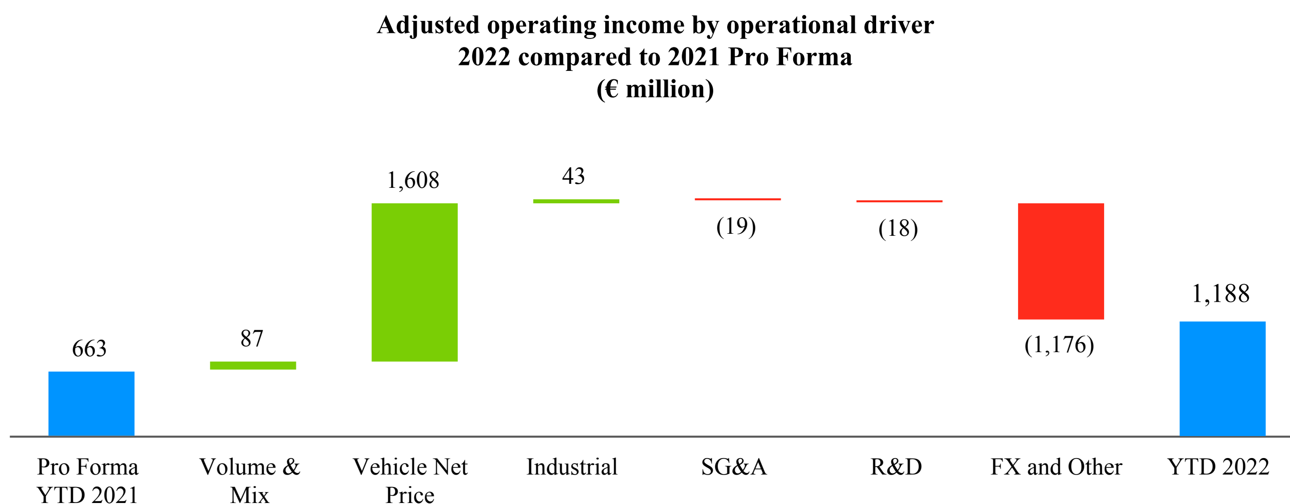
The following chart reflects the change in Middle East & Africa Adjusted operating income by operational driver in 2023 compared to the same period in 2022:



The increase in Middle East and Africa Adjusted operating income in 2023 compared to the corresponding period in 2022 of 111%, is mainly due to higher net pricing, volume & mix, partially offset by negative foreign exchange transaction and translation effects primarily related to the Turkish Lira.

The following chart reflects the change in Middle East & Africa Adjusted operating income by operational driver in 2022 compared to the same period in 2021 Pro Forma:

**Adjusted operating income by operational driver**
**2022 compared to 2021 Pro Forma**
**(€ million)**




The increase in Middle East and Africa Adjusted operating income on an IFRS basis in 2022 compared to the Pro Forma basis for the corresponding period in 2021 was mainly due to higher Net revenues and strong operating leverage, partially offset by negative foreign exchange transaction and translation effects.

***South America***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| **2023** | **2022** | **2021** | **2023 vs. 2022** | **2022 vs. 2021** | | **2021** | **2022 vs Pro Forma 2021** |
| 879 | 859 | 811 | 2.3 % | 5.9 % | Shipments (thousands of units) | 830 | 3.5 % |
| € 16,058 | € 15,620 | 10,496 | 2.8 % | 48.8 % | Net revenues (€ million) | € 10,681 | 46.2 % |
| € 2,369 | € 2,048 | € 873 | 15.7 % | 134.6 % | Adjusted operating income (€ million) | € 882 | 132.2 % |
| 14.8 % | 13.1 % | 8.3 % | +170 bps | +480 bps | Adjusted operating income margin (%) | 8.3 % | +480 bps |

***Shipments***

The increase in South America shipments in 2023 compared to the corresponding period in 2022 was primarily due to higher volumes of Fiat Fastback, Citroën C3, Fiat Cronos, Ram Rampage and Peugeot 208.

The increase in South America shipments on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was primarily due to demand for all-new Fiat Pulse, Jeep Commander and Citroën C3, and higher Peugeot 208 volumes, partially offset by lower Jeep Renegade and Fiat Argo volumes and discontinuation of Fiat Uno.

***Net revenues***

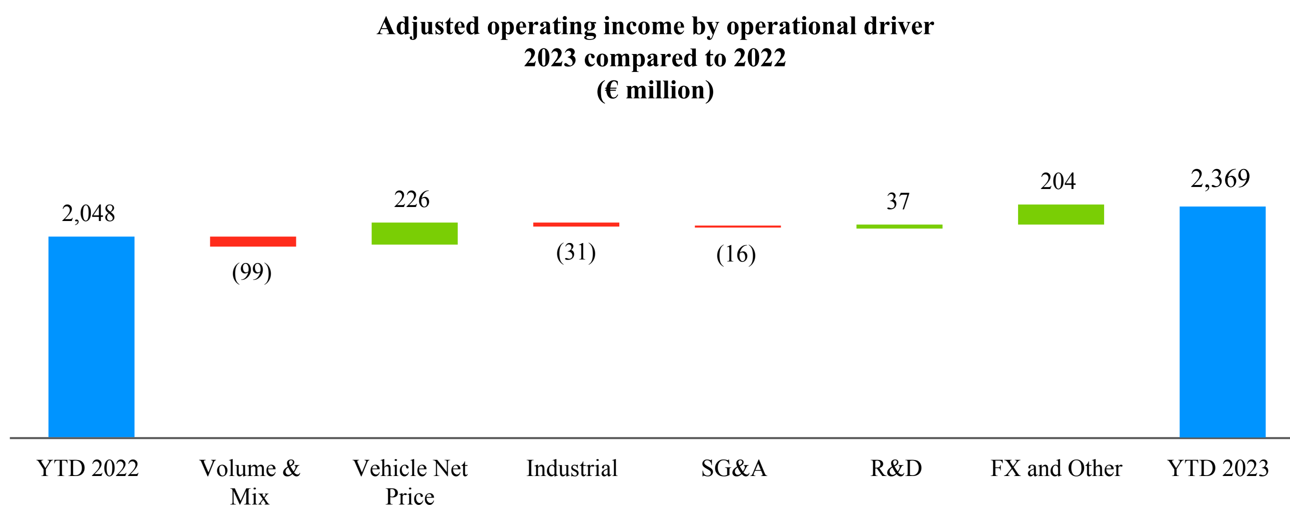
The increase in South America Net revenues in 2023 compared to the corresponding period in 2022 was due to volume growth and positive net pricing, partially offset by negative foreign exchange translation impacts from Argentine Peso, as well as mix.

The increase in South America Net revenues on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was due to a combination of favorable net pricing, vehicle mix, volumes and foreign exchange translation effects, mainly Brazilian Real.

***Adjusted operating income***

The following chart reflects the change in South America Adjusted operating income by operational driver for 2023 as compared to the same period in 2022:

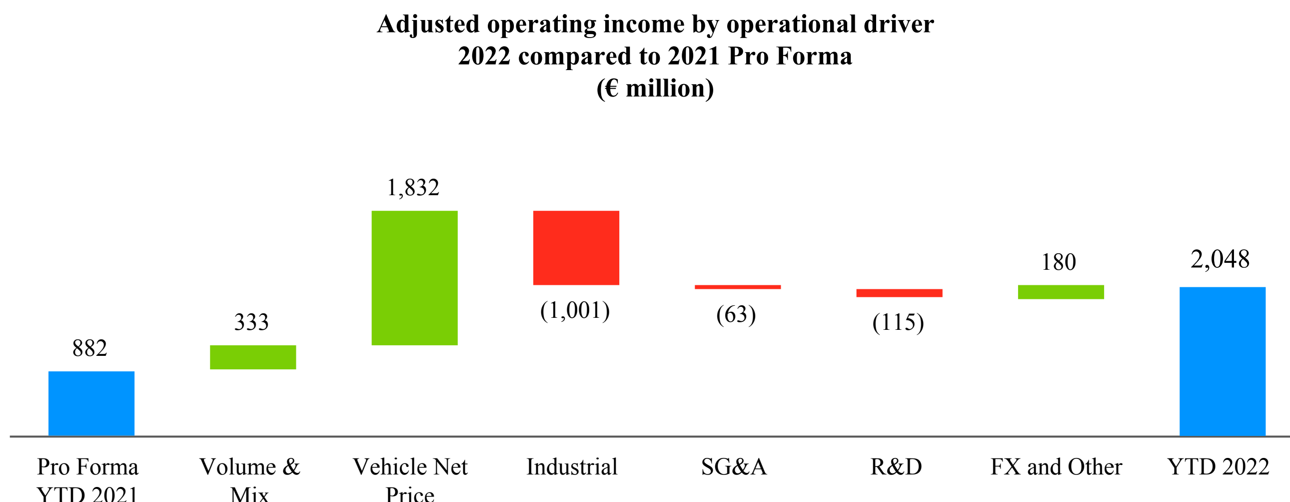
**Adjusted operating income by operational driver**
**2023 compared to 2022**
**(€ million)**



The increase in South America Adjusted operating income in 2023 compared to the corresponding period in 2022 was primarily due to increased vehicle net pricing and volume, more than offsetting negative mix and foreign exchange impacts. This excludes the impact of €302 million related to the devaluation of the Argentine Peso resulting from the new government's economic policies.

The following chart reflects the change in South America Adjusted operating income by operational driver in 2022 compared to the same period in 2021 Pro Forma:

**Adjusted operating income by operational driver**
**2022 compared to 2021 Pro Forma**
**(€ million)**




The increase in South America Adjusted operating income on an IFRS basis in 2022 compared to the Pro Forma basis for the corresponding period in 2021 was primarily due to increased Net revenues and favorable foreign exchange translation, more than offsetting higher raw materials costs.

***China and India & Asia Pacific***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | | 2021 | 2022 vs Pro Forma 2021 |
| 154 | 205 | 216 | (24.9)% | (5.1)% | Combined shipments (thousands of units) | 219 | (6.4)% |
| 102 | 127 | 118 | (19.7)% | 7.6 % | Consolidated shipments (thousands of units) | 120 | 5.8 % |
| € 3,528 | € 4,505 | € 3,927 | (21.7)% | 14.7 % | Net revenues (€ million) | € 3,980 | 13.2 % |
| € 502 | € 641 | € 437 | (21.7)% | 46.7 % | Adjusted operating income (€ million) | € 428 | 49.8 % |
| 14.2 % | 14.2 % | 11.1 % | 0 bps | +310 bps | Adjusted operating income margin (%) | 10.8 % | +340 bps |

| | Year ended December 31, 2022 | | |
|---|---|---|---|
| (€ million) | As reported | Share of profit/ (loss) of equity method investees | As adjusted |
| Adjusted operating income | 654 | (13) | 641 |
| Adjusted operating income margin (%) | 14.5 % | -30 bps | 14.2 % |

| (€ million) | Year ended December 31, 2021<br>As reported | Share of profit/ (loss) of equity method investees | As adjusted |
|---|---|---|---|
| Adjusted operating income | 444 | (7) | 437 |
| Adjusted operating income margin (%) | 11.3 % | -20 bps | 11.1 % |

| (€ million) | Year ended December 31, 2021<br>As reported | Share of profit/ (loss) of equity method investees | As adjusted |
|---|---|---|---|
| Pro Forma Adjusted operating income | 442 | (14) | 428 |
| Pro Forma Adjusted operating income margin (%) | 11.1 % | -30 bps | 10.8 % |

In China, we distribute imported vehicles primarily for the Jeep brand through an asset-light approach. For information on our GAC-Stellantis JV, refer to Note 3, *Scope of consolidation* within the Consolidated Financial Statements. Dongfeng Peugeot and Dongfeng Citroën brands in China are locally manufactured through DPCA under various license agreements. DPCS markets the DPCA vehicles in China.

The results of these joint ventures are accounted for using the equity method, with recognition of our share of the net result of the joint venture in the line item "Share of the profit of equity method investees" within the Consolidated Income Statement. We fully impaired the equity method investment in GAC-Stellantis JV at June 30, 2022. Refer to Note 3, *Scope of consolidation* in the Consolidated Financial Statements for additional information.

We also produce the Jeep Compass and Jeep Meridian in India through our joint operation with FIAPL and we recognize our related interest in the joint operation on a line by line basis.

Shipments distributed by our consolidated subsidiaries, which include vehicles produced by FIAPL, are reported in both consolidated and combined shipments. Shipments of the GAC-Stellantis JV and DPCA are not included in consolidated shipments and are only in combined shipments.

***Shipments***

The decrease in China and India & Asia Pacific consolidated shipments in 2023 compared to the corresponding period in 2022 was primarily due to challenging market conditions with increased competition from local OEMs with decreases in Jeep and Peugeot models.

The increase in China and India & Asia Pacific consolidated shipments on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was primarily due to the increased demand for Peugeot 3008.

***Net revenues***

The decrease in China and India & Asia Pacific Net revenues in 2023 compared to the corresponding period in 2022 was primarily due to lower volumes and unfavorable foreign exchange translation effects which are partially offset by favorable vehicle mix.

The increase in China and India & Asia Pacific Net revenues on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was primarily due to positive net pricing, favorable foreign exchange translation effects and vehicle line mix.

***Adjusted operating income***

China and India & Asia Pacific maintained Adjusted operating income margin in 2023 compared to the corresponding period in 2022 despite lower volumes and foreign exchange translation effects headwinds through disciplined pricing, with favorable mix of higher Ram shipments in India and Asia Pacific, higher Jeep Grand Cherokee shipments in both China and India & Asia Pacific, and cost efficiencies in SG&A and R&D.

The increase in China and India & Asia Pacific Adjusted operating income on an IFRS basis in 2022 compared to the Pro Forma basis for the corresponding period in 2021 was primarily driven by favorable net pricing and vehicle mix, primarily related to Jeep Grand Cherokee L, Jeep Meridian and Ram 1500, partially offset by unfavorable market mix.

***Maserati***

| Years ended December 31, | | | Increase/(Decrease) | | | Pro Forma Year ended December 31, | Increase/ (Decrease) |
|---|---|---|---|---|---|---|---|
| 2023 | 2022 | 2021 | 2023 vs. 2022 | 2022 vs. 2021 | | 2021 | 2022 vs Pro Forma 2021 |
| 26.6 | 25.9 | 24.0 | 2.7 % | 7.9 % | Shipments (thousands of units) | 24.2 | 7.0 % |
| € 2,335 | € 2,320 | € 2,003 | 0.6 % | 15.8 % | Net revenues (€ million) | € 2,021 | 14.8 % |
| € 141 | € 201 | € 116 | (29.9)% | 73.3 % | Adjusted operating income (€ million) | € 103 | 95.1 % |
| 6.0 % | 8.7 % | 5.8 % | -270 bps | +290 bps | Adjusted operating income margin (%) | 5.1 % | +360 bps |

***Shipments***

The increase in Maserati shipments in 2023 compared to the corresponding period in 2022 was primarily due to increases in Grecale and new GranTurismo offset by reduced volumes in Levante.

The increase in Maserati shipments on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was primarily due to the all-new Grecale launch, partially offset by reduced Ghibli and Levante volumes particularly in China.

***Net revenues***

The increase in Maserati Net revenues in 2023 compared to the corresponding period in 2022 was primarily due to higher volumes and higher prices offset by unfavorable foreign currency translation in U.S. Dollar, Chinese Renminbi and Japanese Yen.

The increase in Maserati Net revenues on an IFRS basis in 2022 compared to the IFRS and Pro Forma basis for the corresponding period in 2021 was primarily due to higher volumes, positive model mix driven by MC20 and favorable foreign exchange both in U.S. Dollar and Chinese Renminbi.

***Adjusted operating income***

Maserati had top-line growth on improved volumes, led by Grecale and GranTurismo; the lower Adjusted operating income in 2023 compared to the corresponding period in 2022 was mainly due to increased amortization of R&D costs from recent launches, higher industrial costs and unfavorable country mix, partially offset by positive nameplate mix and favorable net pricing.

The increase in Maserati Adjusted operating income on an IFRS basis in 2022 compared to the Pro Forma basis for the corresponding period in 2021 was mainly due to increased net pricing, positive vehicle mix, due to MC20 and all-new Grecale, and favorable foreign exchange transaction effects, partially offset by increased depreciation and amortization.

## Liquidity and Capital Resources

### *Liquidity Overview*

We require significant liquidity in order to meet our obligations and fund the business. Short-term liquidity is required to purchase raw materials, parts and components for vehicle production, as well as to fund selling, administrative, research and development, other expenses and funding our captive financial services business. In addition to our general working capital and operational needs, we expect to use significant amounts of cash for the following purposes: (i) capital expenditures to support our existing and future products; (ii) principal and interest payments under our financial obligations; (iii) pension and employee benefit payments; (iv) capital injections to our joint ventures and M&A initiatives; and (v) funding our captive financial services business. We make capital investments in the regions in which we operate primarily related to initiatives to introduce new products, including for electrification and autonomous driving, enhance manufacturing efficiency, improve capacity and for maintenance, and for regulatory and environmental compliance.

Our business and results of operations depend on our ability to achieve certain minimum vehicle shipment volumes. As is typical for an automotive manufacturer, we have significant fixed costs and, as such, changes in our vehicle shipment volumes could have a significant effect on profitability and liquidity. We generally receive payment from dealers and distributors shortly after shipment, whereas there is a lag between the time we receive parts and materials from our suppliers and the time we are required to pay for them. Therefore, during periods of increasing vehicle shipments, there is generally a corresponding positive impact on the Company's cash flow and liquidity. Conversely, during periods in which vehicle shipments decline, there is generally a corresponding negative impact on the Company's cash flow and liquidity. Delays in shipments of vehicles, including delays in shipments in order to address quality issues or components shortage and logistic constraints, tend to negatively affect the Company's cash flow and liquidity. In addition, the timing of the Company's collections of receivables for export shipments of vehicles, fleet sales, as well as sales of propulsion systems and pre-assembled parts of vehicles tend to be longer due to different payment terms. Although we regularly enter into factoring transactions for such receivables in order to transfer relevant risks to the factor and to accelerate collections, a change in vehicle shipment volumes could cause fluctuations in the Company's working capital. The increased internationalization of our product portfolio could also affect our working capital requirements as there could be an increased requirement to ship vehicles to countries different from where they are produced. In addition, working capital could be affected by the choice of different methods of distribution and the trend and seasonality of shipments of vehicles.

Management believes that the funds currently available to Stellantis at the date of this report, in addition to those funds that would be generated from operating and financing activities, will enable the Company to meet its obligations and fund its businesses including funding planned investments and working capital needs, as well as fulfill the Company's obligations to repay its debts in the ordinary course of business.

Liquidity needs are met primarily through cash generated from operations, including the sale of vehicles, service and parts to dealers, distributors and other consumers worldwide.

The operating cash management and liquidity investment of the Company is coordinated with the objective of ensuring effective and efficient management of the Company's funds. We raise capital in the financial markets through various funding sources.

Certain notes issued by the Company and its treasury subsidiaries include covenants which could be affected by circumstances related to certain subsidiaries. In particular there are cross-default clauses which could accelerate repayments in the event that such subsidiaries failed to pay certain of their debt obligations.

Long-term liquidity requirements could involve some level of debt refinancing as outstanding debt becomes due or the Company is required to make principal payments. We regularly evaluate opportunities to improve our liquidity position in order to enhance financial flexibility and to achieve and maintain a liquidity and capital position consistent with that of other companies in the Company's industry.

However, any actual or perceived limitations of the Company's liquidity may limit the ability or willingness of counterparties, including dealers, consumers, suppliers, lenders and financial service providers, to do business with the Company, or require the Company to restrict additional amounts of cash to provide collateral security for its obligations. The Company's liquidity levels are subject to a number of risks and uncertainties, including those described in *Risk Factors*.

Refer to *ADDITIONAL INFORMATION FOR NETHERLANDS CORPORATE GOVERNANCE - Dividends* and Note 27, *Equity* within the Consolidated Financial Statements included elsewhere in this report for additional information on Stellantis' distribution of profits.

*Available liquidity*

The following table summarizes the Company's Available liquidity:

| | At December 31, | | | |
|---|---|---|---|---|
| (€ million) | 2023 | | 2022 | |
| Cash, cash equivalents and financial securities[1] | € | 49,758 | € | 49,960 |
| Undrawn committed credit lines | | 12,621 | | 12,680 |
| Cash, cash equivalents and financial securities - included with Assets held for sale | | 231 | | 65 |
| **Total Available liquidity[2]** | **€** | **62,610** | **€** | **62,705** |
| of which: Available liquidity of the Industrial Activities | **€** | **61,056** | **€** | **61,316** |

*(1) Financial securities are comprised of short term or marketable securities which represent temporary investments but do not satisfy all the requirements to be classified as cash equivalents as they may be subject to risk of change in value (even if they are short-term in nature or marketable)*
*(2) The majority of our liquidity is available to our treasury operations in Europe and U.S.; however, liquidity is also available to certain subsidiaries which operate in other countries. Cash held in such countries may be subject to restrictions on transfer depending on the foreign jurisdictions in which these subsidiaries operate. Based on our review of such transfer restrictions in the countries in which we operate and maintain material cash balances, (and in particular in Argentina, in which we have €686 million cash and securities at December 31, 2023), we do not believe such transfer restrictions had an adverse impact on the Company's ability to meet its liquidity requirements at the dates presented above. Cash and cash equivalents also include €210 million at December 31, 2023 held in bank deposits which are restricted to the operations related to securitization programs and warehouses credit facilities of Stellantis Financial Services U.S.*

Available liquidity of the Industrial Activities at December 31, 2023 decreased by €0.3 billion from December 31, 2022 primarily due to the €12.9 billion Industrial free cash flow, offset by (1) repayments of bonds net of new issuances for €0.8 billion, (2) dividends distributed of €4.2 billion, (3) share buybacks of €2.4 billion, (4) reduction in debt and other financing activities of €1.7 billion, (5) €0.8 billion pension contribution net of tax, (6) €2.2 billion net funding provided to financial services and (7) foreign exchange translation effects of €0.8 billion.

Our Available liquidity is subject to intra-month and seasonal fluctuations resulting from business and collection payment cycles as well as to changes in foreign exchange conversion rates. Refer to the section — *Cash Flows* below for additional information regarding the change in cash and cash equivalents and refer to Note 30, *Explanatory notes to the Consolidated Statement of Cash Flows*, within the Consolidated Financial Statements included elsewhere in this report for additional information.

Our liquidity is principally denominated in Euro and U.S. Dollar, with the remainder being distributed in various countries and denominated in the relevant local currencies. Out of the total €50.0 billion of cash, cash equivalents and current securities available at December 31, 2023, €20.4 billion, or 41 percent (€22.1 billion, or 44 percent, at December 31, 2022), were denominated in Euro and €23.4 billion, or 47 percent (€21.6 billion or 43 percent at December 31, 2022), were denominated in U.S. Dollar.

At December 31, 2023, undrawn committed credit lines of €12.6 billion include the syndicated revolving credit facility ("RCF") of €12.0 billion, signed in 2021 with a group of relationship banks. The RCF is available for use in general corporate purposes and is structured in two tranches: €6.0 billion, with a 3-year tenor, and €6.0 billion, with a 5-year tenor, with each tranche benefiting from two further extension options, each of 1-year. In June 2023, the second-year extension option has been exercised. Current maturities are July 2026 and July 2028, respectively, for the two tranches.

Refer to Note 22, *Debt* within the Consolidated Financial Statements included elsewhere in this report for additional information.

*Euro Medium Term Note Programme Notes*

The Company issued two notes and repaid one note at maturity during the year ending December 31, 2023:

- In March 2023, a Green Bond was issued with a principal amount of €1.25 billion with an interest rate of 4.375 percent and matures in March 2030. Stellantis will allocate an amount equal to the net proceeds of any Green Bond issued to investments and expenditures meeting the eligibility criteria (the "Eligible Green Projects"). The Eligible Green Projects include design, development and manufacturing of zero emissions vehicles, that are battery electric vehicles and hydrogen fuel cell vehicles;

- In June 2023, the Company issued notes with principal amount of €1.25 billion with an interest rate of 4.25 percent and matures in June 2031;

- In July 2023, the Company repaid one note at maturity with principal amount of €1.250 billion with an interest rate of 3.375 percent.

As at December 31, 2023, the outstanding principal amount of the notes issued under the successive versions of the programme, after the merger, was €7.25 billion.

*Other Notes*

In April 2023, Stellantis repaid, at maturity, a €500 million note formerly issued by PSA in 2016, and a $1.5 billion (€1.4 billion) note formerly issued by FCA in 2015.

In October 2023 Stellantis repaid, at maturity, €170 million related to Schuldschein issued by PSA in 2019.

At December 31, 2023, all of the notes were rated "Baa2" by Moody's Investors Service and "BBB+" by S&P Global Ratings.

Refer to Note 22, *Debt* within the Consolidated Financial Statements included elsewhere in this report for additional information.

*Financial Services Facilities*

Stellantis Financial Services U.S. activities are primarily funded through securitization programs which are settled through the collection of the portfolio of financing receivables originating from dealers or consumers. The amount outstanding under the securitization programs was €4.7 billion as of December 31, 2023.

*Warehouse Credit Facilities*

In 2022, Stellantis Financial Services U.S. implemented two additional separate warehouse credit facilities. The first Stellantis Financial Services U.S. facility, SFS Funding, LLC was implemented in August 2022 and matures in August 2024. The €2.3 billion ($2.5 billion) commitment bears interest based on variable commercial paper rates plus a spread or one month term Secured Overnight Funding Rate ("SOFR") plus a spread. The second Stellantis Financial Services U.S. facility, SFS Funding II, LLC was implemented in August 2022 and matures in August 2024. The €452 million ($500 million) commitment bears interest based on variable commercial paper rates plus a spread or one month term SOFR plus a spread. Stellantis Financial Services U.S. uses interest rate derivatives in order to reduce the interest risks of certain warehouse credit facilities.

In November 2023, Stellantis Financial Services U.S. entered into an amendment for the SFS Funding, LLC warehouse credit facility that increased the size of the commitment from €2.3 billion ($2.5 billion) to €3.6 billion ($4 billion). The amendment expires in February 2024 whereby the commitment reduces back to €2.3 billion ($2.5 billion). All other relevant terms of the transaction documents remain the same.

In June 2023, the First Investors Auto Receivables Corporation ("FIARC") warehouse, with a capacity of €271 million ($300 million), was extended to mature in June 2025. In conjunction with the renewal, the benchmark rate was transitioned from London Interbank Offered Rate ("LIBOR") to daily compound SOFR plus a spread.

*Asset-backed Securities (“ABS”) Term Notes*

In April 2023, the Company elected to exercise its clean-up call on €15 million ($17 million) in ABS Term Notes issued by First Investors Auto Owner Trust 2018-2.

In June 2023, Stellantis Financial Services U.S., through SFS Auto Receivables Securitization Trust 2023-1, issued seven classes of ABS Term Notes totaling €0.9 billion ($1 billion) in aggregate. The notes issued in each class bear a fixed interest rate except for the €54 million ($60 million) Class A-2-B note which bears interest daily compound SOFR plus a spread. The ABS Term Notes are secured by a pool of prime retail loans.

In September 2023, the Company elected to exercise its clean-up call on €13.0 million ($14.4 million) in ABS Term Notes issued by First Investors Auto Owner Trust 2019-1.

In October 2023, First Investors Auto Owner Trust 2023-1, issued four classes of ABS Term Notes totaling €198.8 million ($219.7 million) in aggregate. The notes in each class bear a fixed rate of interest and mature between October 2028 to January 2031. The ABS Term Notes are secured by a pool of subprime retail assets.

Refer to Note 22, *Debt* within the Consolidated Financial Statements included elsewhere in this report for additional information.

***Cash Flows***

The following table summarizes cash flows from operating, investing and financing activities for each of the years ended December 31, 2023, 2022 and 2021 and does not include the impact of any Pro Forma adjustments or results of former FCA prior to the merger. Refer to the Consolidated Statement of Cash Flows for the years ended December 31, 2023, 2022 and 2021 and to Note 30, *Explanatory notes to the Consolidated Statement of Cash Flows* included elsewhere in this report for additional information.

| | **Years ended December 31,** | | |
|---|---|---|---|
| (€ million) | **2023** | **2022** | **2021** |
| Cash flows from operating activities - continuing operations | € 22,485 | € 19,959 | € 18,646 |
| Cash flows from (used in) investing activities - continuing operations[2] | (15,047) | (10,531) | 11,789 |
| Cash flows (used in) investing activities - discontinued operations[1] | — | — | (3,115) |
| Cash flows from (used in) financing activities - continuing operations | (9,200) | (13,167) | (1,366) |
| Effect of changes in exchange rates | (836) | 608 | 764 |
| (Increase)/decrease in cash and cash equivalents included in asset held for sale | (166) | (65) | 18 |
| Increase/(decrease) in cash and cash equivalents | (2,764) | (3,196) | 26,736 |
| Net cash and cash equivalents at beginning of the period | 46,433 | 49,629 | 22,893 |
| **NET CASH AND CASH EQUIVALENTS AT END OF PERIOD** | **€ 43,669** | **€ 46,433** | **€ 49,629** |

*(1) Refer to Note 3, Scope of consolidation within the Consolidated Financial Statements included elsewhere in this report*
*(2) For the year ended December 31, 2021, Cash flow from (used in) investing activities includes the positive contribution of Cash and cash equivalents of FCA at the merger for €22,514 million*

### Industrial free cash flows

The following table provides a reconciliation of Cash flows from operating activities, the most directly comparable measure included in the Consolidated Statement of Cash Flows, to Industrial free cash flows for the years ended December 31, 2023 and 2022.

| | Years ended December 31, | |
|---|---|---|
| (€ million) | 2023 | 2022 |
| **Cash flows from/(used in) operating activities** | **€ 22,485** | **€ 19,959** |
| Less: Cash flows from operating activities - discontinued operations | — | — |
| **Cash flows from operating activities - continuing operations** | **22,485** | **19,959** |
| Less: Operating activities not attributable to industrial activities | (753) | 211 |
| Less: Capital expenditures and capitalized research and development expenditures and change in amounts payable on property, plant and equipment and intangible assets for industrial activities | 9,031 | 8,938 |
| Add: Proceeds from disposal of assets and other changes in investing activities | 2,152 | 500 |
| Less: Net proceeds related to the reorganization of financial services in Europe[(1)] | 1,532 | — |
| Less: Contributions of equity to joint ventures and minor acquisitions of consolidated subsidiaries and equity method and other investments | 2,767 | 769 |
| Add: Defined benefit pension contribution, net of tax | 798 | 278 |
| **Industrial free cash flows** | **12,858** | **10,819** |

*(1) The net consideration of €1,634 million for the sale of 50 percent interest held in FCA Bank to Crédit Agricole Consumer Finance S.A. related to industrial activities is offset by payments of €102 million in relation to the transfer of leasing activities. Refer to Note 3, Scope of consolidation within the Consolidated Financial Statements included elsewhere in this report for additional information*

## Industrial net financial position

| (€ million) | At December 31, 2023 Company | Industrial activities | Financial services | At December 31, 2022 Company | Industrial activities | Financial services |
|---|---|---|---|---|---|---|
| Third parties debt (Principal) | (28,792) | (22,018) | (6,774) | (26,335) | (23,508) | (2,827) |
| *Capital market*[(1)] | *(18,637)* | *(17,555)* | *(1,082)* | *(19,088)* | *(18,488)* | *(600)* |
| *Bank debt* | *(2,847)* | *(1,990)* | *(857)* | *(2,937)* | *(2,264)* | *(673)* |
| *Other debt*[(2)] | *(5,150)* | *(334)* | *(4,816)* | *(2,051)* | *(517)* | *(1,534)* |
| *Lease liabilities* | *(2,158)* | *(2,139)* | *(19)* | *(2,259)* | *(2,239)* | *(20)* |
| Accrued interest and other adjustments[(3)] | (671) | (658) | (13) | (818) | (793) | (25) |
| **Debt with third parties (excluding held for sale)** | **(29,463)** | **(22,676)** | **(6,787)** | **(27,153)** | **(24,301)** | **(2,852)** |
| Debt classified as held for sale | (122) | (122) | — | (11) | (11) | — |
| **Debt with third parties including held for sale** | **(29,585)** | **(22,798)** | **(6,787)** | **(27,164)** | **(24,312)** | **(2,852)** |
| Intercompany, net[(4)] | — | 3,064 | (3,064) | — | 918 | (918) |
| Current financial receivables from jointly-controlled financial services companies[(5)] | 767 | 647 | 120 | 321 | 321 | — |
| **Debt, net of intercompany, and current financial receivables from jointly-controlled financial service companies** | **(28,818)** | **(19,087)** | **(9,731)** | **(26,843)** | **(23,073)** | **(3,770)** |
| Derivative financial assets/(liabilities), net and collateral deposits[(6)] | 20 | 49 | (29) | 52 | 52 | — |
| Financial securities[(7)] | 6,089 | 5,875 | 214 | 3,527 | 3,326 | 201 |
| Cash and cash equivalents | 43,669 | 42,419 | 1,250 | 46,433 | 45,335 | 1,098 |
| Cash and cash equivalents classified as held for sale | 231 | 231 | — | 65 | 65 | — |
| **Net financial position** | **21,191** | **29,487** | **(8,296)** | **23,234** | **25,705** | **(2,471)** |

*(1) Includes notes issued under the Medium Term Note Programme, or MTN Programme, and other notes for €17,240 million at December 31, 2023 (€18,003 million at December 31, 2022), Schuldschein for €315 million (€485 million at December 31, 2022) and other financial instruments issued in financial markets, mainly from South America financial services companies for €1,082 million (€600 million at December 31, 2022)*
*(2) Includes asset-backed financing, i.e., sales of receivables for which de-recognition is not allowed under IFRS, for €67 million at December 31, 2023 (€128 million at December 31, 2022), and debt for securitizations programs, for €4,711 million at December 31, 2023 (€1,527 million at December 31, 2022)*
*(3) Includes adjustments for purchase accounting and net (accrued)/deferred interest and other amortizing cost adjustments*
*(4) Net amount between industrial activities entities' financial receivables due from financial services entities (€3,295 million at December 31, 2023 and €1,116 million at December 31, 2022) and industrial activities entities' financial payables due to financial services entities (€231 million at December 31, 2023 and €198 million at December 31, 2022)*
*(5) Financial receivables due from Stellantis Financial Services Europe JVs (at December 31, 2023), from FCA Bank and from the JVs with Group Santander Consumer Finance and with BNP Paribas Personal Finance (at December 31, 2022)*
*(6) Fair value of derivative financial instruments (net positive €1 million at December 31, 2023 and net positive €16 million at December 31, 2022) and collateral deposits (€19 million at December 31, 2023 and €36 million at December 31, 2022)*
*(7) Excludes certain financial securities held pursuant to applicable regulations (€368 million at December 31, 2023 and €330 million at December 31, 2022) and non-liquid equity investments (€704 million at December 31, 2023 and €321 million at December 31, 2022) and other non-liquid securities (€609 million at December 31, 2023 and €143 million at December 31, 2022)*

The €3.8 billion improvement in Industrial net financial position at December 31, 2023, as compared to December 31, 2022, primarily reflects the €12.9 billion Industrial free cash flow of the period, partially offset by: (i) €4.2 billion in dividends distributions; (ii) €2.4 billion of share buybacks; (iii) €0.8 billion pension contribution, net of tax and (iv) €1.7 billion foreign exchange translation effects, lease and other variances.

## Rating Agency updates

Stellantis terminated its rating agreement with Fitch, with effect from April 1, 2023.

On May 31, 2023, Moody's Investors Service affirmed Stellantis rating at "Baa2" and changed its outlook to positive.

On December 21, 2023, S&P Global Ratings upgraded the long-term issuer rating and senior unsecured debt rating of Stellantis from "BBB" to "BBB+", with the outlook on all ratings stable.

Refer to Note 22, *Debt* within the Consolidated Financial Statements included elsewhere in this report for additional information regarding the Company's Capital Resources. Refer to Note 31, *Qualitative and quantitative information on financial risks* within the Consolidated Financial Statements included elsewhere in this report for additional information regarding the Company’s qualitative and quantitative information on financial risks. Refer to *Contractual Obligations*, included elsewhere in this report for additional information on the Company’s significant contractual commitments as at December 31, 2023.

# RISK MANAGEMENT

## Risk Management

Risk management activities are an essential business driver to ensure the achievement of Stellantis' objectives and the sustainability of the business plan in the medium to long-term. The Company has adopted an integrated approach aimed at strengthening the awareness, at every level of the organization, that adequate risk assessment and management can create and preserve value for Stellantis. A structured process has been implemented to integrate risks identification, assessment, monitoring and mitigation into business practices, and to provide management with information necessary to take the appropriate decisions for achieving the strategic objectives.

## Enterprise Risk Management Framework

The Stellantis risk management framework is based on the principles of the 2017 COSO Framework "Enterprise Risk Management ("ERM") - Integrating with Strategy and Performance" and of the Dutch Corporate Governance Code.

In alignment with the COSO principles, the Stellantis ERM framework integrates risk management processes into the management of the Company's business with the aim of implementing the strategy, improving the performance measurement and creating long-term value.

The framework is integrated within the Stellantis organization and corporate governance and supports the protection of corporate assets, the efficiency and effectiveness of business processes, the reliability of financial information and the compliance with laws and regulations.

Stellantis ERM framework consists of five key components:

### 1. ERM Governance Structure

The risk management process is implemented across the whole organization. The Company leverages a risk management governance that involves several committees, regions and business functions, risk owners and ERM to manage business risks and to define the most effective strategies for their mitigation.

A Global Risk Management Committee ("GRMC") has been established to promote a culture of proactive risk management and monitoring throughout Stellantis and it is chaired by the Head of HR & Transformation. Other members are representatives from the legal, finance, internal audit, risk management and other business functions. The GRMC provides guidance on the overall strategic risk management decisions and defines the Company's risk appetite.

ERM is responsible for designing and updating the enterprise risk framework and working with business and global functions to support the identification, assessment, monitoring and reporting of risk exposures and their associated mitigation actions at department level.

### 2. Strategy Setting and Risk Appetite

The alignment of business objectives to strategy is achieved through Stellantis governance committees which include senior management responsible for supporting risk governance. ERM is integrated into the strategic plan and business objectives through the GRMC members that are part of the governance committees. The Strategy Council, supported by governance committees, is ultimately responsible for risk management programs, providing guidance and direction, reviewing and approving the overall global enterprise risk assessment results and ensuring accountability for effectively managing and mitigating significant risks.

Risk tolerance thresholds are defined to set risk appetite and to identify needs for further remediation.

Status of risk monitoring and mitigating activities is assessed quarterly against the risk appetite and reported typically three times a year to the Strategy Council by the Head of Audit & Compliance. The Board of Directors has an oversight role over Stellantis' strategy and risk appetite.

Stellantis aligns its risk appetite to its business plan. Risk boundaries are set through Stellantis strategy, Code of Conduct, budgets and policies. Stellantis objectives are consistent with the organization's risk appetite.

Stellantis' risk appetite differs by risk category as shown below.

| Risk category | Category description | Risk appetite |
|---|---|---|
| *Strategic* | Risk that may arise from the pursuit of Stellantis' business plan, from strategic changes in the business environment, and/or from adverse strategic business decisions. | We are prepared to take risks in a responsible way that takes our stakeholders' interests into account and is consistent with our business plan. |
| *Operational* | Risk relating to internal processes, people and systems or external events (including legal and reputational risks). | We look to mitigate operational risks to the maximum extent based on cost/benefit considerations. |
| *Financial* | Risk relating to uncertainty of return and the potential for financial loss due to financial performance. | We seek capital market and other transactions to strengthen our financial position while allowing us to finance our operations on a consolidated global basis. |
| *Compliance* | Risk of non-compliance with relevant regulations and laws, internal policies and procedures. | We hold ourselves, as well as our employees, responsible for acting with honesty, integrity and respect, including complying with our Code of Conduct, applicable laws and regulations everywhere we do business. |

**3. Enterprise Risk Assessment**

The enterprise risk assessment is the assessment of the main risks that may affect the achievement of Stellantis' strategy and its sustainability despite the risk mitigations in place. It is performed annually to identify and prioritize the major risks based on their criticality, with a bottom-up approach that leverages on the departments' risk assessment results, continuous risk assessment surveys, and targeted interviews conducted with a representative range of regional and business function managers.

Risk scenarios and evaluation are carried out using likelihood, impact and control effectiveness criteria.

The results of the assessment are consolidated on a risk mapping and compared with risk thresholds to determine priority and risk treatment methods. The risk mapping is then reviewed by executive leadership before presentation for approval to the Strategy Council and final validation by the Audit Committee.

**4. Risk Mitigation and Monitoring**

Major risks assigned to Strategy Council members, are detailed in more specific sub-risks and assigned to sub-risk owners in charge of deploying adequate risk mitigation measures. Key risk indicators ("KRI"s) have been identified for implementing quantitative metrics to quarterly measure and monitor sub-risks exposure in a more predictive way and to facilitate a timely reporting of risk change.

An estimated maximum loss ("EML") is also evaluated for specific sub-risks scenarios in order to provide an estimate of the potential financial impact in the event of risk materialization and to support the setting of risk appetite.

Progress made in implementing mitigation actions, as well as KRIs trends and EMLs are monitored by the ERM team and reported to the Strategy Council.

**5. Risk Management Integration and Culture Dissemination**

Management uses relevant information from both internal and external sources to support ERM. To support the business in pursuing continuous risk management process improvement and to promote a culture that proactively identify, evaluate and monitor risks, ERM relies on the support of a compliance champions network responsible for building or updating annually the risk assessment of their departments and supervising the relative risk mitigation action plans. Compliance champions attend monthly meetings on ERM awareness programs.

**Significant Risks Identified and Control Measures**

Results of the annual risk assessment were consolidated into a Stellantis report for review with members of the GRMC before the presentation of the most significant risks to the Stellantis Strategy Council. Once validated, results were discussed with the Audit Committee, assisting the Board of Directors in their responsibility for strategic oversight of risk management activities. Control measures and mitigating actions were identified or enhanced to ensure risks were appropriately addressed.

The list of risks, control measures and mitigating actions presented below is not exhaustive. The sequence in which these risks and mitigating actions are described does not reflect any order of importance, likelihood of occurrence or control measures effectiveness.

Monitoring of risk mitigating actions and KRIs metrics are the responsibility of the ERM team and compliance champions.

| Risk Category | Risk | Risk Description | Control / Mitigating Actions |
| --- | --- | --- | --- |
| Strategic | Transition to Electrification | Main risk factors for transition to electrification include: the evolving nature of the regulatory environment, the higher production costs (and corresponding) prices of EV vehicles that could reduce our competitive advantage and result in lower customer appetite and lower profit margin or in a sharp decrease of the automotive market share in western countries, the aggressive competition of new players in the EV market that are developing with lower production cost and advanced technological solutions, and the dependence of EV (market) acceptance on government incentives. | Cost-reduction strategies to make electric vehicle's price more affordable, including taking a stake in Chinese EV maker Leapmotor that will give Stellantis further access to innovative technologies and to an extended offer.<br><br>Execution of battery/EDM roadmap to deliver performance at the right level.<br><br>Secured access to key components and raw material by entering into long-term agreements or partnerships.<br><br>Strategic partnerships to gain access to the latest innovations. |
| Operational | Supply Chain | Stellantis' ability to manage critical supplies to prevent production interruptions, and the ability to manage limited availability and increased costs of commodities, energy and transportation. | Actions to mitigate risks related to potential unavailability of raw materials and critical components in the time required by production planning include:<br>• assessment of the end-to-end value chain of supplies to identify possible critical resources;<br>• monitoring of global, political, environmental and economic events, to anticipate or identify those that could lead to supply chain disruption and implement timely mitigating actions;<br>• developing technical solutions to reduce dependence on critical raw materials;<br>• monitoring the suppliers' risk to mitigate disruption due to any kind of failure; and<br>• strategic partnerships. |

| Risk Category | Risk | Risk Description | Control / Mitigating Actions |
|---|---|---|---|
| Compliance | Compliance | The increasing complexity of compliance requirements in different fields (e.g., corporate liability, market regulations, export controls, anti-bribery, emissions and vehicle safety, data privacy, human rights, etc.) puts the organization at risk of non-compliance, that could result in potential fines, increased costs, and reputational damages. | Company governance and regular oversight by senior management to monitor compliance with laws and regulatory requirements and to promote consistency in approach and process across Stellantis operations.<br>Stellantis Code of Conduct clearly and affirmatively requires employees to report issues of non-compliance.<br>"Stellantis Integrity Helpline" program encourages employees, contractors, suppliers and dealers to report any issues that may concern vehicle safety, emissions or regulatory compliance. |
| Financial | Macro-Economic Factors | The exposure to adverse financial conditions such as persistent inflation also impacting labor cost, high interest rates, as well as repeated increases and volatility in foreign exchange, raw material and energy prices, could impact Stellantis' plans and profitability and its financial ability to offset the effects of a major crisis. This risk is increased by geopolitical instabilities, continued protectionism and unavailability of natural resources and energy. | Risk is mitigated through:<br>• natural and financial hedging strategies;<br>• material substitution and circular economy strategy;<br>• optimization in technical solutions to minimize the use of critical resources or find substitutions; and<br>• constant monitoring of raw material market dynamics and of raw materials price trend. |
| Operational | Social Uprising | The extreme polarization and fragmentation of society in countries where Stellantis operates, exacerbated by geopolitical instability, financial inequality and disparate support of social networks, makes it more likely that unrest, violence or terrorist acts will occur in these countries that could impact on continuity and performance of Stellantis' operations. | Implementation of Stellantis business continuity policy and definition of business continuity and resumption plan at plant level to strengthen resilience in the event of acts that could endanger Stellantis' employees and operations. |
| Strategic | Carbon and Resources Neutrality | Risk of not achieving carbon neutrality target due to the cost of plants, real estate and supply chain potential transformation, considering the carbon footprint reduction target of the entire value chain. | As part of the Dare Forward 2030 strategic plan, Stellantis committed to becoming the industry champion in climate change mitigation, reaching 50 percent of carbon footprint reduction by 2030 compared to 2021 levels (for real estate scope, target to be reached by 2025) and carbon net zero emissions by 2038 with single-digit percentage compensation of the remaining emissions. Appropriate governance is in place to monitor the implementation of various projects aimed at reducing our carbon footprint. |
| Operational | Natural & Industrial Hazard | Global warming increases the likelihood of major climate events impacting production or distribution such as flash floods, tornadoes, hailstorms, heat waves or even water shortages. | The analysis of specific climate risks for Stellantis and critical suppliers' sites allows an effective implementation and continuous monitoring of the prevention process and of the business continuity and resumption plan at site level to reduce impact and reinforce resilience. |

Control measures and comprehensive mitigation actions for key global risks were monitored throughout the year by Stellantis senior leaders in the regions and in the business functions to ensure that these were relevant and sufficient, under the oversight of the related global leaders. This approach allowed Stellantis to address risks on a timely basis and ensure effectiveness of the control measures taken. Refer to *Risk Factors* included elsewhere in this report for additional information.

***Improvements in the overall Stellantis risk management process***

We regularly benchmark risk management processes with peer companies and explore opportunities for improvement, in order to strengthen and improve ERM governance. We also continue engaging the business in reviewing our management and monitoring activities for top-risks throughout Stellantis.

A risk oversight module is being deployed as part of the new Stellantis Audit and GRC (Governance, Risk and Compliance) system, to continuously improve enterprise risk assessment, as well as department and fraud risk assessment processes.

## Risk Factors

*We face a variety of risks in our business. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently believe to be immaterial, may also become important factors that affect us.*

### Risks Related to Our Business, Strategy and Operations

***If our vehicle shipment volumes deteriorate, particularly shipments of pickup trucks and larger sport utility vehicles in the U.S. market, and overall shipments of vehicles in the European market, our results of operations and financial condition will suffer.***

As is typical for automotive manufacturers, we have significant fixed costs primarily due to our substantial investment in product development, property, plant and equipment and the requirements of collective bargaining agreements and other applicable labor relations regulations. As a result, changes in certain vehicle shipment volumes could have a disproportionately large effect on our profitability.

Our profitability in North America, a region which contributed a majority of our profits and approximately 46 percent of our revenues in 2023, is particularly dependent on demand for pickup trucks and larger SUVs. Pickup trucks and larger SUVs have historically been more profitable than other vehicles and accounted for approximately 71 percent of our total U.S. retail vehicle shipments in 2023. Our profitability in North America is expected to continue to depend on demand for pickup trucks and larger SUVs in North America. Accordingly, a shift in consumer demand away from these vehicles within the North America region, and towards compact and mid-size passenger cars, whether in response to higher fuel prices, lower disposable income due to recession, higher borrowing costs or other factors, could adversely affect our profitability.

We are also significantly exposed to a downturn in economic conditions in Europe, enhanced competition in the European vehicle market (particularly, from Chinese OEMs), or a deterioration of the European vehicle market (including as a result of EV regulation), each of which could trigger a decline in vehicle shipments in that market. In 2023, we generated a significant percentage of our profits and approximately 35 percent of our revenues in the Enlarged Europe region.

In addition, our larger vehicles, such as SUVs, tend to be priced higher and be more profitable on a per vehicle basis than smaller vehicles, both across and within vehicle lines. In recent years, the profitability of these models has been supported by strong consumer preference for SUVs, but there is no guarantee that this trend will continue in the future, particularly in light of macroeconomic headwinds that are dampening consumer confidence. For additional information on factors affecting our vehicle profitability, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Trends, Uncertainties and Opportunities – Vehicle Profitability*".

Moreover, we operate with negative working capital, because we generally receive payment for vehicles within a few days of shipment, while there is a time lag between when parts and materials are received from suppliers and when we pay for such parts and materials. As a result of this time lag, we may suffer a significant negative impact on cash flow and liquidity in periods in which vehicle shipments decline materially, because we will continue to pay suppliers for components purchased in a high-volume environment while we receive lower proceeds from vehicle shipments.

If vehicle shipments decline due to a downturn in economic conditions, changes in consumer confidence, geopolitical events, inability to produce sufficient quantities of certain vehicles, enhanced competition in certain markets, loss of market share, limited access to financing or other factors, such decline could have a material adverse effect on our business, financial condition and results of operations.

***Our business may be adversely affected by global financial markets, general economic conditions, enforcement of government incentive programs, and geopolitical volatility as well as other macro developments over which we have little or no control.***

With operations worldwide, our business, financial condition and results of operations may be influenced by macroeconomic factors within the various countries in which we operate, including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for, or availability of, consumer and business credit, the rate of unemployment, foreign currency controls and changes in exchange rates, as well as geopolitical risks, such as government instability, social unrest, the rise of nationalism and populism and disputes between sovereign states.

We are also subject to other risks, such as increases in energy and fuel prices and fluctuations in prices of raw materials, including as a result of tariffs or other protectionist measures, changes to vehicle purchase incentive programs, and contractions in infrastructure spending in the jurisdictions in which we operate. In addition, these factors may also have an adverse effect on our ability to fully utilize our industrial capacity in some of the jurisdictions in which we operate. Several of the markets in which we operate have experienced or are experiencing challenging macroeconomic climates, with recessions possible in the near term. Consumers are facing challenging cost inflation and higher fuel prices in particular, negative real wages and higher borrowing rates, which may translate into lower sales, particularly in the more profitable segments of our product mix. Unfavorable developments in any one or a combination of these risks (which may vary from country to country) could have a material adverse effect on our business, financial condition and results of operations and on our ability to execute planned strategies. For further discussion of risks related to the automotive industry, see "*Risk Factors—Risks Related to the Industry in which We Operate*".

We are subject to risks relating to geopolitical volatility and instability. For example, as a result of the Israel-Hamas conflict beginning in October 2023, and the subsequent Houthi attacks on shipping vessels in the Red Sea, we may be subject to supply chain disruptions, energy and logistics cost inflation or other adverse impacts from increased instability in that region.

We are also subject to import and/or export restrictions (including the imposition of tariffs on raw materials and components we procure and on the vehicles we sell), and compliance with local laws and regulations in the markets in which we operate. For example, in Brazil, we have historically received certain tax benefits and other government grants, that favorably affected our results of operations which will expire at the end of 2032. Expiration of these tax benefits and government grants or any change in the amount of such tax benefits or government grants could have a material adverse effect on our business, financial condition and results of operations.

We are also subject to other risks inherent to operating globally. For a discussion of certain tax-related risks related to our operating globally, see "*Risk Factors—Risks Related to Taxation—We and our subsidiaries are subject to tax laws and treaties of numerous jurisdictions. Future changes to such laws or treaties could adversely affect us and our subsidiaries and our shareholders and holders of special voting shares. In addition, the interpretation of these laws and treaties is subject to challenge by the relevant governmental authorities*". European developments in data and digital taxation may also negatively affect some of our autonomous driving and infotainment connected services. Unfavorable developments in any one or a combination of these risk areas (which may vary from country to country) could have a material adverse effect on our business, financial condition and results of operations and on our ability to execute planned strategies.

We are also significantly impacted by tariffs and other barriers to trade imposed between governments in various regions, in particular the U.S. and its trading partners, China and the European Union. For example, we manufacture a significant number of our vehicles outside the U.S. (particularly in Canada, Mexico and Italy) for import into the U.S. We also manufacture vehicles in the U.S. that are exported to China. Tariffs or duties that impact our products could reduce consumer demand, make our products less profitable or the cost of required raw materials more expensive or delay or limit our access to these raw materials, each of which could have a material adverse effect on our business, financial condition and results of operations. In addition, an escalation in tariff or duty activity between the U.S. and its major trading partners could negatively impact global economic activity, which could in turn reduce demand for our products.

***Our future performance depends on our ability to successfully manage the industry-wide transition from internal combustion engines to full electrification.***

Regulatory actions and developing customer preferences in several of our principal markets are accelerating the industry's transition toward BEVs and away from internal combustion engines. Our performance will depend on our ability to develop and deliver new products and technologies that are responsive to this trend, while continuing to satisfy demand for vehicles with internal combustion engines. Therefore, our business, financial condition and results of operations as we manage the transition from internal combustion engines will depend in part on our ability to successfully allocate resources between development and delivery of BEVs and production of internal combustion engines. In particular, because our profitability in North America is expected to continue to depend on demand for pickup trucks and larger SUVs, our performance will depend on our ability to continue to satisfy demand for pickup trucks and larger SUVs with internal combustion engines in North America while developing new BEVs, or BEV versions of existing nameplates, that will be responsive to anticipated changes in consumer preferences in that market. The design and development of new technology, products and services is a costly and uncertain process, requiring extensive capital investment and the ability to retain and recruit scarce talent. In addition to development costs, the production costs for BEVs are also higher than for internal combustion engine vehicles. If we are not able to reduce these costs in the short to medium term, our margins may be negatively impacted. For additional information on factors impacting our vehicle profitability, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Trends, Uncertainties and Opportunities – Vehicle Profitability".* If we are unable to achieve our electrification goals, we may be unable to earn a sufficient return on our related investments, which could have a material adverse effect on our business, financial condition and results of operations.

We face challenges in developing electrified vehicles with increased vehicle range, battery energy density and other new technologies that successfully compete with our peers. In addition, the availability of BEVs and PHEVs has fueled highly competitive pricing among automakers, which may significantly and adversely affect our profits with respect to the sale of such vehicles. Furthermore, technological capabilities acquired through costly investment may prove short-lived, for example, if technology and vehicle capability progresses more quickly than expected. In particular, our investment in Leapmotor, and our joint venture with Leapmotor to distribute their vehicles outside of China, may not significantly improve our ability to develop and sell competitive BEVs relative to our peers. Vehicle electrification may also negatively affect our after-sales revenues as BEVs are expected to require fewer repairs.

In the short to medium term, an economic slowdown and concomitant pressure on customers' spending may disproportionately impact BEVs, which are significantly more expensive than internal combustion engine vehicles. This may adversely affect our sales of those vehicles that we are striving to bring to market.

In addition, we operate in a very competitive industry with our competitors routinely introducing new and improved vehicle models and features designed to meet rapidly evolving consumer expectations. As the automotive industry transitions away from internal combustion engines and toward fully electrified vehicles, there could be increased opportunities for our competitors, including new entrants, such as non-OEM startup technology companies that may enter into alliances with our competitors, as well as startup OEMs, to obtain market share by introducing disruptive solutions that are attractive to consumers. Our competitors' integration with non-OEM startup technology companies or the emergence of new significant OEM competitors could have a material adverse effect on our business, financial condition and results of operations. See "*The automotive industry is highly competitive and cyclical, and we may suffer from those factors more than some of our competitors.*"

Our ability to transition successfully and profitably toward BEVs is also dependent on the development and implementation of government policies that support electrification in the markets in which we operate. If governments in the markets in which we operate do not establish policies that support electrification, including incentives that support consumer affordability and awareness, development of charging infrastructure and strengthening of the battery supply chain, this could have a material adverse effect on our business, financial condition and results of operations. Governments may also choose, in the future, to dilute or eliminate supportive policies or delay electrification targets. For example, in September 2023 the UK government announced a significant delay in that market's electrification targets. In December 2023, the German government also announced the end of its electric vehicle subsidy program, which had been scheduled to run through 2024. Major elections in the United States and Europe in 2024 also have the potential to significantly impact government policy in those markets. Changing government policies may negatively impact the return on investments we have made and may make it more difficult to plan future investments.

***Our future performance depends on our ability to offer innovative, attractive and relevant products.***

Our success depends on, among other things, our ability to develop innovative, high-quality products that are attractive to consumers and provide adequate profitability. We may not be able to effectively compete with other automakers with regard to electrification, autonomous driving, mobility, artificial intelligence and other emerging trends in the industry.

In particular, if we are unable to deliver a broad portfolio of electrified vehicles that are competitively priced and meet consumer demands, if consumers prefer our competitors' electrified vehicles or if the adoption of electrified vehicles develops slower than we expect, we may experience a material adverse effect on our business, financial condition and results of operations. See " — *Our future performance depends on our ability to successfully manage the industry-wide transition from internal combustion engines to full electrification."* above.

In certain cases, the technologies that we plan to employ are not yet commercially practical and depend on significant future technological advances by us, our partners and suppliers. These advances may not occur in a timely or feasible manner, we may not obtain rights to use these technologies and the funds that we have budgeted or expended for these purposes may not be adequate. Further, our competitors and others are pursuing similar and other competing technologies, and they may acquire and implement similar or superior technologies sooner than we will or on an exclusive basis or at a significant cost advantage. Even where we are able to develop competitive technologies, we may not be able to profit from such developments as anticipated.

Further, as a result of the extended product development cycle and inherent difficulty in predicting consumer acceptance, a vehicle that is expected to be attractive may not generate sales in sufficient quantities and at high enough prices to be profitable. It can take several years to design and develop a new vehicle, and a number of factors may lengthen that schedule. For example, if we determine that a safety or emissions defect, mechanical defect or non-compliance with regulation exists with respect to a vehicle model prior to retail launch, the launch of such vehicle could be delayed until we remedy the defect or non-compliance. Various elements may also contribute to consumers' acceptance of new vehicle designs, including competitors' product introductions, fuel prices, general economic conditions and changes in consumer preferences. In addition, vehicles we develop in order to comply with government regulations, particularly those related to fuel efficiency, greenhouse gas and tailpipe emissions standards, may not be attractive to consumers or may not generate sales in sufficient quantities and at high enough prices to be profitable.

If we fail to develop products that contain desirable technologies and are attractive to and accepted by consumers, the residual value of our vehicles could be negatively impacted. In addition, the increasing pace of inclusion of new innovations and technologies in our and our competitors' vehicles could also negatively impact the residual value of our vehicles. A deterioration in residual value could increase the cost that consumers pay to lease our vehicles or increase the amount of subvention payments that we make to support our leasing programs.

The failure to develop and offer innovative, attractive and relevant products on a timely basis could have a material adverse effect on our business, financial condition and results of operations.

***Our success largely depends on the ability of our management team to operate and manage effectively and our ability to attract and retain experienced management and employees.***

Our success largely depends on the ability of our senior executives and other members of management to effectively manage the company and individual areas of the business. Our management team is critical to the execution of our direction and the implementation of our strategies. If members of our management team choose to leave Stellantis, we may not be able to replace these individuals with persons of equivalent experience and capabilities.

The ability to attract and retain qualified and experienced personnel, including in critical areas such as design and software, is also critical to our competitive position in the automotive industry. If we are unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel, such inability could have a material adverse effect on our business, financial condition and results of operations.

***Labor laws and collective bargaining agreements with our labor unions could impact our ability to increase the efficiency of our operations, and we may be subject to work stoppages in the event we are unable to agree on collective bargaining agreement terms or have other disagreements.***

Substantially all of our production employees are represented by trade unions, covered by collective bargaining agreements or protected by applicable labor relations regulations that may restrict our ability to modify operations and reduce personnel costs quickly in response to changes in market conditions and demand for our products. These and other provisions in our collective bargaining agreements may impede our ability to restructure our business successfully in order to compete more effectively, especially with automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to work stoppages in the event that we and our labor unions are unable to agree on collective bargaining agreement terms or have other disagreements. For example, in 2023, we were subject to targeted work stoppages in connection with the negotiation of our collective bargaining agreements with the UAW in the U.S. which resulted in a negative impact of approximately €3 billion to planned production, which would have impacted Net revenues. Any such future work stoppages could have a material adverse effect on our business, financial condition and results of operations.

***Our reliance on partnerships in order to offer consumers and dealers financing and leasing services exposes us to risks.***

Unlike many of our competitors, we do not own and operate a wholly-owned finance company dedicated solely to our vehicle operations in the majority of key markets in Europe and Asia (excluding China). We have instead partnered with large international banks through joint ventures or commercial agreements, in order to provide financing to our dealers and retail consumers. Our lack of a fully operational wholly-owned finance company in key markets may increase the risk that our dealers and retail customers will not have access to sufficient financing on acceptable terms, which may adversely affect our vehicle sales in the future.

Furthermore, many of our competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their finance companies on an aggregate basis. Since our ability to compete depends on access to appropriate sources of financing for dealers and retail consumers, our reliance on partnerships in those markets could have a material adverse effect on our business, financial condition and results of operations.

Potential capital constraints may impair the financial services providers' ability to provide competitive financing products to our dealers and retail consumers. For example, any financial services provider, including our joint ventures and controlled finance companies, will also face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or consumers of our competitors as well as liquidity issues relating to other investments. Furthermore, they may be subject to regulatory changes that may increase their cost of capital or capital requirements.

To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to our dealers and retail consumers, such dealers and retail consumers may not have sufficient access to financing to purchase or lease vehicles. As a result, our vehicle sales and market share may suffer, which could have a material adverse effect on our business, financial condition and results of operations.

***Our establishment of a captive financial services company in the U.S. subjects us to the risks inherent in that business.***

Since completing the 2021 acquisition of a U.S. financial services company, renamed Stellantis Financial Services US Corp. ("SFSUS"), we have grown SFSUS into a full-service captive finance arm that provides U.S. customers, dealers and partners with a range of financing options, including retail loans, leases and commercial loan products. In the coming years, we expect SFSUS's asset base and market share will continue to grow.

The growth and maintenance of SFSUS subjects us to the risks inherent in such business, including reliance on public debt markets to provide the capital necessary to support our financing programs, underwriting risk, default risk, compliance with laws and regulations related to consumer lending and competition with other consumer finance companies and third-party financial institutions. If we are unable to manage these risks effectively, it could have a material adverse effect on our business, financial condition and results of operations.

***We face risks related to changes in product distribution methods.***

We are exposed to risks inherent in certain new methods of distribution, including the digitalization of points of sale and, more broadly, the transformation of our sales network in order to respond to developing trends in the automotive industry such as consumers' shift towards online sales, and the use of digital tools that are altering the relationship between brands and customers.

Stellantis is working on the development of online sales, now offered in most European countries as well as North America. Delays in the digital transformation of distribution methods, both at points of sale and in sales networks, as well as increased costs, whether as a result of the transformation of our sales network or new distribution methods, could impact our ability to effectively compete with other automakers. In addition, our employees may lack the necessary skills or training to implement or utilize such new distribution methods.

In 2023, Stellantis also began progressively implementing a retailer distribution model in Europe that is intended to enable lower distribution costs, provide price transparency and introduce a more seamless customer experience. These and other changes in our product distribution methods may result in litigation with our dealer network, lengthen the timing or pattern of when we recognize revenue and increase our working capital requirements.

If there is a delay or failure to implement new distribution methods or such transitions are not successful or fail to lower our distribution costs, there may be a material adverse effect on our business, financial condition and results of operations.

***A significant security breach compromising the electronic control systems contained in our vehicles could damage our reputation, disrupt our business and adversely impact our ability to compete***.

Our vehicles, as well as vehicles manufactured by other OEMs, contain complex systems that control various vehicle processes including engine, transmission, safety, steering, brakes, window and door lock functions. These electronic control systems, which are increasingly connected to external cloud-based systems, are susceptible to cybercrime, including threats of intentional disruptions, loss of control over the vehicle, loss of functionality or services and theft of personal information. These disruptions are likely to increase in terms of sophistication and frequency as the level of connectivity and autonomy in our vehicles increases. In addition, we may rely on third parties for connectivity and automation technology and services, including for the collection of our customers' data. These third parties could unlawfully resell or otherwise misuse such information, or suffer data breaches. A significant malfunction, disruption or security breach compromising the electronic control systems contained in our vehicles could damage our reputation, expose us to significant liability and could have a material adverse effect on our business, financial condition and results of operations.

***A significant malfunction, disruption or security breach compromising the operation of our information technology systems could damage our reputation, disrupt our business and adversely impact our ability to compete.***

Our ability to keep our business operating effectively depends on the functional and efficient operation of our information, data processing and telecommunications systems, including our vehicle design, manufacturing, inventory tracking and billing and payment systems, as well as other central information systems and applications, employee workstations and other IT equipment. Our vehicles are also increasingly connected to external cloud-based systems while our industrial facilities have become more computerized. Our systems are susceptible to cybercrime and are regularly the target of threats from third parties, which could result in data theft, loss of control of data processed in an external cloud, compromised IT networks and stoppages in operations. In addition, the majority of our office personnel have moved to a "remote work" model and full- or part-time remote work is now expected to be a permanent option for this personnel. Remote work relies heavily on the use of remote networking and online conferencing services, which exposes us to additional cybersecurity risks.

A significant or large-scale malfunction or interruption of any one of our computer or data processing systems, including through the exploitation of a weakness in our systems or the systems of our suppliers or service providers, could have a material adverse effect on our ability to manage and keep our manufacturing and other operations running effectively, and may damage our reputation. The computer systems of several of our suppliers and service providers have been the subject of unauthorized access but, to-date we have not been materially impacted by these events. A malfunction or security breach that results in a wide or sustained disruption to our business could have a material adverse effect on our business, financial condition and results of operations.

In addition to supporting our operations, our systems collect and store confidential and sensitive data, including information about our business, consumers and employees. As technology continues to evolve, and as we execute our global data-as-a-service strategy, it is expected that we will collect and store even more data in the future and that our systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of our value is derived from our confidential business information, including vehicle design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, we may lose our competitive advantage and our vehicle shipments may suffer. We also collect, retain and use personal information, including data gathered from consumers for product development and marketing purposes, and data obtained from employees. In the event of a breach in security that allows third parties access to this personal information, we will be subject to a variety of laws on a global basis that could require us to provide notification to the data owners and subject us to lawsuits, fines and other means of regulatory enforcement.

For example, the General Data Protection Regulation (Regulation (EU) 2016/679) (the “GDPR”) has increased the stringency of European Union data protection requirements and related penalties. Non-compliance with the GDPR can result in fines of the higher of €20 million or four percent of annual worldwide revenue. In addition, the California Consumer Privacy Act of 2018 provides California residents with new data privacy rights. Several other states and countries where we do business have adopted laws and regulations imposing obligations regarding the handling of personal data. Complying with any new data protection-related regulatory requirements could force us to incur substantial expenses or require us to change our business practices in a manner that has a material adverse effect on our business, financial condition and results of operations.

Our reputation could also suffer in the event of a data breach, which could cause consumers to purchase their vehicles from our competitors. Ultimately, any significant compromise in the integrity of our data security could have a material adverse effect on our business, financial condition and results of operations.

***Our reliance on joint arrangements in certain markets may adversely affect the development of our business in those regions.***

We operate, or expect to expand our presence, in markets, such as China and India, through partnerships and joint ventures. For instance, in India, we have a joint operation with TATA Motors Limited for the production of certain of our vehicles, engines and transmissions and joint ventures with CK Birla Group for the manufacture of vehicles and propulsion systems.

Although our sales in the markets where our joint arrangements exist are currently limited, our ability to grow in these markets is important to our strategy and any issues with these arrangements may adversely affect those growth prospects. Our reliance on joint arrangements to enter or expand our presence in some markets may expose us to the risk of disagreement with our joint arrangement partners and the need to divert management resources to oversee these arrangements. Further, as these arrangements require cooperation with third party partners, these joint arrangements may not be able to make decisions as quickly as we would if we were operating on our own or may take actions that are different from what we would do on a standalone basis in light of the need to consider our partners’ interests. As a result, we may be less able to respond timely to changes in market dynamics, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, in July 2022, we announced the termination of the GAC-Stellantis joint venture with Guangzhou Automobiles Group Co., Ltd., which locally produced the Jeep Cherokee, Jeep Renegade, Jeep Compass, Jeep Grand Commander and Jeep Commander PHEV primarily for the Chinese market. We expect to continue to market the Jeep brand in China, but the termination of GAC-Stellantis joint venture may adversely affect the development of the Jeep brand in China in the short-term and could adversely affect consumer perceptions about the Jeep brand in the medium-term.

## Risks Related to the Industry in which We Operate

***We face risks associated with increases in costs, disruptions of supply or shortages of raw materials, parts, components and systems used in our vehicles.***

We use a variety of raw materials in our business, including steel, aluminum, lead, polymers, elastomers, resin and copper, and precious metals such as platinum, palladium and rhodium, as well as electricity and natural gas. Also, as we implement various electrified propulsion system applications throughout our portfolio, we will also depend on a significant supply of lithium, nickel and cobalt, which are used in lithium-ion batteries.

The prices for these raw materials fluctuate, and market conditions can affect our ability to manage our costs. Increased market power of raw material suppliers may contribute to such prices increasing. Additionally, as our production of electric vehicles increases, we will require substantially greater access to lithium cells and related raw materials. Accordingly, we may face shortages of these components and related raw materials and be forced to pay higher prices or, if we are unable to obtain them, reduce or suspend production of the impacted vehicles.

Substantial increases in the prices for the raw materials and components used in our vehicles will increase our operating costs and could reduce profitability if the increased costs cannot be offset by higher vehicle prices or productivity gains. In particular, certain raw materials, such as those needed in catalytic converters and lithium-ion batteries, and components, such as semiconductors, are sourced from a limited number of suppliers and from a limited number of countries. From time to time these may be susceptible to supply shortages or disruptions. For example, between 2020 and 2022, unfilled semiconductor orders had a significant adverse impact on our shipment volumes and operating results. In addition, our industrial efficiency will depend in part on the optimization of the raw materials and components used in the manufacturing processes. If we fail to optimize these processes, we may face increased production costs.

We are also exposed to the risk of price fluctuations and supply disruptions and shortages, including due to supplier disputes, particularly with regard to warranty recovery claims, supplier financial distress, tight credit markets, trade restrictions, tariffs, natural or man-made disasters, epidemics or pandemics of diseases, or production difficulties. Inflation has resulted in increased wages, fuel, freight and other costs and this trend may continue. To the extent we are unable to recoup related cost increases through pricing actions, our profits will decrease. In addition, even if we are able to increase prices, there may be a time lag between our cost increases and price adjustments, which may cause volatility in our earnings and cash flows. To the extent such inflation continues, increases, or both, it may reduce our margins and have a material adverse effect on our financial performance.

It is not possible to guarantee that we will be able to maintain arrangements with suppliers that assure access to these raw materials and components at reasonable prices in the future. Further, trade restrictions and tariffs may be imposed, leading to increases in the cost of raw materials, parts, components and systems and delayed or limited access to purchases of raw materials and components, each of which could have a material adverse effect on our business, financial condition and results of operations.

Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could negatively impact our ability to achieve our vehicle shipment objectives and profitability and delay commercial launches. The potential impact of an interruption is particularly high in instances where a part or component is sourced exclusively from a single supplier. Long-term interruptions in the supply of raw materials, parts, components and systems may result in a material impact on vehicle production, vehicle shipment objectives, and profitability. Cost increases which cannot be recouped through increases in vehicle prices, or countered by productivity gains, could have a material adverse effect on our business, financial condition and results of operations. This risk can increase during periods of economic uncertainty such as the crisis that resulted from the outbreak of COVID-19, as a result of regional economic disruptions such as that experienced in South America due to the deterioration in Argentina's economic condition in recent years or, beginning in early 2022, the Russia-Ukraine conflict.

***The automotive industry is highly competitive and cyclical, and we may suffer from those factors more than some of our competitors.***

Substantially all of our revenues are generated in the automotive industry, which is highly competitive and cyclical, encompassing the production and distribution of passenger cars, light commercial vehicles and components and systems. We face competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North America, Latin America, the Middle East, Africa and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, the introduction of new technologies, response to new regulatory requirements, pricing, fuel economy, reliability, safety, consumer service and financial or software services offered. Some of our competitors are also better capitalized than we are and command larger market shares, which may enable them to compete more effectively in these markets. In addition, we are exposed to the risk of new entrants in the automotive market, which may have technological, marketing and other capabilities, or financial resources, that are superior to ours and of other traditional automobile manufacturers and may disrupt the industry in a way that is detrimental to us. In particular, we are exposed to risks from non-OEM startup technology companies that may enter into alliances with our competitors and enable them to introduce disruptive solutions, as well as risks from startup OEMs that have emerged in recent years as a result of the increased flow of capital toward potentially disruptive OEMs. Increased competition in our key U.S. pickup truck market may be particularly harmful to us.

If our competitors are able to successfully integrate with one another or enter into significant partnerships with non-OEM technology companies, or if new competitors emerge as a result of the increased flow of capital toward potentially disruptive OEMs, and we are not able to adapt effectively to increased competition, our competitors' integration or the emergence of new significant competitors could have a material adverse effect on our business, financial condition and results of operations.

Our business, financial condition and results of operations may also experience a material adverse impact from the further expansion of the Chinese automotive industry into non-Chinese markets and the increased competition derived from this expansion, given the lower costs of production for Chinese vehicle manufacturers. Our business, financial condition and results of operations could experience a material adverse impact from the continued import of lower-cost EVs from China and we may be unable to effectively compete on price with such vehicles.

In the automotive business, sales to consumers and fleet customers are cyclical and subject to changes in the general condition of the economy, the readiness of consumers and fleet customers to buy and their ability to obtain financing, as well as the possible introduction of measures by governments to stimulate demand, particularly related to new technologies (for example, technologies related to compliance with evolving emissions regulations). See "— *Our business may be adversely affected by global financial markets, general economic conditions, enforcement of government incentive programs, and geopolitical volatility as well as other macro developments over which we have little or no control.*"

The automotive industry is characterized by the constant renewal of product offerings through frequent launches of new models and the incorporation of new technologies in those models. As a result, a failure to consistently develop and incorporate new technological features or software functionality in our vehicles could have a material adverse effect on our business, financial condition and results of operations.

Intense competition, excess global manufacturing capacity and the proliferation of new products being introduced in key segments is expected to continue to put downward pressure on inflation-adjusted vehicle prices and contribute to a challenging pricing environment in the automotive industry for the foreseeable future. In the event that industry shipments decrease and overcapacity intensifies, our competitors may attempt to make their vehicles more attractive or less expensive to consumers by adding vehicle enhancements, providing subsidized financing or leasing programs, or by reducing vehicle prices whether directly or by offering option package discounts, price rebates or other sales incentives in certain markets. Manufacturers in countries that have lower production costs may also choose to export lower-cost automobiles to more established markets. In addition, our profitability depends in part on our ability to adjust pricing to reflect increasing technological costs (see "—*Our future performance depends on our ability to offer innovative, attractive and fuel efficient products*"). An increase in any of these risks could have a material adverse effect on our business, financial condition and results of operations.

***Vehicle retail sales depend heavily on affordable interest rates and availability of credit for vehicle financing and a substantial increase in interest rates could adversely affect our business.***

In certain regions, including Europe and North America, financing for new vehicle sales had been available at relatively low interest rates for several years through the beginning of 2022 due to, among other things, expansive government monetary policies. In response to the global inflationary surge that began in the first half of 2022, central banks have aggressively increased interest rates. In 2023, those higher central banks rates were reflected in interest rates across credit markets, including consumer credit. More expensive vehicle financing may make our vehicles less affordable to retail consumers or steer consumers to less expensive vehicles that would be less profitable for us, adversely affecting our financial condition and results of operations. Additionally, if consumer interest rates continue to increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, consumers may not desire or be able to obtain financing to purchase or lease our vehicles. Although inflation may be abating and certain central banks appear to have adopted a softer monetary stance, elevated consumer credit rates may remain in place in the medium-term. As a result, a continued substantial increase in consumer interest rates or tightening of lending standards could have a material adverse effect on our business, financial condition and results of operations.

***We are subject to risks related to natural and industrial disasters, terrorist attacks, pandemics, including COVID-19, and climatic or other catastrophic events.***

Our production facilities and storage facilities for finished vehicles, as well as the production and storage facilities of our key suppliers, are subject to risks related to natural disasters, climatic events, which have become increasingly severe and frequent due to climate change, and environmental disasters and other events beyond our control, such as power loss and uncertainties arising out of armed conflicts or terrorist attacks. We are also subject to risks related to the impact of pandemics, including COVID-19, such as government-imposed quarantines, travel restrictions, "stay-at-home" orders and similar mandates for many individuals to substantially restrict daily activities and for businesses to curtail or cease normal operations. Any catastrophic loss, significant damage or significant government restriction applicable to any of our facilities would likely disrupt our operations, delay production, and adversely affect our product development schedules, shipments and revenue.

In the last decade, seismic events affecting industrialized countries have demonstrated the risk of potential property damage and business interruption that we are exposed to as a result of our global manufacturing footprint. We are also exposed to industrial flood risk, with a number of our production sites identified by our industrial flood risk assessment as potentially exposed to flood risk. Conversely, our production may be negatively impacted by a lack of water supply in water-stressed areas. The occurrence of a major incident at a single manufacturing site could compromise the production and sale of several hundred thousand vehicles. In addition, any such catastrophic loss or significant damage could result in significant expense to repair or replace the facility and could significantly curtail our research and development efforts in the affected area, which could have a material adverse consequence on our business, financial condition and results of operations. Our key suppliers are similarly exposed to a potential catastrophic loss or significant damage to their facilities, and any such loss or significant damage to a key supplier's manufacturing facilities could disrupt our operations, delay production, and adversely affect our product development schedules, shipments and revenue.

Measures taken to protect against climate change, and limit the impact of catastrophic climate events, such as implementing an energy management plan, which sets out steps to reuse lost heat from industrial processes, making plants more compact and reducing logistics-related $CO_2$ emissions, as well as using renewable energy, may also lead to increased capital expenditures.

The extent to which any future pandemic may impact our results is inherently uncertain and unpredictable, but will be significantly influenced by the scale, duration, severity and geographic reach of the pandemic, the length and severity of any restrictions on business and individuals, the impact of any related temporary or permanent behavioral change, including with respect to remote work, and the impact of any governmental actions taken to mitigate the pandemic's impact.

***We are subject to risks associated with exchange rate fluctuations, interest rate changes and credit risk.***

We operate in numerous markets worldwide and are exposed to risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to differences in the geographic distribution of our manufacturing and commercial activities, resulting in cash flows from sales being denominated in currencies different from those of purchases or production activities.

Additionally, a significant portion of our operating cash flow is generated in U.S. Dollars and, although a portion of our debt is denominated in U.S. Dollars, the majority of our indebtedness is denominated in Euro.

We use various forms of financing to cover funding requirements for our activities. Moreover, liquidity for industrial activities is principally invested in variable and fixed rate or short-term financial instruments. Our financial services businesses normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can affect our net revenues, finance costs and margins.

In addition, although we manage risks associated with fluctuations in currency and interest rates through financial hedging instruments, fluctuations in currency or interest rates could have a material adverse effect on our business, financial condition and results of operations.

Our financial services activities are also subject to the risk of insolvency of dealers and retail consumers and this risk is expected to increase with the establishment of our U.S. captive financial service company. Despite our efforts to mitigate such risks through the credit approval policies applied to dealers and retail consumers, we may not be able to successfully mitigate such risks.

**Risks Related to the Legal and Regulatory Environment in which We Operate**

***Current and more stringent future or incremental laws, regulations and governmental policies, including those regarding increased fuel efficiency requirements and reduced greenhouse gas and tailpipe emissions, have a significant effect on how we do business and may increase our cost of compliance, result in additional liabilities and negatively affect our operations and results.***

As we seek to comply with government regulations, particularly those related to vehicle safety, fuel efficiency, and greenhouse gas and tailpipe emissions standards, we must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. For example, we intend to make significant investments, including through joint ventures, to secure the supply of batteries that are a critical requirement to support our electrification strategy and fuel efficiency and greenhouse gas compliance plans. In addition, government regulations are not harmonized across jurisdictions and the regulations and their interpretations are subject to change on short notice.

Regulatory requirements in relation to greenhouse gas emissions from vehicles, such as by the CARB in the U.S., are increasingly stringent. For example, in March 2022, the EPA reinstated California's authority under the Clean Air Act to enforce its own, more stringent, GHG emission standards for passenger vehicles and light duty trucks (the "California Waiver"). California emission standards covered by the California Waiver may be adopted by other states and to date 17 other states (the "California Waiver States") have adopted California's GHG emissions standards under the California Waiver.

Prior to the EPA's withdrawal of the California Waiver, automotive OEMs were deemed to be compliant with California's GHG emissions standards if they were compliant with the EPA's GHG standards. This "deemed to comply" mechanism was removed from the California regulation prior to the reinstatement of the California Waiver. As interpreted by CARB, the EPA's reinstatement of the California Waiver together with the removal of the "deemed to comply" mechanism means that automotive OEMs are retroactively subject to the separate California GHG standards beginning with the model year 2021 fleet. OEMs may achieve compliance with the California GHG emission standards in several ways, including through the sale of emission-compliant vehicles within their fleet for a given model year, through the carryforward or carryback of excess credits generated by a compliant fleet in past or future years, by the purchase of California-specific regulatory credits from third parties or by a combination of the foregoing.

We did not meet the California GHG targets for model year 2021 or 2022, and do not expect to meet the California GHG targets for model year 2023, as in planning these model years prior to reinstatement of the California Waiver we assumed the ability to utilize existing credits based on regulations in force at the time. We intend to be compliant with the California GHG program, and for those years and any other model year with deficits, we intend to seek to cover such deficits with excess credits generated through our compliance in model years within the applicable five-year carryback period.

We are executing on several important steps to support our carryback strategy, including the allocation of significant capital to the development of electrified platforms for North American vehicles and the planned electrification of the Ram portfolio as well as agreements to secure battery production and related raw materials. Additionally, we expect to launch twelve BEVs in the U.S. by the end of 2025. For more information regarding our recent electrification activities, refer to "*STELLANTIS OVERVIEW- Overview of Our Business - Research and Development*". The success of our carryback strategy depends on future levels and mix of production and sales, as well as general market demand for BEVs, all of which are inherently speculative. Moreover, the financial impact of our efforts to change the mix of vehicles we sell in California and the California Waiver States as we seek to comply are unclear but may be significant, and may have a material adverse impact on our financial position and results of operations in future years.

We understand that certain other automobile OEMs are subject to less stringent California GHG emissions standards pursuant to settlement agreements entered into with CARB. We are currently evaluating the enforceability of the California GHG emissions standards as applied by CARB, particularly in light of their retroactive application following the EPA's reinstatement of the California Waiver, as well as the disparate treatment of other automotive OEMs which are not subject to the same standards. If we were to challenge the retroactive application of the California GHG emissions standards, the direct and indirect costs of such challenge may be significant and there can be no assurance that it would be successful.

An increasing number of cities globally have also introduced restricted traffic zones, which do not permit entry to vehicles unless they meet strict emissions standards. As a result, consumer demand may shift towards vehicles that are able to meet these standards, which in turn could lead to higher research and development costs and production costs for us. A failure to comply with applicable emissions standards may lead to significant fines, vehicle recalls, the suspension of sales and third-party claims and may adversely affect our reputation. We are particularly exposed to the risk of such penalties in markets where regulations on fuel consumption are very stringent, particularly in Europe. In addition, the harmful effects of atmospheric pollutants, including greenhouse gases, on ecosystems and human health have become an area of major public concern and media attention. As a result, we may suffer significant adverse reputational consequences, in addition to penalties, in the event of non-compliance with applicable regulations.

The number and scope of regulatory requirements, along with the costs associated with compliance, are expected to increase significantly in the future, particularly with respect to vehicle emissions. These costs could be difficult to pass through to consumers, particularly if consumers are not prepared to pay more for lower-emission vehicles. For a further discussion of the regulations applicable to us, see the section "*STELLANTIS OVERVIEW —Environmental and Other Regulatory Matters*" in this report. For example, EU regulations governing passenger car and LCV fleet average $CO_2$ emissions have recently become significantly more stringent, imposing material penalties if targets are exceeded. The increased cost of producing lower-emitting vehicles may lead to lower margins and/or lower volumes of vehicles sold. Given the significant portion of our sales in Europe, our vehicles are particularly exposed to such regulatory changes, as well as other European regulatory developments (including surcharges), which may have a serious impact on the number of cars we sell in this region and therefore on our profitability.

Greenhouse gas emissions standards also apply to our production facilities in several jurisdictions in which we operate, which may require investments to upgrade facilities and increase operating costs. In addition, a failure to decrease the energy consumption of plants may lead to penalties, each of which may adversely affect our profitability. The European Union's Green Deal could also result in changes to laws and regulations, including requiring, or incentivizing, financial institutions to reduce lending to industries responsible for significant greenhouse gas emissions, which could result in an increase in the cost of our European financings.

Our production facilities are also subject to a broad range of additional requirements governing environmental, health and safety matters, including those relating to registration, use, storage and disposal of hazardous materials and discharges to water and air (including emissions of sulfur oxide, nitrogen oxide, volatile organic compounds and other pollutants). A failure to comply with such requirements, or additional requirements imposed in the future, may result in substantial penalties, claims and liabilities which could have a material adverse effect on our business, financial condition and results of operations. We may also incur substantial cleanup costs and third-party claims as a result of environmental impacts that may be associated with our current or former properties or operations.

Furthermore, some of our competitors may be capable of responding more swiftly to increased regulatory requirements, or may bear lower compliance costs, thereby strengthening their competitive position compared to ours. See "*The automotive industry is highly competitive and cyclical, and we may suffer from those factors more than some of our competitors*".

Most of our suppliers face similar environmental requirements and constraints. A failure by our suppliers to meet applicable environmental laws or regulations may lead to a disruption of our supply chain or an increase in the cost of raw materials, parts, components and systems used in production and could have a material adverse effect on our business, financial condition and results of operations.

***We remain subject to ongoing diesel emissions investigations by several governmental agencies and to a number of related private lawsuits, which may lead to further claims, lawsuits and enforcement actions, and result in additional penalties, settlements or damage awards and may also adversely affect our reputation with consumers.***

We are subject to a number of European governmental inquiries relating to diesel emissions, as well as related private lawsuits in the U.S. and, with increasing frequency, in Europe. For more information regarding these governmental inquiries and private lawsuits, refer to "*Legal Proceedings - Emissions Matters.*" The results of these unresolved governmental inquiries and private lawsuits cannot be predicted at this time and these inquiries and litigation may lead to further enforcement actions, penalties or damage awards, any of which may have a material adverse effect on our business, financial condition and results of operations. It is also possible that these matters and their ultimate resolution may adversely affect our reputation with consumers, which may negatively impact demand for our vehicles and consequently could have a material adverse effect on our business, financial condition and results of operations.

***Our business operations and reputation may be impacted by various types of claims, lawsuits, and other contingencies***.

We are involved in various disputes, claims, lawsuits, investigations and other legal proceedings relating to several matters, including product liability, warranty, vehicle safety, emissions and fuel economy, product performance, asbestos, personal injury, dealers, suppliers and other contractual relationships, alleged violations of law, environment, securities, labor, antitrust, intellectual property, tax and other matters. We estimate such potential claims and contingent liabilities and, where appropriate, record provisions to address these contingent liabilities. The ultimate outcome of the legal proceedings pending against us is uncertain, and such proceedings could have a material adverse effect on our financial condition or results of operations. Furthermore, additional facts may come to light or 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 business, financial condition and results of operations. While we maintain insurance coverage with respect to certain claims, not all claims or potential losses can be covered by insurance, and even if claims could be covered by insurance, 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 any such claims. Further, publicity regarding such investigations and lawsuits, whether or not they have merit, may adversely affect our reputation and the perception of our vehicles with retail customers, which may adversely affect demand for our vehicles, and have a material adverse effect on our business, financial condition and results of operations.

For example, in November 2019, GM filed a lawsuit against FCA US, FCA N.V., now Stellantis N.V., and certain individuals, claiming violations of the RICO Act, unfair competition and civil conspiracy in connection with allegations that FCA US made payments to UAW officials that corrupted the bargaining process with the UAW and as a result FCA US enjoyed unfair labor costs and operational advantages that caused harm to GM. GM also claimed that FCA US had made concessions to the UAW in collective bargaining that the UAW was then able to extract from GM through pattern bargaining which increased costs to GM and that this was done by FCA US in an effort to force a merger between GM and FCA N.V. For more information regarding the GM litigation, please refer to "*Legal Proceedings*" elsewhere in this report.

In addition, we and other Brazilian taxpayers have had significant disputes with the Brazilian tax authorities regarding the application of Brazilian tax law. We believe that it is more likely than not that there will be no significant impact from these disputes. However, given the current economic conditions and uncertainty in Brazil, new tax laws or more significant changes such as tax reform may be introduced and enacted. Changes to the application of existing tax laws may also occur or the realization of accumulated tax benefits may be limited, delayed or denied. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

For additional risks regarding certain proceedings, see "*We remain subject to ongoing diesel emissions investigations by several governmental agencies and to a number of related private lawsuits, which may lead to further claims, lawsuits and enforcement actions, and result in additional penalties, settlements or damage awards and may also adversely affect our reputation with consumers*".

***We face risks related to quality and vehicle safety issues, which could lead to product recalls and warranty obligations that may result in direct costs, and any resulting loss of vehicle sales could have material adverse effects on our business.***

Our performance is, in part, dependent on complying with quality and safety standards, meeting customer expectations and maintaining our reputation for designing, building and selling safe, high-quality vehicles. Given the global nature of our business, these standards and expectations may vary according to the markets in which we operate. For example, vehicle safety standards imposed by regulations are increasingly stringent. In addition, consumers' focus on vehicle safety may increase further with the advent of autonomous and connected cars. If we fail to meet or adhere to required vehicle safety standards, we may face penalties, become subject to other claims or liabilities or be required to recall vehicles.

The automotive industry in general has experienced a sustained increase in recall activity to address performance, compliance or safety-related issues. For example, in 2023, we voluntarily recalled more than 32,000 PHEVs in the U.S. due to a potential fire risk. Our costs related to vehicle recalls could increase in the future.

Recall costs substantially depend on the nature of the remedy and the number of vehicles affected and may arise many years after a vehicle's sale. Product recalls may also harm our reputation, force us to halt the sale of certain vehicles and cause consumers to question the safety or reliability of our products. Given the intense regulatory activity across the automotive industry, ongoing compliance costs are expected to remain high. Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect our financial condition and results of operations. Moreover, if we face consumer complaints, or receive information from vehicle rating services that calls into question the safety or reliability of one of our vehicles and we do not issue a recall, or if we do not do so on a timely basis, our reputation may also be harmed and we may lose future vehicle sales. We are also obligated under the terms of our warranty agreements to make repairs or replace parts in our vehicles at our expense for a specified period of time. These factors, including any failure rate that exceeds our assumptions, could have a material adverse effect on our business, financial condition and results of operations.

***We are subject to laws and regulations relating to corruption and bribery, as well as stakeholder expectations relating to human rights in the supply chain and a failure to meet these legislative and stakeholder standards could lead to enforcement actions, penalties or damage awards and may also adversely affect our reputation with consumers.***

We are subject to laws and regulations relating to corruption and bribery, including those of the U.S., the United Kingdom and France, which have an international reach and which cover the entirety of our value chain in all countries in which we operate. We also have significant interactions with governments and governmental agencies in the areas of sales, licensing, permits, regulatory, compliance, environmental matters and fleet sales among others. A failure to comply with laws and regulations relating to corruption and bribery may lead to significant penalties and enforcement actions, adversely affect our reputation and relationships with governments and financial counterparties, and could also have a long-term impact on our presence in one, or more, of the markets in which such compliance failures have occurred.

In addition, our customers may have expectations relating to the production conditions and origin of the products they purchase. Therefore, it is important for us to seek to demonstrate transparency across the entire supply chain, which may result in additional costs being incurred. A failure by us, or any of our suppliers or subcontractors, to comply with employment or other production standards and expectations may result in adverse consequences to our reputation, disruptions to our supply chain and increased costs as a result of remedial measures needing to be undertaken to meet stakeholder expectations, which could have a material adverse effect on our business, financial condition and results of operations.

***We may not be able to adequately protect our intellectual property rights, which may harm our business.***

Our success depends, in part, on our ability to protect our intellectual property rights. If we fail to protect our intellectual property rights, others may be able to compete against us using intellectual property that is the same as or similar to our own. In addition, there can be no guarantee that our intellectual property rights will be sufficient to provide us with a competitive advantage against others who offer products similar to our products. Despite our efforts, we may be unable to prevent third parties from infringing our intellectual property and using our technology for their competitive advantage. Any such infringement could have a material adverse effect on our business, financial condition and results of operations.

The laws of some countries in which we operate do not offer the same protection of intellectual property rights as do the laws of the U.S. or Europe. In addition, effective intellectual property enforcement may be unavailable or limited in certain countries, making it difficult to protect our intellectual property from misuse or infringement there. Our inability to protect our intellectual property rights in some countries could have a material adverse effect on our business, financial condition and results of operations.

***It may be difficult to enforce U.S. judgments against our directors, senior management and independent auditors.***

Most of our directors, senior management and our independent auditors are resident outside the U.S., and all or a substantial portion of their respective assets may be located outside the U.S. As a result, it may be difficult for U.S. investors to establish jurisdiction over these persons. It may also be difficult for U.S. investors to enforce within the U.S. judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. In addition, there is uncertainty as to whether the courts outside the U.S. would recognize or enforce judgments of U.S. courts obtained against our directors and officers predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against our directors and officers and our independent auditors.

***As an employer with a large workforce, we face risks related to the health and safety of our employees, as well as reputational risk related to diversity, inclusion and equal opportunity.***

We employ a significant number of people who are exposed to health and safety risks as a result of their employment. Working conditions can cause stress or discomfort that can impact employees' health and may result in adverse consequences for our productivity. In addition, as an automotive manufacturer, a significant number of our employees are shift workers in production facilities, involving physical demands which may lead to occupational injury or illness. The use or presence of certain chemicals in production processes may adversely affect the health of our employees or create a safety risk. As a result, we could be exposed to liability from claims brought by current or former employees and our reputation, productivity, business, financial condition and results of operations may be affected.

Our stakeholders are expected to place increased emphasis on the importance of diversity, inclusion and equal opportunity in the workplace, against a backdrop of developing legal requirements in these areas. We may suffer adverse effects on our reputation if we fail to meet our stakeholders' expectations, which could result in an adverse effect on our business, financial condition and results of operations.

***Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have an adverse effect on our business and the value of our common shares.***

Effective internal controls, enable us to provide reliable and accurate financial statements and to effectively prevent fraud. While we have devoted, and will need to continue to devote, significant management attention and resources to complying with the internal control over financial reporting requirements of the Sarbanes-Oxley Act of 2002, as amended, there is no assurance that material weaknesses or significant deficiencies will not occur or that we will be successful in adequately remediating any such material weaknesses and significant deficiencies. Furthermore, as we transform our business, our internal controls may become more complex, and we may require significantly more resources to ensure internal controls remain effective.

**Risks Related to Our Liquidity and Existing Indebtedness**

***Limitations on our liquidity and access to funding, as well as our significant outstanding indebtedness, may restrict our financial and operating flexibility and our ability to execute our business strategies, obtain additional funding on competitive terms and improve our financial condition and results of operations.***

Our performance 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 possible access to capital markets or other sources of financing. Our indebtedness may 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, including product development; and

- 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 or our business.

In addition, while our credit ratings are investment grade, any deterioration of our credit ratings may significantly affect our funding and prospects.

We could, therefore, find ourselves in the position of having to seek additional financing or having to refinance existing debt, including in unfavorable market conditions, with limited availability of funding and a general increase in funding costs. In addition, the recent increase in credit market rates which has followed the central banks' actions against inflation may result in higher cost of funding when we refinance our current debt or incur additional debt. Any limitations on our liquidity, due to a decrease in vehicle shipments, the amount of, or restrictions in, our existing indebtedness, conditions in the credit markets, our perceived creditworthiness, general economic conditions or otherwise, may adversely impact our ability to execute our business strategies and impair our financial condition and results of operations. In addition, any actual or perceived limitations of our liquidity may limit the ability or willingness of counterparties, including dealers, consumers, suppliers, lenders and financial service providers, to do business with us, which could have a material adverse effect on our business, financial condition and results of operations.

***We may be exposed to shortfalls in our pension plans which may increase our pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect our financial condition and results of operations.***

Some of our defined benefit pension plans are currently underfunded. For example, as of December 31, 2023, our defined benefit pension plans were underfunded by approximately €2.0 billion and may be subject to significant minimum contributions in future years. Our pension funding obligations may increase significantly if the investment performance of plan assets does not keep pace with benefit payment obligations. Mandatory funding obligations may increase because of lower than anticipated returns on plan assets, whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, or any changes in applicable law related to funding requirements. Our defined benefit plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain hedge funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including the effects of significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly re-balance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to our defined benefit plans, as well as the investment strategy for the plans, we are required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will generally increase the value of investments in fixed income securities and the present value of the obligations. See Note *2, Basis of preparation-Significant accounting policies—Employee benefits* within the Consolidated Financial Statements included elsewhere in this report.

Any reduction in the discount rate or the value of plan assets, or any increase in the present value of obligations, may increase our pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect our financial condition and results of operations. If we fail to make required minimum funding contributions to our U.S. pension plans, it could be subject to reportable event disclosure to the U.S. Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency.

### Risks Related to the Ownership of Our Shares

***Our loyalty voting structure may concentrate voting power in a small number of our shareholders and such concentration may increase over time.***

Shareholders who hold our common shares for an uninterrupted period of at least three years may elect to receive one special voting share in addition to each common share held, provided that such shares have been registered in the Loyalty Register upon application by the relevant holder. If our shareholders holding a significant number of common shares for an uninterrupted period of at least three years elect to receive special voting shares, a relatively large proportion of voting power could be concentrated in a relatively small number of shareholders who would have significant influence over Stellantis. As a result, the ability of other shareholders to influence decisions would be reduced.

***The loyalty voting structure may affect the liquidity of our common shares and reduce our share price.***

Our loyalty voting structure could reduce the liquidity of our common shares and adversely affect the trading prices of our common shares. The loyalty voting structure is intended to reward our shareholders for maintaining long-term share ownership by granting persons holding shares continuously for at least three years the option to elect to receive special voting shares. Special voting shares cannot be traded and, immediately prior to the transfer of our common shares from the Loyalty Register, any corresponding special voting shares will be transferred to us for no consideration (*om niet*). This loyalty voting structure 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.

***The loyalty voting structure 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.***

Our loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of us, even if a change of control were considered favorably by shareholders holding a majority of our common shares. As a result of the loyalty voting structure, a relatively large proportion of voting power could be concentrated in a relatively small number of shareholders, which may make it more difficult for third parties to seek to acquire control of us by purchasing shares that do not benefit from the additional voting power of the special voting shares. The possibility or expectation of a change of control transaction typically leads to higher trading prices and conversely, if that possibility is low, trading prices may be lower. The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changing our management.

***Resales of Stellantis common shares by certain reference shareholders may cause the market value of Stellantis common shares to decline.***

Several reference shareholders of Stellantis were subject to restrictions on share sales for a three-year period following the merger. These restrictions expired in early January 2024 and are no longer applicable. The resale of such shares in the public market from time to time, or the perception that such resales may occur could have the effect of depressing the market value for Stellantis common shares.

### Risks Related to Taxation

***The French tax authorities may revoke or disregard in whole or in part the rulings confirming the neutral tax treatment of the merger for former PSA and the transfer of tax losses carried forward by the legacy PSA French tax consolidated group.***

The French tax authorities have confirmed that the merger will fulfill the conditions to benefit from the favorable corporate income tax regime set forth in Article 210 A of the French Tax Code (which mainly provides for a deferral of taxation of the capital gains realized by PSA as a result of the transfer of all its assets and liabilities pursuant to the merger).

In addition, as required by law, a tax ruling was issued on February 18, 2022 by the French tax authorities confirming the transfer of the French tax losses carried forward of the former PSA French tax consolidated group to our French permanent establishment and the carry-forward of such French tax losses transferred to our French permanent establishment against future profits of our French permanent establishment and certain companies of the former PSA French tax consolidated group pursuant to Articles 223 I-6 and 1649 *nonies* of the French Tax Code.

Such tax regimes and tax rulings are subject to certain conditions being met and are based on certain declarations, representations and undertakings given by us to the French tax authorities. If the French tax authorities consider that the relevant declarations, representations, conditions or undertakings were not correct or are not complied with, they could revoke or disregard the rulings that have been granted in respect of the merger.

A decision by the French tax authorities to revoke or disregard the tax rulings in the future would likely result in significant adverse tax consequences to us that could have a significant effect on our results of operations or financial position. If the requested tax rulings are revoked or disregarded, the main adverse tax consequences for us would be that (i) all unrealized capital gains at the level of former PSA at the time of the merger would be taxed; and (ii) the tax losses carried forward at the level of former PSA would not have been validly transferred to our French permanent establishment or would be forfeited.

***We operate so as to be treated exclusively as a resident of the Netherlands for tax purposes after the transfer of our tax residency to the Netherlands, but the tax authorities of other jurisdictions may treat us as also being a resident of another jurisdiction for tax purposes.***

Since we are incorporated under Dutch law, we are considered to be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes. In addition, with effect from January 17, 2021 and taking into account the sanitary restrictions and limitations that applied under the COVID-19 crisis, we have operated so as to maintain our management and organizational structure in such a manner that we (i) should be regarded to have our residence for tax purposes (including, for the avoidance of doubt, withholding tax and tax treaty eligibility purposes) exclusively in the Netherlands, (ii) should not be regarded as a tax resident of any other jurisdiction (and in particular of France or Italy) either for domestic law purposes or for the purposes of any applicable tax treaty (notably any applicable tax treaty with the Netherlands) and (iii) should be deemed resident only in the Netherlands, including for the purposes of the France-Netherlands and Italy-Netherlands tax treaties. We also hold permanent establishments in France and Italy.

However, the determination of our tax residency primarily depends upon our place of effective management, which is a question of fact based on all circumstances. Because the determination of our residency is highly fact sensitive, no assurance can be given regarding the final determination of our tax residency.

If we were concurrently resident in the Netherlands and in another jurisdiction (applying the tax residency rules of that jurisdiction), we may be treated as being tax resident in both jurisdictions, unless such other jurisdiction has a double tax treaty with the Netherlands that includes either (i) a tie-breaker provision which allocates exclusive residence to one jurisdiction only or (ii) a rule providing that the residency needs to be determined based on a mutual agreement procedure and the jurisdictions involved agree (or, as the case may be, are compelled to agree through arbitration) that we are resident in one jurisdiction exclusively for treaty purposes. In the latter case, if no agreement is reached in respect of the determination of the residency, the treaty may not apply and we could be treated as being tax resident in both jurisdictions.

A failure to achieve or maintain exclusive tax residency in the Netherlands could result in significant adverse tax consequences to us, our subsidiaries and our shareholders and could result in tax consequences for our shareholders that differ from those described in the section entitled "*Taxation*". The impact of this risk would differ based on the views taken by each relevant tax authority and, in respect of the taxation of shareholders and holders of special voting shares, on the specific situation of each shareholder or each holder of special voting shares.

***We may not qualify for benefits under the tax treaties entered into between the Netherlands and other countries.***

With effect from January 17, 2021, and taking into account the sanitary restrictions and limitations that applied under the COVID-19 crisis, we operate in a manner such that we should be eligible for benefits under the tax treaties entered into between the Netherlands and other countries, notably France, Italy and the U.S. However, our ability to qualify for such benefits depends upon (i) being treated as a Dutch tax resident for purposes of the relevant tax treaty, (ii) the fulfillment of the requirements contained in each applicable treaty as modified by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (including, but not limited to, any principal purpose test clause) and applicable domestic laws, (iii) the facts and circumstances surrounding our operations and management and (iv) the interpretation of the relevant tax authorities and courts.

Our failure to qualify for benefits under the tax treaties entered into between the Netherlands and other countries could result in significant adverse tax consequences to us, our subsidiaries and our shareholders and could result in tax consequences for our shareholders that differ from those described in the section entitled "*Taxation*".

***The tax consequences of the loyalty voting structure are uncertain.***

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for French, Italian, UK, or U.S. tax purposes, and as a result, the tax consequences in those jurisdictions are uncertain.

In addition, the fair market value of the special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the special voting shares are not transferable and a shareholder will receive amounts in respect of the special voting shares only if we are liquidated, we believe and intend to take the position that the value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by us is incorrect, which could result in significant adverse tax consequences to shareholders holding special voting shares.

The tax treatment of the loyalty voting structure is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares. See "*Taxation*" for further discussion.

***There may be potential Passive Foreign Investment Company tax considerations for U.S. Shareholders.***

We would be a "passive foreign investment company" (a "PFIC") for U.S. federal income tax purposes with respect to a U.S. shareholder (as defined in "*Taxation—Material U.S. Federal Income Tax Consequences*") if for any taxable year in which such U.S. shareholder held our common shares, after the application of applicable "look-through rules" (i) 75 percent or more of our gross income for the taxable year consists of "passive income" (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50 percent of our assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of "passive income".

U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

In particular, if we were treated as a PFIC for U.S. federal income tax purposes for any taxable year during which a U.S. shareholder owned our common shares, then any gain realized by the U.S. shareholder on the sale or other disposition of our common shares would in general not be treated as capital gain. Instead, a U.S. shareholder would be treated as if it had realized such gain ratably over its holding period for our common shares. Amounts allocated to the year of disposition and to years before we became a PFIC would be taxed as ordinary income and amounts allocated to each other taxable year would be taxed at the highest tax rate applicable to individuals or corporations, as appropriate, in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. Similar treatment may apply to certain "excess distributions" as defined in the Code.

While we believe our common shares are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is a factual determination made annually and thus may be subject to change. Moreover, we may become a PFIC in future taxable years if there were to be changes in our assets, income or operations. In addition, because the determination of whether a foreign corporation is a PFIC is primarily factual and because there is little administrative or judicial authority on which to rely to make a determination, the IRS may take the position that we are a PFIC. See "*Taxation"* for a further discussion.

***The IRS may not agree with the determination that we should not be treated as a domestic corporation for U.S. federal income tax purposes, and adverse tax consequences could result to us and our shareholders if the IRS were to successfully challenge such determination.***

Section 7874 of the Code provides that, under certain circumstances, a non-U.S. corporation will be treated as a U.S. "domestic" corporation for U.S. federal income tax purposes. In particular, certain mergers of foreign corporations with U.S. subsidiaries can, in certain circumstances, implicate these rules. We do not believe we should be treated as a U.S. "domestic" corporation for U.S. federal income tax purposes. However, the relevant law is not entirely clear, is subject to detailed but relatively new regulations (the application of which is uncertain in various respects, and whose interaction with general principles of U.S. tax law remains untested) and is subject to various other uncertainties. Therefore, the IRS could assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Code Section 7874. In addition, changes to Section 7874 of the Code or the U.S. Treasury Regulations promulgated thereunder, or interpretations thereof, could affect our status as a foreign corporation. Such changes could potentially have retroactive effect.

If the IRS successfully challenged our status as a foreign corporation, significant adverse tax consequences would result for us and for certain of our shareholders. For example, if we were treated as a domestic corporation in the U.S., we would be subject to U.S. federal income tax on our worldwide income as if we were a U.S. domestic corporation, and dividends we pay to non-U.S. shareholders would generally be subject to U.S. federal withholding tax, among other adverse tax consequences. If we were treated as a U.S. domestic corporation, such treatment could materially increase our U.S. federal income tax liability.

The closing of the merger was not conditioned on our not being treated as a domestic corporation for U.S. federal income tax purposes or upon a receipt of an opinion of counsel to that effect. In addition, neither former FCA nor former PSA requested a ruling from the IRS regarding the U.S. federal income tax consequences of the merger. Accordingly, while we do not believe we will be treated as a domestic corporation, no assurance can be given that the IRS will agree, or that if it challenges such treatment, it will not succeed.

***If we fail to maintain a permanent establishment in France, we could experience adverse tax consequences.***

We maintain a permanent establishment in France to which the assets and liabilities of former PSA were allocated upon the merger for French tax purposes. However, no assurance can be given regarding the existence of a permanent establishment in France and the allocation of each asset and liability to such permanent establishment because such determination is highly fact sensitive and may vary in case of future changes in our management and organizational structure.

If we were to fail to maintain a permanent establishment in France, the available French tax losses carried forward, which may be utilized to offset against 50% of French taxable income each year, would be forfeited. This risk will decline as available tax losses are utilized and will extinguish once all French tax losses have been used.

***We and our subsidiaries are subject to tax laws and treaties of numerous jurisdictions. Future changes to such laws or treaties could adversely affect us and our subsidiaries and our shareholders and holders of special voting shares. In addition, the interpretation of these laws and treaties is subject to challenge by the relevant governmental authorities.***

We and our subsidiaries are subject to tax laws, regulations and treaties in the Netherlands, France, Italy, the U.S. and the numerous other jurisdictions in which we and our affiliates operate. These laws, regulations and treaties could change on a prospective or retroactive basis, and any such change could adversely affect us and our subsidiaries and our shareholders and holders of special voting shares.

Furthermore, these laws, regulations and treaties are inherently complex and we and our subsidiaries will be obligated to make judgments and interpretations about the application of these laws, regulations and treaties to us and our subsidiaries and our operations and businesses. The interpretation and application of these laws, regulations and treaties could differ from that of the relevant governmental authority, which could result in administrative or judicial procedures, actions or sanctions, which could be material.

# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE

### Introduction

Stellantis N.V. is a public company with limited liability, incorporated and organized under the laws of the Netherlands. The Company qualifies as a foreign private issuer under the NYSE listing standards and its common shares are listed on the NYSE, on the regulated market of Euronext Paris and on the regulated market of Euronext in Euronext Milan.

In accordance with the NYSE listing rules, the Company is permitted to follow home country practice with regard to certain corporate governance standards. The Company has adopted, except as discussed below, the best practice provisions of the updated Dutch corporate governance code issued by the Dutch Corporate Governance Code Monitoring Committee, which entered into force on January 1, 2023 (the "Dutch Corporate Governance Code"). The Dutch Corporate Governance Code contains principles and best practice provisions that regulate relations inter alia between the board of directors of a company and its committees and its relationship with the general meeting of shareholders.

In this report, the Company addresses its overall corporate governance structure. The Company discloses, and intends to disclose, any material departure from the best practice provisions of the Dutch Corporate Governance Code in its current and future annual reports.

### Corporate Offices and Home Member State

The Company is incorporated under the laws of the Netherlands. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands, and the place of effective management of the Company is in the Netherlands.

The business address of the Board of Directors and the senior managers is Taurusavenue 1, 2132LS Hoofddorp, the Netherlands.

The Company is registered at the Dutch trade register under number 60372958.

The Netherlands is Stellantis' home member state for the purposes of the EU Transparency Directive (Directive 2004/109/EC, as amended).

Pursuant to Article 3 of the Company's articles of association (the "Articles of Association"), the objects for which the Company is established are to carry on, either directly or through wholly or partially-owned companies and entities, activities relating in whole or in any part to passenger and commercial vehicles, transport, mechanical engineering, energy, engines, capital machinery and equipment and related goods and propulsion, as well as any other manufacturing, commercial, financial or service activity.

**Board of Directors**

Stellantis has a single-tier board of directors. Pursuant to the Company's , its board of directors (the "Board of Directors") consists of three or more directors (the "Directors"). The current eleven Directors were elected on January 4, 2021, with the exception of Benoît Ribadeau-Dumas, who was appointed by the 2023 Annual General Meeting held on April 13, 2023 to replace Andrea Agnelli who resigned effective as of the same date, based on the nomination arrangements included in the Articles of Association and the combination agreement. The appointment of the Directors (with the exception of Benoît Ribadeau-Dumas) became effective as of January 17, 2021 (the "Governance Effective Time"), when the Stellantis governance came into force. Following the Governance Effective Time, the initial term of office of each of the Chairman, Chief Executive Officer, Senior Independent Director and Vice Chairman is five years. The initial term of office for each of the other Directors is four years beginning on the Governance Effective Time, with the exception of Benoît Ribadeau-Dumas, whose term is two years from the 2023 Annual General Meeting. Such initial terms of office shall lapse immediately after the close of the first annual general meeting held after four or five years (as applicable) have lapsed since the Governance Effective Time, or, with respect to Benoît Ribadeau-Dumas, two years from the 2023 Annual General Meeting. Under the Articles of Association, after the initial term, the term of office of Directors is for a period of two years, provided that unless a Director has resigned at an earlier date the term of office will lapse immediately after the close of the first annual Stellantis general meeting held after two years have lapsed following the appointment. Each Director may be re-appointed for an unlimited number of terms at any subsequent general meeting of shareholders.

The Board of Directors as a whole is responsible for oversight of the strategy and management of the Company with particular focus on the development and supervision of the strategy for sustainable long-term value creation. According to Dutch Law and article 20.2 of the Stellantis' Articles of Association, the chairperson of the Board of Directors shall be independent and have the title of Senior Independent Director. The Board of Directors is composed of two executive Directors (i.e., the Chairman and the Chief Executive Officer) and nine non-executive Directors. The Chief Executive Officer has day-to-day responsibility for the management of the Company. Pursuant to Article 22 of the Articles of Association, the general authority to represent the Company shall be vested in the Board of Directors and the Chief Executive Officer acting individually. Pursuant to article 3(b) of the Regulations of the Board of Directors, if the Chairman is an executive director, he/she will be consulted and work together with the Chief Executive Officer on that basis on important strategic matters affecting the Company: budget/long-term strategic planning; mergers and acquisition transactions, including significant joint-ventures, investments and divestments; strategic evolution of the brand portfolio and significant product investment; appointments, succession planning and compensation for key positions in the Top Executive Team; institutional relationships, including relationships with key governmental stakeholders, particularly on matters of strategic significance; significant public relations matters and major communication events/topics; interaction with principal shareholders and key partners; and providing leadership to the Board of Directors and, in crisis circumstances, to the executive management on governance matters and ad hoc crisis management, in each case, without prejudice to the powers of the Board of Directors.

On certain key matters, the CEO is supported by the Top Executive Team aiming to secure worldwide profitable growth for Stellantis: the key governance committees, in particular the Strategy Council, Business Review and Global Programme and Allocation Committees are responsible for executing the decisions of the CEO and Board of Directors and the day-to-day management of the Company, primarily to the extent it relates to its operational management, including reviewing the operating performance of the businesses and collaborating on certain operational matters. Within this governance structure, the Board of Directors considers subjects that link to the strategic plan. Climate being a key topic, the Board of Directors ensures that the strategy fits with the Stellantis sustainable long-term vision and climate resilience objectives, but also that related risks and opportunities stemming from the effects of climate change are properly identified and managed. The CEO and the Strategy Council are responsible for defining the overall environmental strategy, including climate-related policies. The CEO reports to the Board of Directors. Major strategic projects with significant impact on the $CO_2$ emissions of the Company or its products are brought to the Board of Directors for review and decisions. Those projects can be related to vehicle $CO_2$ emissions reduction, as well as product planning or new mobility offers with $CO_2$ emission reduction targets. Other major projects that can be impacted by the consequences of climate change, such as location of new sites, are also reviewed by the Board of Directors. The Board of Directors reviews the related financial implications of strategic projects with significant impact on $CO_2$ emissions, such as the capital expenditures or strategic transformation needed to implement these projects. The Board of Directors discusses these projects for approval after being informed about aspects such as $CO_2$ emission consequences and expected changes in the future mobility market. During Board of Directors meetings, Stellantis' strategic climate commitments, their implementation and their progress versus targets, are presented to the Board of Directors, in order to deliver relevant information on the climate-related CSR issues impacting the organization.

Set forth below are the names, year of birth and position of each of the persons currently serving as directors of Stellantis. The business address of each person listed below is c/o Taurusavenue 1, 2132LS Hoofddorp, the Netherlands. The term of office of the Chairman, Chief Executive Officer, Senior Independent Director and Vice Chairman will expire immediately after the close of the annual general meeting of shareholders that will be held in 2026. The term of office of the other Directors will expire immediately after the close of the annual general meeting of shareholders that will be held in 2025.

| Name | | Year of Birth | Position | Nationality | Term[1] | Independent |
|---|---|---|---|---|---|---|
| **John Elkann** | M | 1976 | Chairman and Executive Director | Italian | 5 years | No |
| **Carlos Tavares** | M | 1958 | Chief Executive Officer and Executive Director | Portuguese | 5 years | No |
| **Robert Peugeot** | M | 1950 | Vice Chairman and Non-Executive Director | French | 5 years | No |
| **Henri de Castries** | M | 1954 | Senior Independent Director and Non-Executive Director | French | 5 years | Yes |
| **Benoît Ribadeau-Dumas** | M | 1972 | Non-Executive Director | French | 4 years | No |
| **Fiona Clare Cicconi** | F | 1966 | Non-Executive Director | British – Italian | 4 years | Yes |
| **Jacques de Saint-Exupéry** | M | 1957 | Non-Executive Director | French | 4 years | No |
| **Nicolas Dufourcq** | M | 1963 | Non-Executive Director | French | 4 years | Yes |
| **Ann Frances Godbehere** | F | 1955 | Non-Executive Director | Canadian – British | 4 years | Yes |
| **Wan Ling Martello** | F | 1958 | Non-Executive Director | U.S. | 4 years | Yes |
| **Kevin Scott** | M | 1972 | Non-Executive Director | U.S. | 4 years | Yes |

*(1) Since the Governance Effective Time or, with respect to Benoît Ribadeau-Dumas, since the 2023 AGM*

In accordance with Articles of Association and the combination agreement, Kevin Scott and Wan Ling Martello were nominated by FCA; Henri de Castries and Ann Frances Godbehere by PSA; John Elkann and Benoît Ribadeau-Dumas by Exor; Nicolas Dufourcq by BPI; Robert Peugeot by EPF/Peugeot Invest; and Fiona Clare Cicconi and Jacques de Saint-Exupéry in representation of FCA and PSA employees, respectively. See "*—Articles of Association and Information on Stellantis Shares —Nomination Rights*" below for a description of certain binding nomination arrangements set forth in the Articles of Association, which will apply to future terms of office.

We have determined that the following six of our eleven Directors qualify as independent for purposes of NYSE rules, Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Dutch Corporate Governance Code: Fiona Clare Cicconi, Henri de Castries, Nicolas Dufourcq, Ann Frances Godbehere, Wan Ling Martello, and Kevin Scott. The Board of Directors has also appointed Henri de Castries as Senior Independent Director and non-executive Director in accordance with Section 2.1.9 of the Dutch Corporate Governance Code.

Directors are expected to prepare themselves for and to attend all Board of Directors meetings, the annual general meeting of shareholders and the meetings of the committees on which they serve, with the understanding that, on occasion, a Director may be unable to attend a meeting.

During 2023, there were six meetings of the Board of Directors. The average attendance at those meetings was 95.45 percent.

On February 15, 2024, the Company announced that the Board of Directors intends to propose the appointment of Claudia Parzani as an independent non-executive director at the Annual General Meeting in 2024 (the "2024 AGM") to succeed Kevin Scott. Mr. Scott's resignation for personal reasons will take effect at the end of the 2024 AGM.

Summary biographies for the current Directors of Stellantis are included below:

**John Elkann (Chairman and Executive Director)** – John Elkann is currently Chairman and Executive Director of Stellantis. He was appointed Chairman of Fiat S.p.A. on April 21, 2010, where he previously served as Vice Chairman beginning in 2004 and as a board member from 1997, he became Chairman of FCA on October 12, 2014, and he became Chairman of Stellantis on the Governance Effective Time. John Elkann is also Chief Executive Officer of Exor N.V. and Chairman of Giovanni Agnelli B.V.

Born in New York in 1976, John Elkann obtained a scientific baccalaureate from the Lycée Victor Duruy in Paris, and graduated in Engineering from Politecnico, the Engineering University of Turin (Italy). While at university, he gained work experience in various companies of the FCA Group in the United Kingdom and Poland (manufacturing) as well as in France (sales and marketing). He started his professional career in 2001 at General Electric as a member of the Corporate Audit Staff, with assignments in Asia, the United States and Europe. John Elkann is Chairman of Ferrari N.V. and Ferrari S.p.A. and Chairman of GEDI Gruppo Editoriale S.p.A. He also was a board member of The Economist Group from 2009 to 2020 and a board member of PartnerRe Ltd from 2016 to 2021. John Elkann is a member of the Board of Trustees and of the Nominating Committee of the Museum of Modern Art (MoMA). He also serves as Chairman of the Giovanni Agnelli Foundation.

**Carlos Tavares (Chief Executive Officer and Executive Director)** – Carlos Tavares is currently Chief Executive Officer and Executive Director of Stellantis. He joined the PSA Managing Board on January 1, 2014, he was appointed as Chairman of the PSA Managing Board on March 31, 2014, and he was appointed as Chief Executive Officer and Executive Director of Stellantis on the Governance Effective Time. Born in Portugal in 1958, Carlos Tavares graduated from École Centrale de Paris.

He held various positions within the Renault Group between 1981 and 2004, before joining the Nissan Group. Carlos Tavares was appointed Executive Vice President, Chairman of the Management Committee Americas and President of Nissan North America in 2009, before being appointed as Chief Operating Officer of Renault, a position he held until 2013. Carlos Tavares previously served as a member of the board of directors of the European Automobile Manufacturers' Association (ACEA) until the end of 2022. He also served as a director of Airbus S.E., from 2016 to 2022, and of TotalEnergies, from 2017 to 2020.

**Robert Peugeot (non-executive Director)** – Robert Peugeot, chairman of Peugeot Invest's board, is Vice Chairman and non-executive Director of Stellantis. Robert Peugeot joined the PSA Supervisory Board as permanent representative of FFP (now known as Peugeot Invest) on April 25, 2014, and became Vice Chairman and non-executive Director of Stellantis on the Governance Effective Time. Born in France in 1950, Robert Peugeot is a graduate of École Centrale de Paris and Institut Européen d'Administration des Affaires (INSEAD).

Robert Peugeot held various executive positions within the PSA Group. From 1998 to 2007, he was vice-president for innovation and quality, and a member of the PSA's Executive Committee. He also led Peugeot Invest's development as Chairman and Chief Executive Officer from 2002 until 2020 and currently serves as Chairman of the Board of Peugeot Invest. Since November 1, 2018, he has also been a member of France's High Committee for Corporate Governance (HCGE).

In addition, Robert Peugeot serves as a board member of Peugeot 1810 S.A.S.; permanent representative of Peugeot 1810 on the board of Forvia; director of Peugeot Invest UK Ltd.; managing director of SC Rodom; board member of Safran S.A.; member of the supervisory board of Soparexo S.C.A.; director of Financière Guiraud S.A.S. and observer on the supervisory board of Rothschild & Co.

Until 2023, Mr. Peugeot was chairman of F&P S.A.S., member of the supervisory board of Signa Prime, member of the supervisory board of Signa Development, managing director of Gatoparti, managing director of Artemisia, managing director of Mille Sabords and a board member of Sofina. Until 2024, Mr. Peugeot was a board member of Asia Emergency Assistance Holdings PTE Ltd.

He is a Knight of the French National Order of Merit and a Knight of the French Legion of Honour.

**Henri de Castries (non- executive Director)** – Henri de Castries is Senior Independent Director and non-executive Director of Stellantis. Born in France in 1954, he is a graduate of École des Hautes Etudes Commerciales (HEC) and École Nationale d'Administration (ENA).

Henri de Castries was the chairman of the management board of AXA S.A. from 2000 and chairman and chief executive officer from April 2010 until September 2016. He previously worked for the French Finance Ministry Inspection Office and the French Treasury Department. In addition, Henri de Castries currently serves as chairman of Europe Senior advisor of General Atlantic; chairman of the board of directors of AXA Assurances IARD Mutuelle; chairman of the board of directors of AXA Assurances Vie Mutuelle; and vice-chairman of the board of directors of Nestlé S.A. Henri de Castries became Senior Independent Director and non-executive Director of Stellantis on the Governance Effective Time.

**Fiona Clare Cicconi (non-executive Director)** – Fiona Clare Cicconi is an employee representative on the Stellantis Board of Directors. Born in London in 1966, Fiona Clare Cicconi became Chief People Officer for Google in January 2021. Prior to that she was Executive Vice President and Chief Human Resources Officer at AstraZeneca PLC from 2014 to 2020. Fiona Clare Cicconi started her career at General Electric, where she held various human resources roles within the oil and gas business. Subsequently, she spent a number of years at Cisco, overseeing human resources in Southern Europe and then industrial and employee relations in EMEA, before joining F. Hoffmann La Roche in 2006. There, she was most recently responsible for global human resources for Global Technical Operations. Fiona Clare Cicconi became an employee representative on the Board of Directors of Stellantis on the Governance Effective Time.

Fiona Clare Cicconi holds a diploma in international business studies from Leeds Metropolitan University.

**Jacques de Saint-Exupéry (non-executive Director)** – Jacques de Saint-Exupéry is an employee representative on the Stellantis Board of Directors. Born in France in 1957, Jacques de Saint-Exupéry graduated from the Bordeaux Business School.

Jacques de Saint-Exupéry has held various positions within PSA, and now Stellantis, since 1984. Since 2011, he has been working within the management control team covering the activities of the corporate finance and treasury department as well as the financial communication department.

In addition, Jacques de Saint-Exupéry has been involved in trade-union activity since 2008, including as secretary of the works council of PSA. Jacques de Saint-Exupéry became an employee representative on the Stellantis Board of Directors on the Governance Effective Time.

**Nicolas Dufourcq (non-executive Director)** – Nicolas Dufourcq is a non-executive Director of Stellantis. Born in France in 1963, Nicolas Dufourcq is a graduate of École des Hautes Etudes Commerciales (HEC) and École Nationale d'Administration (ENA).

Nicolas Dufourcq began his career at the French Ministry of Economy and Finance in 1988 and then joined the French Ministry of Health and Social Affairs in 1992, before joining France Telecom in 1994. In 1998, he created Wanadoo, the internet access leader, a subsidiary of France Telecom, and listed it for €20bn in 2000. Between 1998 and 2003, he was CEO of Wanadoo and executive director of France Telecom in charge of the internet, cable and pay TV. Nicolas Dufourcq joined Capgemini in 2003, where he was in charge of the central and southern Europe region. From 2004 to 2013, he served as chief financial officer and deputy chief executive officer of Capgemini. Since February 7, 2013, Nicolas Dufourcq has been the chief executive officer of Bpifrance SA. In addition, Nicolas Dufourcq serves as chief executive officer of Bpifrance Investissement S.A.S.; chief executive officer of Bpifrance Assurance Export S.A.S.; chairman and chief executive officer of Bpifrance Participations S.A.; and chairman of the supervisory board of STMicroelectronics N.V. Nicolas Dufourcq became a non-executive Director of Stellantis on the Governance Effective Time. He served as permanent representative of Bpifrance Participations S.A. on the board of directors of Orange from January 2017 to January 2021.

**Ann Frances Godbehere (non–executive Director)** – Ann Frances Godbehere is a non-executive Director of Stellantis. Ann Frances Godbehere was born in Canada in 1955.

Ann Frances Godbehere started her career with Sun Life of Canada in 1976 in Montreal, Canada, and joined M&G Group in 1981, where she served as senior vice president and controller for life and health, and property and casualty businesses throughout North America. She joined Swiss Re in 1996, after it acquired the M&G Group, and served as chief financial officer from 2003 to 2007. From 2008 to 2009, she was interim chief financial officer and an executive director of Northern Rock bank in the initial period following its nationalization. Ann Frances Godbehere has also held several non-executive director positions at Prudential plc, British American Tobacco plc, UBS AG, and UBS Group AG. Until May 2019, Ann Frances Godbehere served as a non-executive director of Rio Tinto plc and Rio Tinto Limited. She was also senior independent director of Rio Tinto plc. In addition, Ann Frances Godbehere currently serves as a non-executive director of Shell plc and as an independent non-executive director of HSBC Holdings plc. She is also a fellow of the Institute of Chartered Professional Accountants and a fellow of the Certified General Accountants Association of Canada. Ann Frances Godbehere became a non-executive Director of Stellantis on the Governance Effective Time.

**Wan Ling Martello (non-executive Director)** – Wan Ling Martello is a non-executive Director of Stellantis. Born in Manila, the Philippines, in 1958, Wan Ling Martello currently serves as a Founding Partner at BayPine, a private equity firm, a role she has held since 2020. From 2015 to 2018, Wan Ling Martello served as executive vice president and chief executive officer of the Asia, Oceania, and sub-Saharan Africa regions at Nestlé.

From 2012 to 2015, Wan Ling Martello served as Nestlé's chief financial officer, and from 2011 to 2012 she served as Nestlé's executive vice president. From 2005 to 2011, Wan Ling Martello was a senior executive at Walmart Stores, Inc., a retail corporation, where she served as executive vice president for global ecommerce and executive vice president, chief financial officer & strategy. Wan Ling Martello has served on the board of directors of Alibaba Group since 2015 and of Uber Technologies, Inc. since 2017. Wan Ling Martello became a non-executive Director of Stellantis on the Governance Effective Time.

Wan Ling Martello holds an MBA from the University of Minnesota and a BS from the University of the Philippines.

**Kevin Scott (non-executive Director)** – Kevin Scott is a non-executive Director of Stellantis. Born in Lynchburg, Virginia, in 1972, Kevin Scott is executive vice president of technology & research, and the chief technology officer of Microsoft since 2017. Kevin Scott's 20-year career in technology spans both academia and industry as researcher, engineer, and leader.

Prior to joining Microsoft, Kevin Scott was senior vice president of engineering and operations at LinkedIn from 2011 to 2016. Earlier in his career, Kevin Scott oversaw mobile ads engineering at Google, including the integration of Google's acquisition of AdMob. At AdMob, Kevin Scott was responsible for engineering and operations for the world's leading platform for mobile monetization. Before joining AdMob, Kevin Scott held numerous leadership positions at Google in the search and advertising divisions of the company. Kevin Scott became a non-executive Director of Stellantis on the Governance Effective Time.

Kevin Scott is the founder of the non-profit organization Behind the Tech and a director of The Scott Foundation.

Kevin Scott holds an M.S. in computer science from Wake Forest University, a B.S. in computer science from University of Lynchburg, and has completed most of his Ph.D. in computer science at the University of Virginia.

**Amount and Composition of the Remuneration of the Board of Directors**

Details of the remuneration of the Board of Directors and its committees are set forth within the section "*REMUNERATION REPORT*" included elsewhere within this report.

**Directors' Share Ownership**

The table below shows the number of Stellantis common shares owned by members of the Board of Directors as at February 21, 2023:

| Directors Owning Stellantis Common Shares | Shares | Percent of Class |
|---|---|---|
| John Elkann | 1,047,609 | — % |
| Carlos Tavares | 1,192,501 | — % |
| Robert Peugeot | 15,000 | — % |
| Henri de Castries | 21,000 | — % |
| Fiona Clare Cicconi | 11,662 | — % |
| Benoît Ribadeau-Dumas | — | — % |
| Jacques de Saint-Exupéry | 1,000 | — % |
| Nicolas Dufourcq | — | — % |
| Ann Frances Godbehere | 9,650 | — % |
| Wan Ling Martello | — | — % |
| Kevin Scott | — | — % |

No members of senior management beneficially own 1 percent or more of the Company's common shares.

**Board Practices and Committees**

***Board Regulations***

On January 17, 2021, the Board of Directors adopted its current regulations that deal with matters that concern the Board of Directors and its committees internally (the "Board Regulations").

The Board Regulations contain provisions concerning the manner in which meetings of the Board of Directors are called and held, including the decision-making process. The Board Regulations provide that meetings may be held by telephone or video conference, provided that all participating Directors can follow the proceedings and participate in real-time discussion of the items on the agenda.

The Board of Directors can only adopt valid resolutions when the majority of the Directors in office are present at the meeting or are represented thereat.

A Director may only be represented by another Director authorized in writing.

A Director may not act as a proxy for more than one other Director.

All resolutions shall be adopted by the favorable vote of the majority of the Directors present or represented at the meeting, in accordance with the regulations adopted by the Board of Directors. Each Director shall have one vote.

The Board of Directors shall be authorized to adopt resolutions without convening a meeting if all Directors shall have expressed their opinions in writing, unless one or more Directors shall object in writing against the resolution being adopted in this way prior to the adoption of the resolution.

The Board Regulations are available on the Company's website.

***Committees***

On January 17, 2021, the Board of Directors established the following internal committees: (i) an Audit Committee; (ii) a Governance and Sustainability Committee, now known as the ESG Committee; and (iii) a Remuneration Committee, with such appointments becoming effective as of the Governance Effective Time.

**The Audit Committee**

On August 2, 2021, the Board of Directors adopted the current charter of the Audit Committee and approved certain revisions on February 12, 2024 in order to reflect the Audit Committee's new responsibility to assist and advise the Board of Directors on the integrity of the Company's sustainability disclosures and reports in accordance with applicable reporting standards, including the EU Corporate Sustainability Reporting Directive (CSRD), which will apply to the 2024 financial year for reports published in 2025.

The Audit Committee is responsible for assisting and advising the Board of Directors with respect to, *inter alia*: (i) the integrity of the Company's financial statements, including any published interim reports, related press releases and other related corporate communications; (ii) the adequacy and effectiveness of the Company's internal control over financial reporting, financial reporting procedures and disclosure controls and procedures; (iii) the integrity of the Company's disclosures and reports on environmental, social, human rights and governance factors ("sustainability reporting") in accordance with applicable reporting standards and the adequacy and effectiveness of the Company's internal controls and audit in relation to sustainability reporting; (iv) the Company's policy on tax planning; (v) the Company's financing; (vi) the Company's applications of information and communication technology, including risks relating to cybersecurity; (vii) the systems of internal controls that management and the Board of Directors have established; (viii) the Company's compliance with legal and regulatory requirements; (ix) the Company's compliance with recommendations and observations of internal and independent auditors; (x) the open and ongoing communications regarding the Company's financial position and results of operations between the Board of Directors, the independent auditors, the Company's management and internal audit department; (xi) the Company's policies and procedures for addressing certain actual or perceived conflicts of interest; (xii) the qualifications, independence, oversight and remuneration of the Company's independent auditors and any non-audit services provided to the Company by the independent auditors; (xiii) the selection of the independent auditor by recommending an independent auditor for nomination, appointment or dismissal by the Company's general meeting of shareholders; (xiv) the performance of the Company's internal auditors and independent auditors; (xv) risk management and risk assessment guidelines and policies, including major financial risk exposure, and the steps taken to monitor and control such risks; and (xvi) the implementation and effectiveness of the Company's ethics and compliance program.

The Audit Committee currently consists of Ann Frances Godbehere (Chairperson), Wan Ling Martello, Henri de Castries and Fiona Claire Cicconi. The Audit Committee is elected by the Board of Directors and is comprised of independent Directors. The Senior Independent Director or a former executive Director may not serve as chairman of the Audit Committee. Audit Committee members are required (i) not to have any material relationship with the Company or perform the functions of auditors or accountants for the Company; (ii) to be "independent", for purposes of NYSE rules, Rule 10A-3 of the Exchange Act and the Dutch Corporate Governance Code; and (iii) to be "financially literate" and have "accounting or selected financial management expertise" (as determined by the Board of Directors). At least one member of the Audit Committee should be a "financial expert" as defined by the Sarbanes-Oxley Act and the rules of the SEC and section 2(3) of the Decree on the Establishment of an Audit Committee (*Besluit instelling auditcommissie*). No Audit Committee member may serve on more than four audit committees for other public companies, absent a waiver from the Board of Directors which must be disclosed in the Company's annual report. Unless decided otherwise by the Audit Committee, the independent auditors of the Company, the Chief Financial Officer and the Head of Audit and Compliance attend its meetings while the CEO is entitled to attend meetings of the Audit Committee unless the Audit Committee determines otherwise and shall attend the meetings of the Audit Committee, if the Audit Committee so requires. The Audit Committee shall meet with the independent auditors at least once per year outside the presence of the executive Directors and management.

Our Board of Directors has determined that Ann Frances Godbehere, Wan Ling Martello and Henri de Castries are "audit committee financial experts". All Audit Committee members are independent directors under the NYSE rules, Rule 10A-3 of the Exchange Act and the Dutch Corporate Governance Code.

During 2023, ten meetings of Stellantis' Audit Committee were held. The average attendance of its members at those meetings was 98.83 percent. The Committee reviewed the Stellantis' financial results for the period ended on June 30, and the full year, as well as the shipments and revenues related to the first and the third quarter of the year. The Committee, with the assistance of the Stellantis' Chief Financial Officer and other Company officers mainly from finance, internal audit and compliance, and legal departments, focused on main business drivers in addition to key accounting, reporting matters and periodical reviews of the certain areas such as synergies, enterprise risk management, tax, treasury, insurance, and employee benefits/pensions review with specific focus on the areas of major audit risks such as the evaluation of assets and liabilities requiring management judgment. Particular focus was dedicated to cybersecurity and information technology matters. The Committee is charged with assisting and advising the Board of Directors with respect to the implementation and effectiveness of the Company's ethics and compliance program, among other things. In so doing, the Audit Committee oversees and monitors the quality and completeness of the Company's global compliance policies and practices with respect to applicable legal and regulatory requirements, as well as with the requirements and objectives of the Company's Code of Conduct and Integrity Helpline.

The Audit Committee meets with the Company's management, including finance, audit and compliance, and legal staff to discuss, among other things, any significant legal, regulatory, Code of Conduct or other compliance related matters, arising anywhere in the world, that could have a material adverse effect on the Company's business, financial statements or operations.

The Committee also assists and advises the Board of Directors and acts under authority delegated by the Board of Directors, with respect to among others the Company's policy on tax planning adopted by management. The Audit Committee also presided over the audit tender process to select the Company's new auditor, starting in 2024, due to the mandatory rotation requirements in the Netherlands. Independent Auditors attended all the meetings providing regular information to the Committee on their activity. The Committee reviewed the annual internal audit plan, the performance of external auditor, and received updates on legal and compliance matters, with the General Counsel attending the Committee meetings. Internal Audit activity was reviewed on a regular basis with the Head of Audit and Compliance attending all the meetings and discussing with the Committee the main findings and remediating actions. Internal control over financial reporting was part of these reviews as well. In line with the policy adopted by the Company, the Committee was regularly involved in the review and approval of transactions entered into with related parties.

**The Remuneration Committee**

On January 17, 2021, the Board of Directors adopted the current charter of the Remuneration Committee. The Remuneration Committee is responsible for, *inter alia*, assisting and advising the Board of Directors in: (i) determining executive compensation consistent with the Company's remuneration policy; (ii) reviewing and approving the overall compensation strategy of the Company and the remuneration structure for the executive Directors; (iii) administering equity incentive plans and deferred compensation benefit plans; (iv) discussing with management the Company's policies and practices related to compensation and issuing recommendations thereon; and (v) preparing the remuneration report.

The Remuneration Committee currently consists of Wan Ling Martello (Chairperson), Henri de Castries, Fiona Clare Cicconi, Robert Peugeot and Benoît Ribadeau-Dumas. The Remuneration Committee is elected by the Board of Directors, which shall appoint one of its members as Chairperson of the Remuneration Committee, and is comprised of at least three non-executive Directors, more than half of whom shall be independent under Dutch Corporate Governance Code. Unless decided otherwise by the Remuneration Committee, the Head of HR and Transformation of the Company attends its meetings. For a period of four years from January 17, 2021, the Chairperson shall be selected from among the independent directors nominated by FCA (or his or her replacement) and shall meet the requirements set forth in Section 5.1.4 of the Dutch Corporate Governance Code as Chairperson of the Remuneration Committee.

During 2023, three meetings of Stellantis' Remuneration Committee were held with 100 percent attendance of its members at those meetings. The Remuneration Committee reviewed the 2023 Remuneration Report and carefully assessed the shareholders' feedback on 2022 Remuneration Report; in addition, it recommended to the Board of Directors to amend the Company's Remuneration Policy. Details of the activities of the Remuneration Committee are included in the *REMUNERATION REPORT* section included elsewhere in this report.

**The ESG Committee**

On October 6, 2021, the Board of Directors adopted the current charter of the ESG Committee, which amended the former charter of the Governance and Sustainability Committee, by focusing on the ESG matters in addition to the tasks previously included. The Board of Directors approved certain revisions to the ESG Committee charter on February 12, 2024, in order to reflect the Audit Committee's new responsibility to assist and advise the Board of Directors on the integrity of the Company's sustainability disclosures and reports in accordance with applicable reporting standards, including the EU Corporate Sustainability Reporting Directive ("CSRD"), which will apply to the 2024 financial year for reports published in 2025.

The ESG Committee is responsible for, *inter alia*, assisting and advising the Board of Directors with: (i) monitoring, evaluating, and reporting to the Board of Directors on the strategy, targets and achievements relating to ESG matters globally of the Company and its subsidiaries; (ii) the identification of the criteria, professional and personal qualifications for candidates to serve as Directors; (iii) periodic assessment of the size and composition of the Board of Directors; (iv) periodic assessment of the performance of individual Directors and reporting on this to the Board of Directors; (v) proposals for nomination and re-nomination of executive and non-executive Directors; (vi) supervision of the policy on the selection and appointment criteria for senior management; and (vii) proposing and supervising the policy regarding succession planning for the Board of Directors and senior management.

The ESG Committee currently consists of Henri de Castries (Chairperson), Fiona Clare Cicconi, Nicolas Dufourcq, Kevin Scott and Benoît Ribadeau-Dumas. The ESG Committee is elected by the Board of Directors and is comprised of at least three non-executive Directors according to its charter. More than half of its members shall be independent under the Dutch Corporate Governance Code. For a period of four years from January 17, 2021, the Chairperson shall be selected among the independent directors nominated by PSA (or his or her replacement).

During 2023, three meetings of Stellantis ESG Committee were held with 100 percent attendance of its members at those meetings. The ESG Committee reviews the Company's ESG roadmap, achievements and disclosures in accordance with 2030 Dare Forward Plan and its implementation. In addition, the ESG Committee periodically assesses the performance of individual directors and reports on this to the Board of Directors.

In 2023, the ESG Committee assisted the Board of Directors by reviewing the update of the Diversity and Inclusion Policy for the Composition of the Board of Directors, the updated Dutch Corporate Governance Code, and discussing items related to climate change, such as reduction of fuel emission, electrification, circular economy and stakeholder engagement.

The ESG Committee members participated in updates led by management teams on topics including the Company transformation through the development of human capital, the global philanthropy strategy, global, European and U.S. trends in governance and new EU and U.S. rules related to sustainability reporting in force starting 2024.

**Indemnification of Directors**

Under the Articles of Association, Stellantis is required to indemnify any and all of its Directors, officers, former Directors, former officers (including former directors and officers of PSA) and any person who may have served at its request as a director or officer of another company in which it owns shares or of which it is a creditor who were or are made a party or are threatened to be made a party or are involved in, any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative or investigative (each, a "Proceeding"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding against any and all liabilities, damages, reasonable and documented expenses (including reasonably incurred and substantiated attorney's fees), financial effects of judgments, fines, penalties (including excise and similar taxes and punitive damages) and amounts paid in settlement in connection with such Proceeding by any of them. Notwithstanding the above, no indemnification will be made in respect of any claim, issue, or matter as to which any of the above-mentioned indemnified persons will be adjudged in a final and non-appealable decision to be liable for gross negligence or willful misconduct in the performance of such person's duty to Stellantis. This indemnification by Stellantis is not exclusive of any other rights to which those indemnified may be entitled otherwise.

**Conflict of Interest**

A Director shall not participate in discussions and decision-making with respect to a matter in relation to which he or she has a direct or indirect personal interest which is in conflict with the interests of the Company and the business associated with the Company ("Conflict of Interest"), which shall be determined outside the presence of the Director concerned. All transactions, where there is a Conflict of Interest, must be concluded on terms that are customary in the branch concerned and approved by the Board of Directors. In addition, the Board of Directors may determine that there is such a strong appearance of a Conflict of Interest of a Director in relation to a specific matter, that it would be inappropriate for such Director to participate in discussions and the decision-making process with respect to such matter. A Director shall promptly report any potential Conflict of Interest to the Chairman (or to the Senior Independent Director or another Director in case of the Chairman) and shall provide all relevant information concerning such potential Conflict of Interest.

At least annually, each non-executive Director shall assess in good faith whether he or she is independent under best practice provision 2.1.8 of the Dutch Corporate Governance Code and each Director shall assess in good faith whether he or she is independent under (a) the requirements of Rule 10A-3 under the Exchange Act, and (b) Section 303A of the NYSE Listed Company Manual.

The Directors shall inform the Board of Directors through the Senior Independent Director or the Secretary of the Board of Directors as to all material information regarding any circumstances or relationships that may impact their characterization as "independent" or impact the assessment of their interests, including by responding promptly to the annual questionnaires circulated by or on behalf of the Secretary that are designed to elicit relevant information regarding such Director's business and other relationships relevant to the determination of independence.

Based on each Director's assessment described above, the Board of Directors shall make a determination at least annually regarding such Director's independence. These annual determinations shall be conclusive, absent a change in circumstances from those disclosed to the Board of Directors that necessitates a change in such determination.

**Senior Management**

The Company's management is led by Chief Executive Officer who is supported by a team of senior managers. From an operational perspective, each of our regions are led by Chief Operating Officers. These are supported centrally by global functions, including a Chief Human Resources & Transformation Officer, Chief Affiliates Officer, Chief Planning Officer, Global Corporate Office and Public Affairs Officer, Chief Financial Officer and General Counsel.

The regional COOs and leaders of the key corporate functions are:

- Carlos Tavares as Chief Executive Officer;
- Uwe W. Hochgeschurtz as Chief Operating Officer, Enlarged Europe;
- Carlos Zarlenga as Chief Operating Officer, North America;
- Emanuele Cappellano as Chief Operating Officer, South America;
- Samir Cherfan as Chief Operating Officer, Middle East & Africa;
- Doug Ostermann as Chief Operating Officer, China;
- Ashwani Muppasani as Chief Operating Officer India and Asia Pacific;
- Philippe de Rovira as Chief Affiliates Officer;
- Xavier Chéreau as Chief Human Resources & Transformation Officer;
- Olivier Bourges as Global Corporate Office and Public Affairs Officer;
- Natalie Knight as Chief Financial Officer;

- Béatrice Foucher as Chief Planning Officer; and

- Giorgio Fossati as General Counsel;

Summary biographies for these individuals are included below. For the biography of Carlos Tavares, see above.

**Uwe W. Hochgeschurtz** – Uwe W. Hochgeschurtz was appointed Chief Operating Officer for Enlarged Europe in June 2022 and has served as a member of Stellantis' Top Executive Team since September 2021. Previously, he was Brand Chief Executive Officer (CEO) for Opel and Vauxhall, a position he held since joining Stellantis in September 2021.

Mr. Hochgeschurtz has more than 30 years of experience in the automotive industry. He started his career at Ford in 1990, where he held various management roles, including Sales Director for Ford Switzerland and Product Manager and Head of LCV Marketing in Germany. In 2001, he moved to VW as Head of Worldwide Marketing LCV. Three years later, he moved to Renault, where he worked in sales, marketing, and product planning before being appointed CEO of Renault Germany, Austria, and Switzerland in June 2016.

Mr. Hochgeschurtz studied in Germany (Wuppertal & Cologne), Great Britain (Birmingham) and France (Paris Dauphine) and has a master's degree in business administration and management. He was born in Cologne, Germany in 1963.

**Carlos Zarlenga** – Carlos Zarlenga was appointed Chief Operating Officer for North America and a member of Stellantis' Top Executive Team on February 1, 2024. From September 2022 until his recent appointment, he served as President of Stellantis México.

Before joining Stellantis, Mr. Zarlenga served in multiple leadership roles over 10 years with General Motors, including as President and CEO of GM South America. He was also the Chief Financial Officer, Consumer & Industrial for the Europe, Middle East and Africa region at General Electric, following leadership roles in supply chain and finance at the company. Mr. Zarlenga has served on the Board of Directors of Amcham Brazil and the Americas Society/Council of the Americas.

Mr. Zarlenga holds a degree in economics from the University of Belgrano in Buenos Aires, Argentina. He was born in Buenos Aires, Argentina in 1974.

**Emanuele Cappellano** – Emanuele Cappellano was appointed Chief Operating Officer for South America and a member of Stellantis' Top Executive Team in November 2023. He returned to Stellantis after two years as North America CEO and Group Strategy & Corporate Development Director at Marcolin, a worldwide leader in the eyewear industry. Prior to this, Mr. Cappellano served as Chief Financial Officer & Head of Financial Services of Stellantis South America until September 2021. During his career at FCA, he served as a board member, president and advisor and held senior finance positions in areas such as Commercial, Product, Investment, Industrial, and Operations. He joined FCA in 2002 and began working in South America in 2014. Mr. Cappellano has a degree in business economics with an emphasis in finance from the University of Venice and a master in accounting management and corporate finance from the University of Turin. He was born in Rieti, Italy in 1976.

**Samir Cherfan** – Samir Cherfan was appointed Chief Operating Officer for Middle East & Africa and a member of Stellantis' Top Executive Team in January 2021. He has a broad experience across the automotive value chain including R&D, manufacturing, product & program management, and sales and marketing for various automotive groups. He started his career with Renault Group in 1992. During the first 11 years, he held various management positions in research, engineering and modules development and production. He then joined the program management department for 7 years and became program director of mid-range models designed for international markets. In 2010, he moved to the front line as Managing Director of Eastern Paris retail network at Renault Retail Group. In 2012, he joined Nissan Group in the Middle East, as Sales and Marketing Director before being appointed Managing Director one year later. He joined Groupe PSA in 2017 as Sales and Marketing Senior Vice President for Middle East & Africa region (MEA). In 2019, he was nominated Director of MEA Region and Executive Vice President. Mr. Cherfan was also head of the industrial and commercial diversity reduction cross functional team.

Mr. Cherfan is currently director of Société Tunisienne Automobile Financière Immobilière et Maritime – STAFIM and director of Société de Promotion Industrielle et Automobile au Maroc - SOPRIAM.

Mr. Cherfan is an engineering graduate of Polytech Sorbonne, Paris, France. He was born in Hadath, Lebanon in 1967.

**Doug Ostermann** – Doug Ostermann was appointed Chief Operating Officer for China and a member of Stellantis' Top Executive Team in November 2023. Prior to this, he served as Chief Financial Officer and Head of Strategy for China.

Mr. Ostermann joined FCA as Group Treasurer in 2016 and later headed Global Business Development. Before joining FCA, he held numerous roles at Archer-Daniels-Midland Company, including as Group Treasurer and Corporate Officer, from 2004 until 2016. Mr. Ostermann began his career at General Motors in the product planning staff and went on to hold various positions in marketing, advertising, brand management and field sales in the U.S. and later at Opel in Germany. After returning to the U.S., he held various positions at the New York Treasurer's Office at General Motors through early 2004.

Mr. Ostermann holds a Bachelor of Science and a Master of Business Administration (MBA) from Washington University in the U.S. He was born in Merriam, Kansas (U.S.) in 1968.

**Ashwani Muppasani** – Ashwani Muppasani was appointed Chief Operating Officer for India & Asia Pacific and a member of Stellantis' Top Executive Team in November 2023. He was the Chairman of the Board and President of Stellantis (Shanghai) Automotive Co. Ltd. (SSAC) from July 2022, responsible for the overall operations and management of the Jeep, Alfa Romeo, DS and Mopar brands in China.

Mr. Muppasani started his career at General Motors, working in production, supplier quality, purchasing & supply chain, sales and marketing in the U.S., China, Latin America, Africa, India, Europe and South Korea. He later joined OHorizons Global Inc., where he served as Executive Vice President in the field of corporate mergers and acquisitions and business recovery for large scale ventures. From 2014 to 2019, Mr. Muppasani worked for Tyco Electronics as the Vice President of Operations and Quality for its automotive division in the Americas market. In November 2019, he joined the former FCA (Fiat Chrysler) Group as Head of Purchasing and Supply Chain Asia Pacific region.

Mr. Muppasani holds a bachelor's degree in industrial & production engineering from the Manipal Institute of Technology, India, and a master's degree in industrial engineering from Wichita State University in the U.S. He was born in Guntur, India in 1970.

**Philippe de Rovira** – Philippe de Rovira was appointed Chief Affiliates Officer for Sales Finance, Used Cars, Parts and Service, Circular Economy and Retail Network and a member of Stellantis' Top Executive Team in January 2021. Mr. de Rovira joined Groupe PSA in 1998 where he held various positions in Corporate & Manufacturing Finance before acting as Financial Controller in the Madrid and Poissy plants. In 2009, he became the Chief Financial Officer for Latin America and in 2012 Controller of the PSA Sales Division. In 2013, Mr. de Rovira was appointed Senior Vice President and took responsibility for various functions of PSA Sales division, including B2B & Used Cars sales, Network Development & Quality of Service, CRM & Digital, Outbound Logistics and the management of car flow (Sales & Operations Planning). In 2015, he was appointed Group Controller. In 2017, after the acquisition by Groupe PSA, Mr. de Rovira joined Opel Vauxhall as Chief Financial Officer and member of the Opel Vauxhall Managing Board. In 2018, he was appointed to the position of Group Chief Financial Officer as an Executive Vice President within the Group and a member of the Global Executive Committee. From 2018, Mr. de Rovira was also in charge of the Used Cars Business Unit.

Mr. de Rovira is a graduate of the ESSEC Business School based in Paris. He was born in Paris, France in 1973.

**Xavier Chéreau** – Xavier Chéreau was appointed Chief Human Resources & Transformation Officer and a member of Stellantis' Top Executive Team in January 2021. He has built his entire career path within the field of human resources and has alternated between the Head office and operations activities within different sites and divisions. These have included R&D, manufacturing, and support functions. Mr. Chéreau joined Groupe PSA in 1994 and subsequently held the position of Employment & Mobility Manager for Europe. He went on to become Social Relations Manager at the Poissy plant in France and then Head of Social Innovation and Management institute within the Group.

In 2006, Mr. Chéreau was appointed Vice President, Director of Human Resources and Social Relations for the Trémery and propulsion system plants. In 2009, he was appointed Senior Vice President, Industrial and R&D Division Human Resources. In 2010, Mr. Chéreau also took operational responsibility for the Engineering testing resources of the R&D department. From 2014 to 2015, he held the position of Director of Human Resources Development, Talents and Top Management. In 2015, Mr. Chéreau was appointed Executive Vice President of Human Resources of the Group and member of the Global Executive Committee. In 2018, he was appointed Director of Human Resources and Transformation, a division that includes the Digital, IT and Real Estate departments, and as of 2020, Compliance and Audit.

After a Bachelor's degree in Economic Management, Mr. Chéreau completed his Master's degree in Human Resources (Employment Management & Corporate Social Development) at the 'Institut Sciences Politiques de Paris', France. He was born in Paris, France in 1968.

**Olivier Bourges** – Olivier Bourges was appointed Global Corporate Office and Public Affairs Officer in July 2023 and has served as a member of Stellantis' Top Executive Team since January 2021. Previously, Mr. Bourges was Chief Planning Officer, a position he held since the creation of Stellantis in January 2021. He joined Groupe PSA in 2014 to become General Secretary of the Company. Mr. Bourges moved on to become Planning Executive Vice President in 2018, in charge of Corporate Planning (company strategic planning and Business Development), Global Product Planning, Vehicle Programs management and Corporate $CO_2$ management. He was also responsible within the Global Executive Committee for the sales finance activities. Prior to joining PSA, Mr. Bourges held several positions in Renault, mainly as Investor Relations Officer and Vehicles Program Controller and later on as Corporate Controller, and at Nissan, responsible for Corporate Planning and Vehicle Program Management in North America. He started his career at the French Treasury where he held several positions in the banking supervisory activities and in the state owned companies supervisory activities. Mr. Bourges also worked for the World Bank in Washington D.C.

Mr. Bourges was born in Auxerre, France in 1966. He is a graduate of Sciences Po Paris and the Ecole Nationale d'Administration.

**Natalie Knight** – Natalie Knight was appointed Chief Financial Officer and a member of Stellantis' Top Executive Team in July 2023. Before joining Stellantis, Ms. Knight served as Chief Financial Officer and a member of the Management Board at Ahold Delhaize, a leading global food retailer headquartered in the Netherlands, from early 2020. Prior to that, she was Chief Financial Officer and member of the executive management team at Arla Foods in Denmark beginning in January 2016. In addition to being responsible for the financial and legal teams, Ms. Knight also had global responsibility for information technology.

Ms. Knight spent 17 years at adidas AG in Germany and the U.S., where she held various senior finance positions, including senior vice president group functions finance, senior vice president commercial and brand finance, Chief Financial Officer adidas North America and vice president investor relations and M&A. Prior to her time with adidas, Ms. Knight held investor relations roles at BASF and Bankgesellschaft Berlin.

Ms. Knight graduated from the University of Arizona in the U.S. and Freie Universität in Berlin, Germany, followed by executive leadership programs at INSEAD in France and St. Gallen University in Switzerland. She was born in Richmond, Virginia (U.S.) in 1970.

**Béatrice Foucher** – Béatrice Foucher was appointed Chief Planning Officer in July 2023 and has served as a member of Stellantis' Top Executive Team since January 2021. Previously, Ms. Foucher was Brand CEO for DS Automobiles, a position she held from January 2020.

Ms. Foucher has built a strong and extensive expertise in the automotive industry with 30 years of experience within the departments of Quality, Product Planning, HR Talent Management and General Brand Development. She joined the Renault Group in 1990 as Audit Quality Manager doing audits in plants before turning to the Client Surveys department. This was followed by a move to the Product Planning department, where Ms. Foucher successively held the positions of Chief of Product, Director of the Upper Range and ultimately Director of Product Planning between 2007 and 2012, where she managed the development of five brands.

In 2012, Ms. Foucher became Vice President of the Electric Vehicles Program, piloting development of four products, making technology choices, and leading planning and profitability. Between 2015 and 2019, she served as Vice President of Talent Management for the Renault Nissan Alliance. In 2019, she joined Groupe PSA as Senior Vice President of Talent Management before quickly being appointed CEO of DS Automobiles in 2020 and a member of Groupe PSA's Global Executive Committee.

After a Master's Degree in engineering in Agronomics Science at AgroParisTech, Ms. Foucher completed a Master of Science in Quality and Audit at ESCP Business School & Centrale Supelec in France. She was born in Saintes, Frances in 1964.

**Giorgio Fossati** – Giorgio Fossati was appointed General Counsel and a member of Stellantis' Top Executive Team in January 2021. He was appointed Corporate General Counsel of FCA in November 2014. Previously, Mr. Fossati was General Counsel of Fiat, a position to which he was appointed in 2011. Previously he had been General Counsel of Fiat Auto since 2002, following other positions of increasing responsibility within the Fiat Legal department. Prior to that, Mr. Fossati worked in positions of increasing responsibility in the legal department at Iveco S.p.A.

Mr. Fossati earned his master's degree in law from the University of Turin School of Law. He was born in Orbassano, Italy in 1961.

*Senior Management*

The aggregate compensation expense for senior management was €44 million for the year ended December 31, 2023, which included €16 million for share-based compensation expense, €9 million for short-term employee benefits and €3 million for pension and similar benefits.

**Articles of Association and Information on Stellantis Shares**

The following is a summary of material information relating to Stellantis common shares, including summaries of certain provisions of the Articles of Association, the terms and conditions in respect of Stellantis special voting shares (the "Terms and Conditions of Special Voting Shares"), and the applicable Dutch law provisions in effect at the date of this report. The summaries of the Articles of Association and the Terms and Conditions of Special Voting Shares as set forth in this report are qualified in their entirety by reference to the full text of the Articles of Association and the Terms and Conditions of Special Voting Shares.

***Share Capital***

As at December 31, 2020, prior to the closing of the merger, the authorized share capital of FCA was €40,000,000, divided into 2,000,000,000 FCA common shares with a nominal value of €0.01 each and 2,000,000,000 special voting shares with a nominal value of €0.01 each. At the Effective Time, (i) by way of a deed of amendment to the Articles of Association, FCA's authorized share capital was increased to €90,000,000, divided into 4,500,000,000 common shares with a nominal value of €0.01 each and 4,500,000,000 special voting shares with a nominal value of €0.01 each; (ii) FCA issued 1,545,220,196 new common shares to PSA shareholders, corresponding to an exchange ratio of 1.742 FCA common shares for each outstanding PSA ordinary share. As of the Governance Effective Time, by way of a deed of amendment to the Articles of Association, (i) FCA's name was changed into Stellantis; (ii) the authorized share capital of Stellantis was divided into 4,500,000,000 common shares with a nominal value of €0.01 each, 4,050,000,000 class A special voting shares with a nominal value of €0.01 each and 450,000,000 class B special voting shares with a nominal value of €0.01 each; (iii) the special voting shares of FCA were converted into class B special voting shares at the Governance Effective Time. The special voting shares held by Exor prior to the closing of the merger were repurchased by FCA at the Effective Time for no consideration. The Articles of Association provide that, following the deposit by the Board of Directors of a declaration at the Dutch Trade Register that the class B special voting shares held by Stellantis on the Effective Date were canceled, the authorized share capital of Stellantis shall amount to €90,000,000, divided into 4,500,000,000 common shares with a nominal value of €0.01 each, 4,499,750,000 class A special voting shares and 250,000 class B special voting shares. As of March 3, 2021, there were 208,622 class B special voting shares and no class A special voting shares outstanding, and the above-mentioned declaration has not been filed with the Dutch Trade Register. As of the same date, the Company held 449,410,092 class B special voting shares in treasury. At the extraordinary general meeting of the shareholders held on January 4, 2021, the shareholders approved inter alia the proposal to increase and, subsequently, decrease the Stellantis issued share capital in connection with the Faurecia Distribution, which has been approved by the extraordinary general meeting of shareholders of Stellantis held on March 8, 2021.

On April 15, 2021, the General Meeting of Shareholders resolved to cancel all 449,410,092 class B special voting shares held by the Company subject to completion of the formal procedures under Dutch law. All those repurchased shares have been cancelled as of October 8, 2021.

As of November 5, 2021, there were 188,622 class B special voting shares and no class A special voting shares outstanding. As of the same date, the Company held 20,000 class B special voting shares in treasury. As of February 2, 2022, due to the withdrawal of 10,000 special voting shares which were repurchased by the Company, there were 178,622 class B special voting shares and no class A special voting shares outstanding; as of the same date, the Company held 30,000 class B special voting shares in treasury.

On December 21, 2022, all the outstanding special voting shares B were exchanged with newly issued special voting shares A in accordance with article 7.5 of the terms and conditions of the special voting shares (the "SVS Terms and Conditions"). As a result, all the 208,622 issued special voting shares B were held in the Company's treasury. At December 31, 2022 there were 178,790 issued special voting shares A and 208,622 issued special voting shares B (208,622 at December 31, 2021), all with a par value of €0.01 each.

On April 13, 2023, the General Meeting of Shareholders resolved to cancel all 69,125,544 common shares in the share capital of the Company held by the Company in its own capital resulting in a reduction of the Company's issued common shares.

On January 17 and 26, 2024 and on February 3, 2024, those shareholders who following the merger have registered their common shares (the Electing common shares) in the Loyalty Register for an uninterrupted period of three years in the name of the same shareholder (such a share Qualifying common share) became eligible to receive one class A special voting share for each Qualifying common share. As a result, a total of 866,342,434 class A special voting shares were issued.

As of February 20, 2024, the share capital of the Company consists of the following: 3,165,189,336 common shares, 866,522,224 Class A special voting shares and 208,622 Class B special voting shares.

On July 31, 2017, PSA issued 39,727,324 equity warrants in favor of GM, at the unit price of €16.3386515, giving entitlement to subscribe for PSA ordinary shares, on the basis of one PSA ordinary share for one equity warrant, at an exercise price of €1.00 per PSA ordinary share, between July 31, 2022, and July 31, 2026. At the Effective Time, each of the 39,727,324 outstanding equity warrants was converted into one equity warrant giving entitlement to subscribe 1.742 Stellantis common shares (each, a "Warrant") at an exercise price equal to €1.00 per Warrant, between July 31, 2022, and July 31, 2026. GM and its affiliates did not have the right to sell or transfer the Warrants other than to GM affiliates. GM and its affiliates did not have any governance or voting rights in respect of the Warrants, and were obligated to sell the common shares received within 35 days from the date of exercise of the Warrants. The terms and conditions of the Warrants provided for protection of the rights of warrant holders in connection with certain transactions carried out by the issuer where the record date to benefit from or participate in such transactions and, in particular, to benefit from any dividend or other distribution announced or voted on or before that date, is prior to the delivery date of the underlying shares upon exercise of the Warrants. The contemplated transactions included, among others, any free allocation of shares or other securities to shareholders, regrouping or splitting of shares, increase of the par value of the common shares, merger, demerger, repayment of share capital, dividends, and other distributions. The terms and conditions of the Warrants set out the calculation formula to adjust the exercise ratio, provided that any such adjustment had to be made such that the value of the common shares that would have been obtained had the Warrants been exercised immediately before one of the contemplated transactions is equal, to the nearest 100th of a share, to the value of the shares that would have been obtained had the Warrants been exercised immediately after such transaction.

On September 13, 2022, Stellantis N.V. and General Motors Holdings LLC, a subsidiary of GM Company executed a share repurchase agreement ("SRA") related to the 69,125,544 common shares in Stellantis, representing approximately 2.2 percent of Stellantis' share capital (on a diluted basis), that GM was entitled to receive upon the exercise of the Warrants following the adjustment in connection with certain transactions carried out by Stellantis, as described above. Upon exercise of the Warrants, Stellantis also delivered to GM approximately 1.2 million common shares of Faurecia and an aggregate cash amount of approximately €130 million for rights to dividends paid by PSA and Stellantis. Pursuant to the SRA, the issue and the repurchase of Stellantis common shares both occurred on September 15, 2022. The purchase price paid by Stellantis for the common shares amounted, in total, to €923 million. Such amount was based on the volume-weighted average price of one Stellantis common share on the regulated market of Euronext in Milan over the last five trading days prior to September 14, 2022. The purchase of Stellantis common shares by Stellantis from GM was carried out under the authority granted by the general meeting of April 13, 2022.

Stellantis common shares and special voting shares have been created under the laws of the Netherlands.

Stellantis common shares are registered shares represented by an entry in the shareholders' register of Stellantis. The Board of Directors may determine that, for the purpose of trading and transfer of shares on a foreign stock exchange, share certificates will be issued in such a form as will comply with the requirements of such a foreign stock exchange and Dutch law. A register of shareholders is maintained by Stellantis in the Netherlands and a branch register is maintained in the United States on Stellantis' behalf by Computershare Trust Company, N.A., which serves as Stellantis' branch registrar and transfer agent in the United States.

Beneficial interests in Stellantis common shares that are traded on the NYSE are held through the book-entry system provided by The Depository Trust Company ("DTC") and are registered in Stellantis' register of shareholders in the name of Cede & Co., as DTC's nominee. Beneficial interests in Stellantis common shares traded on Euronext Milan are held through Monte Titoli S.p.A., the Italian central clearing and settlement system, as a participant (through Euroclear Bank) in DTC. Beneficial interests in Stellantis common shares traded on Euronext Paris are held through Euroclear France and its intermediaries Euroclear Bank and J.P. Morgan, the latter acting as a participant in DTC.

Special voting shares are registered shares represented by an entry in the shareholders' register of Stellantis. No share certificates have been issued with respect to the special voting shares. No right of pledge may be established on special voting shares and the voting rights attributable to special voting shares may not be assigned to a usufructuary.

Additional information on Stellantis' equity as of December 31, 2023, is contained in Note 27, *Equity*, to the Consolidated Financial Statements included elsewhere in this report.

***Directors***

Set forth below is a summary of the material provisions of the Articles of Association relating to our Directors. This summary does not restate the Articles of Association in their entirety.

The members of the Board of Directors are appointed by the general meeting of shareholders, taking into account the nomination rights set out in the Articles of Association and further described under "*Nomination Rights*".

The initial term of office of each of the Chairman, CEO, Senior Independent Director, and Vice Chairman is five years, in each case beginning on the Governance Effective Time. The initial term of office for each of the other Directors is four years beginning on the Governance Effective Time (with the exception of Benoît Ribadeau-Dumas, whose initial term of 2 years started from the 2023 AGM). Such initial terms of office shall lapse immediately after the close of the first annual general meeting of shareholders held after four or five years (as applicable) have lapsed since the Governance Effective Time (with the exception of Benoît Ribadeau-Dumas, whose initial term shall lapse immediately after the close of the first annual general meeting of shareholders held after two years have lapsed since the 2023 AGM). Under Articles of Association, after the initial term, the term of office of the Directors is for a period of two years, provided that unless a Director has resigned at an earlier date the term of office shall lapse immediately after the close of the first annual general meeting of shareholders held two years following the appointment. Each Director may be reappointed for an unlimited number of terms.

Stellantis has a policy in respect of the remuneration of the members of the Board of Directors. With due observation of the Remuneration Policy, the Board of Directors may determine the remuneration for directors in respect of the performance of their duties. The Board of Directors must submit plans to award shares or the right to subscribe for shares to the general meeting of shareholders for its approval.

Stellantis shall not grant the Directors any personal loans or guarantees.

Additional information on the Board of Directors is contained in the *Report of the Non-Executive Directors* included elsewhere in this report.

**Nomination Rights**

The Articles of Association provide for certain rights of Exor, EPF/Peugeot Invest and BPI (each a "Nominating Shareholder") to nominate the number of Directors mentioned below for future terms of office of the Board of Directors. In particular, and subject to the terms and conditions set forth in the Articles of Association:

- Exor shall have the right to nominate two directors;
- BPI (or EPF/Peugeot Invest, as further described below) shall have the right to nominate one director; and
- EPF/Peugeot Invest shall have the right to nominate one director.

Notwithstanding the above:

- if the number of Stellantis common shares held by BPI, and/or any of its affiliates, or EPF/Peugeot Invest, and/or any of their affiliates, falls below the number of shares corresponding to five percent of the issued and outstanding Stellantis common shares, such shareholder will no longer be entitled to nominate a Director (in which case, any Director nominated by BPI or EPF/Peugeot Invest, as the case may be, will be required to resign as promptly as reasonably practicable (and in any case, within ten days of the relevant threshold no longer being met)); and
- if, at any time within the six years following the Effective Time or on the sixth anniversary of the Effective Time, both (i) the number of Stellantis common shares held by EPF/Peugeot Invest and/or their affiliates increases to a number of shares corresponding to eight percent or more of the issued and outstanding Stellantis common shares and (ii) the number of Stellantis common shares held by BPI and/or its affiliates falls below the number of shares corresponding to five percent of the issued and outstanding Stellantis common shares, then EPF/Peugeot Invest will be entitled to nominate a second Director to the Board of Directors in replacement of the BPI nominee (the "EPF/Peugeot Invest Additional Director").

As an exception to the foregoing paragraph, if at any time within the six years following the Effective Time:

- the number of Stellantis common shares held by BPI and its affiliates, on the one hand, or EPF/Peugeot Invest and their affiliates, on the other hand, represents between four percent and five percent of the issued and outstanding Stellantis common shares (the "Threshold Stake");

- either BPI or EPF/Peugeot Invest has not otherwise lost its right to nominate a Director in accordance with the preceding paragraph; and

- the number of Stellantis common shares held by BPI, EPF/Peugeot Invest and their respective affiliates represents, in aggregate, eight percent or more of the issued and outstanding Stellantis common shares,

the Nominating Shareholder which holds the Threshold Stake will maintain its right to nominate a Director (the "Residual Director") to the Board of Directors until the sixth anniversary of the Effective Time (it being understood that while BPI is entitled to nominate a Director pursuant to this exception, EPF/Peugeot Invest will not be entitled to nominate the EPF/Peugeot Invest Additional Director).

Additionally, Exor's right to nominate representative(s) to the Board of Directors will decrease in the event Exor and/or its affiliates reduce their equity ownership in Stellantis as follows:

- if the number of shares held by Exor and/or its affiliates falls below the number of shares corresponding to eight percent of the issued and outstanding Stellantis common shares, Exor will be entitled to nominate one Director instead of two; and

- if the number of shares held by Exor and/or its affiliates falls below the number of shares corresponding to five percent of the issued and outstanding Stellantis common shares, Exor will no longer be entitled to nominate a Director.

In such cases, the Director designated by Exor for resignation from among the Directors nominated by Exor will be required to resign as promptly as reasonably practicable (and in any case, within ten days of the relevant threshold no longer being met) after the number of Stellantis common shares held by Exor and/or its affiliates falls below the applicable threshold.

Any event or series of events (including any issue of new shares) other than a transfer (including transfer under universal title) of Stellantis common shares will be disregarded for the purpose of determining whether the applicable Nominating Shareholder reaches the relevant threshold(s).

Pursuant to the Articles of Association, the general meeting of shareholders may at all times overrule a binding nomination for the appointment of a Director by a two-thirds majority of the votes cast, with such two-thirds majority of the votes cast representing more than half of the issued and outstanding share capital of Stellantis.

Additionally, the Articles of Association provide that the nomination rights of a Nominating Shareholder lapse upon a Change of Control of such Nominating Shareholder. A "Change of Control" is defined in Article 1.1. of the Stellantis Articles of Association as any direct or indirect transfer carried out by a shareholder that is not an individual through one or a series of related transactions as a result of which (i) a majority of the voting rights in such shareholder; (ii) the *de facto* ability to direct the casting of a majority of the votes exercisable at general meetings of such shareholder; and/or (iii) the ability to appoint or remove a majority of the directors, executive directors or board members or executive officers of such shareholder or to direct the casting of a majority of the voting rights at meetings of the board of directors, management board or similar governing body of such shareholder has been transferred to the transferee of such shares, provided that no Change of Control will be deemed to have occurred if (a) the transfer of ownership and/or control is an intragroup transfer under the same controlling person, (b) the transfer of ownership and/or control is the result of the succession or the liquidation of assets between spouses or the inheritance, *inter vivos* donation or other transfer to a spouse or a relative up to and including the fourth degree, (c) the fair market value of the Qualifying Common Shares (as defined under "*—Loyalty Voting Structure"*) held by such shareholder represents less than 20 percent of the total assets of the Transferred Group at the time of the transfer and the Qualifying Common Shares held by such shareholder, in the sole judgment of Stellantis, are not otherwise material to the Transferred Group or the change of control transaction.

Article 1.1 of the Articles of Association defines "Transferred Group" as the relevant shareholder together with its affiliates, if any, over which control was transferred as part of the same Change of Control transaction.

***No Liability to Further Capital Calls***

All of the outstanding Stellantis common shares and special voting shares are fully paid and non-assessable.

***Discriminating Provisions***

Except for the voting limitations described in this section under "*—General Meeting of Shareholders and Voting Rights —Voting Limitations*", there are no provisions of the Articles of Association that discriminate against a shareholder because of its ownership of a certain number of shares.

***Issuance of shares***

The general meeting of shareholders, or alternatively the Board of Directors if it has been designated to do so at the general meeting of shareholders, shall have authority to resolve on any issuance of shares and rights to subscribe for shares.

The Board of Directors has been irrevocably authorized, for a period of three years from January 16, 2021 to issue common shares and rights to subscribe for common shares up to in aggregate (i) ten percent of the issued common shares for general corporate purposes as of January 16, 2021, plus (ii) an additional ten percent of the issued common shares as of such date, if the issuance and/or the granting of rights to subscribe for common shares occurs in connection with the acquisition of an enterprise or a corporation, or, if such issuance and/or the granting of rights to subscribe for common shares is otherwise necessary in the opinion of the Board of Directors. The Board of Directors will also be designated, for a period of three years from January 16, 2021, as the authorized body to limit or exclude the rights of pre-emption of shareholders in connection with the foregoing authority of the Board of Directors to issue Stellantis common shares and grant rights to subscribe for Stellantis common shares. Refer to the "*Rights of Pre-emption*" section elsewhere in this report. The general meeting of shareholders held on April 13, 2023 resolved to extend the authorization of the Board of Directors as per the date it lapses up to and including October 12, 2024 (being the date 18 months from the date of the 2023 General Meeting of Shareholders). The new authorization is limited to 10 percent of the issued common shares for general corporate purposes as per the date of the 2023 General Meeting of Shareholders (April 13, 2023) and can be used for any and all purposes.

The general meeting of shareholders, or the Board of Directors if so designated in accordance with the Articles of Association, shall decide on the price and the further terms and conditions of issuance, with due observance of what is required in relation thereto under Dutch law and the Articles of Association.

If the Board of Directors is designated by the general meeting of shareholders to have authority to decide on the issuance of shares or rights to subscribe for shares, such a designation shall specify the class of shares and the maximum number of shares or rights to subscribe for shares that can be issued under such a designation. When making such designation the duration of the Board of Directors' relevant authority, which shall not be for more than five years, shall be resolved upon at the same time. The designation may be extended from time to time for periods not exceeding five years. The designation may not be withdrawn unless otherwise provided in the resolution in which the designation is made.

Payment for shares shall be made in cash unless another form of consideration has been agreed. Payment in a currency other than euro may only be made with the consent of the Board of Directors.

***Rights of Pre-emption***

Under Dutch law and the Articles of Association, each Stellantis shareholder has a right of pre-emption in proportion to the aggregate nominal value of its common shares upon the issuance of new Stellantis common shares, or the granting of rights to subscribe for Stellantis common shares. Exceptions to this right of pre-emption include the issuance of new Stellantis common shares, or the granting of rights to subscribe for Stellantis common shares: (i) to employees of Stellantis or another company of Stellantis pursuant to an equity incentive plan of Stellantis; (ii) against payment in kind (contribution other than in cash); and (iii) to persons exercising a previously granted right to subscribe for Stellantis common shares. Shareholders do not have any right of pre-emption in connection with the issuance of special voting shares. Rights of pre-emption may be exercised during a period of at least two weeks after the announcement of an issuance of new Stellantis common shares in the Dutch State Gazette.

The general meeting of shareholders may resolve to limit or exclude the rights of pre-emption upon an issuance of Stellantis common shares, which resolution requires approval of at least two-thirds of the votes cast if less than one-half of the issued and outstanding share capital is present or represented at the general meeting of shareholders. If more than one-half of the issued and outstanding share capital is present or represented at the general meeting of shareholders, an absolute majority of the votes cast is required. The Articles of Association, or the general meeting of shareholders, may also designate the Board of Directors to resolve to limit or exclude the rights of pre-emption in relation to the issuance of Stellantis common shares. Pursuant to Dutch law, the designation by the general meeting of shareholders may be granted to the Board of Directors for a specified period of time of not more than five years and only if the Board of Directors has also been designated or is simultaneously designated the authority to resolve to issue Stellantis common shares. In the proposal to the general meeting of shareholders in respect of the Board of Directors' authority to resolve to limit or exclude such rights of pre-emption, the reasons for the proposal and the choice of the intended price of issue will be explained in writing.

The Board of Directors is irrevocably designated in the Articles of Association as the competent body to exclude or limit rights of pre-emption for an initial period of three years from January 16, 2021, in connection with the relevant authority to issue Stellantis common shares referred to under "—*Issuance of Shares*", which designation may be extended by the general meeting of shareholders for additional periods up to a maximum of five years per period. The general meeting of shareholders held on April 13, 2023 resolved to extend the authorization of the Board of Directors as per the date it lapses up to and including October 12, 2024 (being the date 18 months from the date of the 2023 General Meeting of Shareholders). The new authorization is limited to the new authority to issue Stellantis common shares referred to under "—*Issuance of Shares*".

***Repurchase of Shares***

Upon agreement with the relevant shareholder, Stellantis may acquire fully paid-up shares in its own share capital at any time for no consideration (*om niet*), or, subject to certain provisions of Dutch law and the Articles of Association, for consideration if: (i) Stellantis' shareholders' equity less the payment required to make the acquisition does not fall below the sum of called-up and paid-in share capital and any reserves to be maintained pursuant to Dutch law and the Articles of Association; (ii) Stellantis would thereafter not hold a pledge over Stellantis common shares, or together with its subsidiaries, hold Stellantis common shares with an aggregate nominal value exceeding 50 percent of Stellantis' issued share capital; and (iii) the Board of Directors has been authorized to do so by the general meeting of shareholders.

Stellantis' equity, as shown in the last confirmed and adopted balance sheet, after deduction of the acquisition price for shares in the share capital of Stellantis, the amount of the loans as referred to in Article 2:98c of the Dutch Civil Code and distributions from profits or reserves to any other persons that became due by the company and its subsidiary companies after the date of the balance sheet, shall be decisive for purposes of items (i) and (ii) referred to in the immediately preceding paragraph. If no annual accounts have been confirmed and adopted when more than six months have expired after the end of any financial year, then an acquisition in reliance on the immediately preceding paragraph shall not be allowed until the relevant annual accounts are adopted.

The acquisition of fully paid-up shares by Stellantis other than for no consideration (*om niet*) requires authorization by the general meeting of shareholders. Such authorization may be granted to the Board of Directors for a period not exceeding 18 months and shall specify the number of shares, the manner in which the shares may be acquired and the price range within which shares may be acquired. The authorization is not required for the acquisition by Stellantis of shares for employees of Stellantis, or another company of Stellantis, under a scheme applicable to such employees and no authorization is required for repurchase of shares acquired in certain other limited circumstances in which the acquisition takes place by operation of law, such as pursuant to mergers or demergers. In case of acquisition of shares by Stellantis for employees of Stellantis, such shares must be officially listed on the price list of an exchange.

Stellantis may, jointly with its subsidiaries, hold Stellantis common shares in its own capital exceeding one-tenth of its issued and outstanding capital for no more than three years after acquisition of such Stellantis common shares for no consideration (*om niet*) or in certain other limited circumstances in which the acquisition takes place by operation of law, such as pursuant to mergers or demergers. Any Stellantis common shares held by Stellantis in excess of the amount permitted shall transfer to all members of the Board of Directors jointly at the end of the last day of such three-year period. Each member of the Board of Directors shall be jointly and severally liable to compensate Stellantis for the value of the Stellantis common shares at such a time, with interest payable at the statutory rate on such shares. The term Stellantis common shares as used in this paragraph shall include depositary receipts for shares and shares in respect of which Stellantis holds a right of pledge.

No votes may be cast at a general meeting of shareholders on the Stellantis common shares held by Stellantis or its subsidiaries. In addition, no voting rights may be cast at a general meeting of shareholders in respect of Stellantis common shares for which depositary receipts have been issued that are owned by Stellantis. Nonetheless, the holders of a right of usufruct or pledge in respect of shares held by Stellantis and its subsidiaries in Stellantis share capital are not excluded from the right to vote on such shares if the right of usufruct or pledge was granted prior to the time such shares were acquired by Stellantis or its subsidiaries. Neither Stellantis nor any of its subsidiaries may cast votes in respect of a share on which it or its subsidiaries holds a right of usufruct or pledge.

***Reduction of Share Capital***

The Stellantis common shares held in treasury by Stellantis and all issued class A special voting shares may be cancelled, and the nominal value of shares may be reduced, with the approval of the general meeting of shareholders.

A resolution to reduce the share capital requires a majority of at least two-thirds of the votes cast at the general meeting of shareholders if less than one-half of the issued and outstanding share capital is present or represented at the meeting. If more than one-half of the issued and outstanding share capital is present or represented at a general meeting of shareholders, an absolute majority of the votes cast is required.

Class A special voting shares may be cancelled by resolution taken by a majority of at least two-thirds of the votes cast at a general meeting of shareholders, subject to the approval of the meeting of holders of the class A special voting shares. Cancellation of class A special voting shares shall take place without repayment of the nominal value of the special voting shares, and such nominal value shall be added to the special capital reserve.

Any reduction of the nominal value of the Stellantis common shares without repayment must be made pro rata on all common shares. Any reduction of the nominal value of the special voting shares shall take place without repayment.

A partial repayment on Stellantis common shares shall only be allowed in implementation of a resolution to reduce the nominal value of the Stellantis common shares. Such partial repayment must be made in respect of all Stellantis common shares on a pro rata basis. The pro rata requirement may be waived with the consent of all the holders of Stellantis common shares.

Any proposal for a cancellation or reduction of nominal value is subject to general requirements of Dutch law with respect to reductions of share capital.

***Transfer of Shares***

In accordance with the provisions of Dutch law, pursuant to Article 13 of the Articles of Association, the transfer of Stellantis common shares or the creation of a right *in rem* in such shares requires a deed intended for that purpose and, save when Stellantis is a party to the deed, written acknowledgment by Stellantis of the transfer.

Common shares that have been entered into DTC’s book-entry system will be registered in the name of Cede & Co. as nominee for DTC and transfers of beneficial ownership of shares held through DTC will be effected by electronic transfer made by DTC participants. Article 13 of the Articles of Association does not apply to the trading of such Stellantis common shares on a regulated market or the equivalent of a regulated market.

Transfers of shares held outside of (i) DTC or another direct registration system maintained by Computershare Trust Company, N.A., Stellantis’ transfer agent in New York, (ii) Monte Titoli S.p.A. or (iii) Euroclear France (collectively, the “Regular Trading Systems”) and not represented by certificates are effected by a deed intended for that purpose (including a stock transfer instrument) and, save where Stellantis is a party to the deed, require written acknowledgement by Stellantis. Transfer of common shares for which registered certificates have been issued is effected by presenting and surrendering the certificates to the transfer agent. A valid transfer requires the registered certificates to be properly endorsed for transfer as provided for in the certificates and accompanied by proper instruments of transfer and stock transfer tax stamps for, or funds to pay, any applicable stock transfer taxes. Stellantis may acknowledge the transfer by making an annotation on such certificate as proof of the acknowledgement or by replacing the surrendered certificate by a new share certificate registered in the name of the transferee.

Stellantis common shares are freely transferable. The number of Stellantis common shares registered in the Loyalty Register pursuant to Stellantis' loyalty voting structure and special voting shares is subject to the transfer restrictions described under "*—General Meeting of Shareholders and Voting Rights—General Meetings* and *—Loyalty Voting Structure —Terms and Conditions of the Special Voting Shares—Withdrawal of Special Voting Shares*".

### ***Exchange Controls and Other Limitations Affecting Shareholders***

Under Dutch law, there are no exchange control restrictions on investments in, or payments on, Stellantis common shares. There are no special restrictions in the Articles of Association or Dutch law that limit the right of shareholders who are not citizens or residents of the Netherlands to hold or vote Stellantis common shares.

### ***Annual Accounts and Independent Auditor***

Stellantis' financial year is the calendar year. Within four months after the end of each financial year, the Board of Directors shall prepare and publish the annual accounts, consisting of a balance sheet, a profit and loss account and explanatory notes and which must be accompanied by an annual report and an auditor's report, alongside any other information that would need to be made public in accordance with the applicable provisions of law and the requirements of any stock exchange on which Stellantis common shares are listed. Stellantis shall make such annual accounts, annual report, and auditor's report available for inspection at Stellantis' office. All members of the Board of Directors are required to sign the annual accounts and in case the signature of any member is missing, the reason for this must be stated. The annual accounts are to be adopted by the annual general meeting of shareholders. The annual accounts, the annual report and independent auditor's report are made available through Stellantis' website to the shareholders for review as from the day of the notice convening the annual general meeting of shareholders. If it is justified in view of Stellantis' activities or the international structure of its Company, as determined by the Board of Directors, Stellantis' annual accounts or its consolidated accounts may be prepared in a foreign currency.

### ***Payment of Dividends***

Stellantis may make distributions to the shareholders and other persons entitled to distributions only to the extent that its shareholders' equity exceeds the sum of the paid-up and called-up portion of the share capital and the reserves that must be maintained in accordance with Dutch law and the Articles of Association. No distribution of profits or other distributions may be made to Stellantis itself for shares that Stellantis holds in its own share capital.

Stellantis may make a distribution of profits to the shareholders after the adoption of its statutory annual accounts. The Board of Directors, or the general meeting of shareholders upon a proposal of the Board of Directors, may resolve to make distributions from Stellantis' share premium reserve or from any other reserve (other than the special capital reserve), provided that payments from reserves other than the Special Voting Shares Dividend Reserve may only be made to holders of Stellantis common shares.

Holders of special voting shares shall not receive any dividends in respect of the special voting shares; however, Stellantis shall maintain a separate dividend reserve for the special voting shares for the sole purpose of the allocation of the mandatory minimal profits that accrue to the special voting shares (as further described under "*—Loyalty Voting Structure — General Meeting of Shareholders* and *—Voting Rights—General Meetings*"). A distribution from the Special Voting Shares Dividend Reserve or the (partial) release of the Special Voting Shares Dividend Reserve, shall require a prior proposal from the Board of Directors and a subsequent resolution of the meeting of holders of special voting shares, and shall be made exclusively to the holders of special voting shares in proportion to the aggregate nominal value of their special voting shares.

From the profits shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine. The profits remaining thereafter shall first be applied to allocate and add to the Special Voting Shares Dividend Reserve an amount equal to one percent of the aggregate nominal amount of all special voting shares outstanding at the end of the financial year to which the annual accounts pertain. The special voting shares shall not carry any other entitlement to the profits.

Insofar as the profits have not been distributed or allocated to the reserves, they may, by resolution of the general meeting of shareholders, be distributed as dividends on the Stellantis common shares only. The Board of Directors may resolve that distributions will be made payable either in euro or in another currency. The Board of Directors, or the general meeting of shareholders upon a proposal by the Board of Directors, may resolve that a distribution will, wholly or partially, be made other than in cash, including in the form of Stellantis common shares or shares in another listed company, provided that, in case of a distribution in the form of Stellantis common shares, the Board of Directors has been designated as the body competent to pass a resolution for the issuance of shares.

The Board of Directors will have the power to declare one or more interim dividends or other distributions, subject to certain provisions of Dutch law and certain conditions set forth in the Articles of Association.

Dividends and other distributions will be made payable in the manner and at such date(s) as the Board of Directors or the general meeting of shareholders upon a proposal by the Board of Directors will determine.

The right to dividends and distributions shall lapse if the dividends or distributions are not claimed within five years following the day after the date on which they first became payable. Any dividends or other distributions made in violation of the Articles of Association or Dutch law shall have to be repaid by the shareholders who knew, or should have known, of such violation.

Information on the payment of dividends is contained in the section "*OTHER INFORMATION*" elsewhere in this report.

***Amendments to the Articles of Association, including Variation of Rights***

A resolution of the general meeting of shareholders to amend the Articles of Association or to wind up Stellantis may be approved only if proposed by the Board of Directors and approved by a vote of an absolute majority of the votes cast, provided that a resolution to amend Stellantis' corporate seat and/or place of effective management will require a majority of at least two-thirds of the votes cast.

The rights of shareholders may be changed only by amending the Articles of Association in compliance with Dutch law, provided that rights specific to Nominating Shareholders set out in the Articles of Association cannot be amended without the prior written approval of such shareholder.

***Dissolution and Liquidation***

The general meeting of shareholders may resolve to dissolve Stellantis upon a proposal of the Board of Directors thereto. In the event of dissolution, Stellantis will be liquidated in accordance with Dutch law and the Articles of Association and the liquidation shall be arranged by the members of the Board of Directors, unless the general meeting of shareholders appoints other liquidators. The general meeting of shareholders will appoint, and decide on the remuneration of, the liquidators. During liquidation, the provisions of the Articles of Association will remain in force as long as possible.

If Stellantis is dissolved and liquidated, whatever remains of Stellantis' equity after all its debts have been discharged shall first be applied to distribute the aggregate balance of share premium reserves and other reserves (other than the Special Voting Shares Dividend Reserve) to holders of Stellantis common shares in proportion to the aggregate nominal value of Stellantis common shares held by each holder; secondly, from any balance remaining, an amount equal to the aggregate amount of the nominal value of Stellantis common shares will be distributed to the holders of Stellantis common shares in proportion to the aggregate nominal value of Stellantis common shares held by each of them; thirdly, from any balance remaining, an amount equal to the aggregate amount of the Special Voting Shares Dividend Reserve will be distributed to the holders of special voting shares in proportion to the aggregate nominal value of the special voting shares held by each of them; fourthly, from any balance remaining, the aggregate amount of the nominal value of the special voting shares will be distributed to the holders of special voting shares in proportion to the aggregate nominal value of the special voting shares held by each of them; and, lastly, any balance remaining will be distributed to the holders of Stellantis common shares in proportion to the aggregate nominal value of Stellantis common shares held by each of them.

***Liability of Directors***

Under Dutch law, the management of a company with a one-tier board structure like Stellantis is a joint undertaking and each member of the Board of Directors can be held jointly and severally liable to Stellantis for damages in the event of improper or negligent performance of his or her duties. Furthermore, members of the Board of Directors can be held liable to third parties based on tort pursuant to certain provisions of the Dutch Civil Code. All Directors are jointly and severally liable for failure of one or more Directors. However, an individual Director may be exempted from liability if he or she proves that he or she cannot be held culpable for the mismanagement and that he or she has not been negligent in seeking to prevent the consequences of the mismanagement. In this regard a Director may, however, refer to the allocation of tasks between the Directors. In certain circumstances, Directors may incur additional specific civil and criminal liabilities.

***Election and Removal of Directors***

The Articles of Association provide that the Board of Directors shall be composed of three or more members.

Any Director may be suspended or dismissed at any time by resolution of the general meeting of shareholders. A resolution of the general meeting of shareholders to suspend or dismiss a Director appointed upon a binding nomination will require a majority of at least two-thirds of the votes cast, with such two-thirds majority of the votes cast representing more than half of the issued and outstanding share capital, unless the person who made the binding nomination for such director supports the suspension or dismissal (as the case may be), in which case an absolute majority of the votes cast is required.

**Loyalty Voting Structure**

Stellantis adopted the loyalty voting structure as summarized below on January 17, 2021.

Shareholders of Stellantis may at any time elect to participate in the loyalty voting structure by requesting that Stellantis registers all or some of their common shares in a separate register (the "Loyalty Register"). The registration of common shares in the Loyalty Register blocks such shares from trading in the Regular Trading Systems. If such number of common shares (the "Electing Common Shares") have been registered in the Loyalty Register (and thus blocked from trading in the Regular Trading Systems) for an uninterrupted period of three years in the name of the same shareholder (such a share a "Qualifying Common Share"), the relevant shareholder becomes eligible to receive one class A special voting share for each Qualifying Common Share. If, at any time, such common shares are de-registered from the Loyalty Register for whatever reason, the relevant shareholder shall lose its entitlement to hold a corresponding number of special voting shares. From January 17, 2021, shareholders will only be able to receive class A special voting shares and not class B special voting shares. Class B special voting shares were created at the Governance Effective Time in order to be held by FCA shareholders (other than Exor) who held FCA special voting shares prior to such time. In December 2022 all class B special voting shares were exchanged for class A special voting shares in accordance with the Terms and Conditions of Special Voting Shares.

A holder of Electing Common Shares or Qualifying Common Shares may at any time request the de-registration of some or all of the number of such shares from the Loyalty Register, which will allow such shareholder to freely trade such common shares. From the moment of such a request, the holder of Electing Common Shares or Qualifying Common Shares shall be considered to have waived his or her rights to cast any votes associated with such special voting shares to be de-registered from the Loyalty Register. Upon the de-registration from the Loyalty Register, the relevant number of common shares will therefore cease to be Electing Common Shares or Qualifying Common Shares. Any de-registration request would automatically trigger a mandatory transfer requirement pursuant to which the relevant special voting shares will be acquired by Stellantis for no consideration (*om niet*) in accordance with the Terms and Conditions of Special Voting Shares.

Stellantis common shares are freely transferable. However, any transfer or disposal of Stellantis common shares with which special voting shares are associated would trigger the de-registration of such common shares from the Loyalty Register and the transfer of all relevant special voting shares to Stellantis. Special voting shares are not admitted to listing and are transferable only in very limited circumstances (including, among other things, transfers to affiliates or to relatives through succession, donation, or other transfers, provided that the corresponding Qualifying Common Shares are also transferred to such party, or transfers with the approval of the Board of Directors). In particular, no shareholder shall, directly or indirectly: (a) sell, dispose of or transfer any special voting share or otherwise grant any right or interest in any special voting share, other than as permitted pursuant to the Articles of Association or the Terms and Conditions of Special Voting Shares; or (b) create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over any special voting share or any interest in any special voting share.

The purpose of the loyalty voting structure is to grant long-term shareholders an extra voting right by means of granting a special voting share (shareholders holding special voting shares are entitled to exercise one vote for each special voting share held and one vote for each Stellantis common share held), without entitling such shareholders to any economic rights, other than those pertaining to the common shares. However, under Dutch law, the special voting shares cannot be totally excluded from economic entitlements. As a result, pursuant to the Articles of Association, holders of special voting shares are entitled to a minimum dividend, which is allocated to a separate special voting shares dividend reserve (the "Special Voting Shares Dividend Reserve"). A distribution from the Special Voting Shares Dividend Reserve or the (partial) release of the Special Voting Shares Dividend Reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the meeting of holders of special voting shares. The powers to vote upon the distribution from the Special Voting Shares Dividend Reserve and the cancellation of all class A special voting shares are the only powers that are granted to that meeting pursuant to the Articles of Association, which can only be convened by the Board of Directors as it deems necessary. The special voting shares do not have any other economic entitlement.

Section 11 of the Terms and Conditions of Special Voting Shares includes liquidated damages provisions intended to discourage any attempt by holders to violate the Terms and Conditions of Special Voting Shares. These liquidated damages provisions may be enforced by Stellantis by means of a legal action brought by Stellantis in the courts of Amsterdam, the Netherlands. In particular, a violation of the provisions of the Terms and Conditions of Special Voting Shares concerning the transfer of special voting shares may lead to the imposition of liquidated damages.

Pursuant to Section 13 of the Terms and Conditions of Special Voting Shares, any amendment to the Terms and Conditions of Special Voting Shares (other than merely technical, non-material amendments) may only be made with the approval of the shareholders at a general meeting of shareholders.

***Special Voting Shares Foundation***

Pursuant to the Articles of Association, Stichting Stellantis SVS, a Dutch foundation (*stichting*) (the "SVS Foundation") has an option right to subscribe for a number of class A special voting shares up to the number of class A special voting shares included in the Company's authorized share capital from time to time. This option right can only be exercised by the SVS Foundation to facilitate the loyalty voting structure as set forth in the Articles of Association and the Terms and Conditions of Special Voting Shares. An option right has been granted to the SVS Foundation for an unlimited period and is intended to ensure that holders of Qualifying Common Shares in the future will receive their special voting shares without requiring a resolution from the general meeting of shareholders. Under the structure of the SVS Foundation, once a shareholder of the Company becomes entitled to receive one special voting share for each Qualifying Common Share, the Company issues such special voting shares to the SVS Foundation pursuant to the SVS Foundation's exercise of its option right and, thereafter, the SVS Foundation transfers the special voting shares to such shareholder. Issuing shares to the SVS Foundation is a technical device to ensure that special voting shares will be available for issue to eligible shareholders once such shareholders acquire the right to the special voting shares.

***Terms and Conditions of the Special Voting Shares***

The Terms and Conditions of Special Voting Shares apply to the issuance, allocation, acquisition, holding, repurchase and transfer of special voting shares in the issued share capital of Stellantis and to certain aspects of Electing Common Shares, Qualifying Common Shares and Stellantis common shares which are registered in the Loyalty Register.

*Special Capital Reserve*

Stellantis will maintain a separate capital reserve for the purpose of facilitating any issuance or cancellation of special voting shares. No distribution shall be made from the special capital reserve, except that the Board of Directors shall be authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favor of the share premium reserve.

*Withdrawal of Special Voting Shares*

Following a mandatory transfer to Stellantis of special voting shares after a de-registration of Qualifying Common Shares from the Loyalty Register, Stellantis may continue to hold the special voting shares as treasury stock, but will not be entitled to vote any such treasury stock. Alternatively, Stellantis may withdraw and cancel the special voting shares held in treasury, as a result of which the nominal value of such shares will be allocated to the special capital reserves of Stellantis. Stellantis may also cancel all issued and outstanding class A special voting shares subject to approval of the meeting of holders of the class A special voting shares. Consequently, the loyalty voting feature will terminate as to the relevant Qualifying Common Shares being deregistered from the Loyalty Register. No shareholder required to transfer special voting shares to Stellantis pursuant to the Terms and Conditions of Special Voting Shares will be entitled to any consideration for such special voting shares and each shareholder expressly waives any rights in that respect as a condition to participation in the loyalty voting structure.

*Change of Control*

A shareholder with common shares registered in the Loyalty Register must promptly notify Stellantis in the event of a Change of Control (as defined above) with respect to such shareholder and must make a de-registration request with respect to his or her Qualifying Common Shares or Electing Common Shares registered in the Loyalty Register. The de-registration request leads to a withdrawal of the special voting shares as described under "—*Withdrawal of Special Voting Shares*". Notwithstanding Stellantis not receiving any such notification, it may, upon becoming aware of a Change of Control, initiate the de-registration of the relevant shareholder's Qualifying Common Shares or Electing Common Shares.

**General Meeting of Shareholders and Voting Rights**

***General Meetings***

At least one general meeting of shareholders shall be held every year, with such meeting to be held within six months after the close of the financial year. The purpose of the annual general meeting of shareholders is, inter alia, the adoption of the annual accounts, the allocation of profits (including the proposal to distribute dividends), granting discharge to Directors in respect of the performance of their duties, the appointment of Directors, if applicable, and the discussion of any other item duly included in the agenda.

Furthermore, general meetings of shareholders shall be held as often as the Board of Directors, the Chairman, the Senior Independent Director, or the CEO deem it necessary to hold them or as otherwise required by Dutch law (including in the event Stellantis' equity has decreased to an amount equal to or less than one-half of the paid-up and called-up part of Stellantis' issued capital, as referred to in Section 2:108a of the Dutch Civil Code), without prejudice to what is provided in the next paragraph.

Shareholders individually or jointly representing at least ten percent of the issued share capital may request in writing, stating the matters to be dealt with, that the Board of Directors call a general meeting of shareholders.

If the Board of Directors fails to take the necessary steps to ensure a meeting can be held within eight weeks, then such shareholders may, on their application, be authorized by the interim provisions judge of the court (*voorzieningenrechter van de rechtbank*) to convene a general meeting of shareholders. The interim provisions judge (*voorzieningenrechter van de rechtbank*) shall reject the application if he or she is not satisfied that the applicants have previously requested in writing, stating the exact subjects to be discussed, that the Board of Directors convene a general meeting of shareholders.

General meetings of shareholders will be held in Amsterdam or Haarlemmermeer (including Schiphol Airport), the Netherlands, and shall be called by the Board of Directors, the Chairman, the Senior Independent Director or the CEO, in such manner as is required to comply with the law and the applicable stock exchange regulations, no later than on the 42nd day prior to the day of the meeting. All convocations of general meetings of shareholders and all announcements, notifications and communications to shareholders shall be made by means of an announcement on Stellantis' corporate website and such an announcement shall remain accessible until the relevant general meeting of shareholders.

Any communication to be addressed to the general meeting of shareholders by virtue of Dutch law or the Articles of Association may be either included in the notice referred to in the preceding sentence or, to the extent provided for in such notice, on Stellantis' corporate website and/or in a document made available for inspection at the office of Stellantis and such other place(s) as the Board of Directors shall determine. Convocations of general meetings of shareholders may be sent to shareholders entitled to attend through the use of an electronic means of communication to the address provided by such shareholders to Stellantis for this purpose. The notice shall state the place, date and hour of the meeting and the agenda of the meeting as well as the other information required by law and the Articles of Association. An item proposed in writing by such a number of shareholders who, individually or in the aggregate, hold at least three percent of Stellantis' issued share capital, will be included in the notice or will be announced in a manner similar to the announcement of the notice, provided that Stellantis has received the relevant request, including the reasons for putting the relevant item on the agenda, no later than the 60th day before the day of the meeting.

*Convocation, Agenda, Minutes and Attendance*

The agenda of the annual general meeting of shareholders shall contain, *inter alia*, the following items:

(a) adoption of the annual accounts;

(b) non-binding advisory vote on the remuneration report;

(c) discussion of the policy of Stellantis on additions to reserves and on dividends, if any;

(d) granting of discharge to the Directors in respect of the performance of their duties in the relevant financial year;

(e) if applicable, the appointment of Directors;

(f) if applicable, the proposal to pay a dividend;

(g) if applicable, discussion of any substantial change in the corporate governance structure of Stellantis; and

(h) any matters decided upon by the person(s) convening the meeting and any matters placed on the agenda with due observance of applicable Dutch law.

The Board of Directors will provide the general meeting of shareholders with all requested information, unless this would be contrary to an overriding interest of Stellantis. If the Board of Directors invokes an overriding interest, it must give reasons.

When convening a general meeting of shareholders, the Board of Directors shall determine that, for the purpose of Article 24 and Article 26 of the Articles of Association, persons with the right to vote or attend meetings will be considered those persons who have these rights at the 28th day prior to the day of the meeting (the "Record Date") and are registered as such in a register to be designated by the Board of Directors for such purpose, irrespective of whether they will have these rights at the date of the meeting. In addition to the Record Date, the notice of the meeting shall further state the manner in which shareholders and other parties with meeting rights may register for the meeting, the final registration date for that general meeting of shareholders (which final registration date will be the seventh day prior to the meeting unless otherwise determined by the Board of Directors (the "Final Registration Date")) and the manner in which the right to vote or attend the meeting can be exercised.

The general meeting of shareholders shall be presided over by the Chairman, or, in his absence, by the Senior Independent Director or, in the absence of both the Chairman and the Senior Independent Director, by the person chosen by the Board of Directors to act as chairman for such meeting. One of the persons present designated for that purpose by the chairman of the meeting shall act as secretary and take minutes of the business transacted. The minutes shall be adopted by the chairman and secretary of the meeting and signed by them in witness of such adoption. The minutes of the general meeting of shareholders shall be made available, on request, to shareholders no later than three months after the end of the meeting, after which shareholders shall have the opportunity to react to the minutes in the following three months. In the event an amendment to the minutes is required, the amended minutes will then be adopted by the chairman and the secretary of the meeting and signed by them in witness of such adoption. If an official notarial record is made of the business transacted at the meeting then minutes need not be drawn up and it shall suffice that the official notarial record be signed by the notary.

As a prerequisite to attending the general meeting of shareholders and, to the extent applicable, exercising voting rights, the shareholders and other persons entitled to attend the meeting shall be required to inform the Board of Directors in writing of their intention to attend the general meeting of shareholders within the time frame mentioned in the convening notice. At the latest, this notice must be received by the Board of Directors on the Final Registration Date. Shareholders and those permitted by Dutch law to attend the general meetings of shareholders may choose to be represented at any meeting by a proxy duly authorized in writing, provided they notify Stellantis in writing of their wish to be represented at such time and place as shall be stated in the notice of the meeting. Such proxy is also authorized in writing if the proxy is documented electronically. The Board of Directors may determine further rules concerning the deposit of the powers of attorney; these shall be mentioned in the notice of the meeting. The chairman of the meeting shall decide on the admittance to the meeting of persons other than those who are entitled to attend.

For each general meeting of shareholders, the Board of Directors may decide that shareholders shall be entitled to attend, address and exercise voting rights at such a meeting through the use of electronic means of communication, provided that shareholders who participate in the meeting are capable of being identified through the electronic means of communication and have direct cognizance of the discussions at the meeting and the exercising of voting rights (if applicable). The Board of Directors may set requirements for the use of electronic means of communication and state these in the convening notice. Furthermore, the Board of Directors may, for each general meeting of shareholders, decide that votes cast by the use of electronic means of communication prior to the meeting and received by the Board of Directors shall be considered to be votes cast at the meeting. Such votes may not be cast prior to the Record Date. The notice will state whether the foregoing provisions regarding electronic voting apply and the procedure for exercising the electronic voting rights.

Prior to being allowed admittance to a general meeting of shareholders, a shareholder and each person entitled to attend the meeting, or its attorney, shall sign an attendance list, while stating his or her name and, to the extent applicable, the number of votes to which he or she is entitled. Each shareholder and other person attending a general meeting of shareholders by the use of electronic means of communication and identified in accordance with the above shall be registered on the attendance list by the Board of Directors. In case an attorney attends the meeting on behalf of a shareholder, or another person entitled to attend, the name(s) of the person(s) on whose behalf the attorney is acting, shall also be stated. The chairman of the meeting may decide that the attendance list must also be signed by other persons present at the meeting.

The chairman of the meeting may determine the time during which shareholders and others entitled to attend the general meeting of shareholders may speak, if he or she considers this desirable, with a view to the orderly conduct of the meeting as well as other procedures that the chairman considers desirable for the efficient and orderly conduct of the business of the meeting.

Stellantis is exempt from the proxy rules under the Exchange Act.

### *Voting Rights at General Meetings*

Subject to the restrictions described under "*—Voting Limitations,*" every Stellantis share (whether common share or special voting share) shall confer the right to cast one vote at a general meeting of shareholders. Shares in respect of which Dutch law determines that no votes may be cast shall be disregarded for the purposes of determining the proportion of shareholders voting, present or represented or the proportion of the share capital present or represented. All resolutions shall be passed with an absolute majority of the votes validly cast unless otherwise specified in the Articles of Association or the Dutch Civil Code. Blank votes shall not be counted as votes cast.

All votes shall be cast in writing or electronically. The chairman of the meeting may, however, determine that voting by raising hands or in another manner shall be permitted. Voting by acclamation shall be permitted if none of the shareholders present or represented objects. No voting rights shall be exercised in the general meeting of shareholders for common shares owned by the Company or by a subsidiary of the Company. However, pledgees and usufructuaries of shares owned by the Company and its subsidiaries shall not be excluded from exercising their voting rights if the right of pledge or usufruct was created before the shares were owned by the Company or a subsidiary. Neither the Company nor any of its subsidiaries may exercise voting rights for shares in respect of which it holds a right of pledge or usufruct.

Without prejudice to the Articles of Association, the Company shall determine for each resolution passed:

(a) the number of shares on which valid votes have been cast;

(b) the percentage that the number of shares as referred to under (a) represents in the issued and outstanding share capital;

(c) the aggregate number of votes validly cast; and

(d) the aggregate number of votes cast in favor of and against a resolution, as well as the number of abstentions.

***Voting Limitations***

No shareholder, acting alone or in concert, together with votes exercised by affiliates of such shareholder or pursuant to proxies or other arrangements conferring the right to vote, shall be able to exercise, directly or indirectly, voting rights at a general meeting of shareholders reaching or exceeding the Voting Threshold (i.e., 30 percent or more of the votes that could be cast at any general meeting of shareholders), including after giving effect to any voting rights exercisable through Stellantis special voting shares. Any voting right reaching or exceeding the Voting Threshold shall be suspended. Furthermore, the Articles of Association provide that, before each general meeting of shareholders, any shareholder that would be able to exercise voting rights reaching or exceeding the Voting Threshold must notify Stellantis, in writing, of its shareholding and total voting rights in Stellantis and provide, upon written request by Stellantis, within three days of such request being made, any information necessary to ascertain the composition, nature and size of the equity interest of that person and any other person acting in concert with it. The Voting Threshold restriction (i) may be removed following a resolution passed to that effect by the meeting of Stellantis shareholders with a majority of at least two-thirds of the votes cast (for the avoidance of doubt, without giving effect to any voting rights exercisable through Stellantis special voting shares, and subject to the aforementioned Voting Threshold) and (ii) shall lapse upon any person holding more than 50 percent of the issued Stellantis common shares (other than Stellantis special voting shares) as a result of a public offer for Stellantis common shares.

***Shareholders' Votes on Certain Transactions***

Any important change in the identity or character of Stellantis must be approved by the general meeting of shareholders, including (i) the transfer to a third party of the business of Stellantis or practically the entire business of Stellantis; (ii) the entry into or breaking off of any long-term cooperation of Stellantis or a subsidiary with another legal entity or company or as a fully liable partner of a general partnership or limited partnership, where such entry into or breaking off is of far-reaching importance to Stellantis; and (iii) the acquisition or disposal by Stellantis or a subsidiary of an interest in the capital of a company with a value of at least one-third of Stellantis' assets according to the consolidated balance sheet with explanatory notes included in the last adopted annual accounts of Stellantis.

***Meetings of Holders of Shares of a Specific Class***

Meetings of holders of shares of a specific class shall be held as frequently and whenever such a meeting is required by virtue of any statutory regulation or any provision in the Articles of Association.

Meetings of holders of shares of a specific class may be convened no later than on the sixth day before the day of such meeting. The provisions applicable to general meetings of shareholders, except those concerning the frequency, ultimate timing, notice period, right to put an item on the agenda and required agenda items, will apply mutatis mutandis to the meetings of holders of shares of a specific class. See "—*Voting Rights at General Meetings*" and "—*Voting Limitations*".

**Disclosure of Holdings under Dutch Law**

As a result of the listing of Stellantis common shares on Euronext Milan and Euronext Paris, pursuant to Chapter 5.3 of the Dutch Financial Markets Supervision Act ("FMSA"), which chapter is an implementation of Directive 2004/109/EC as amended by Directive 2013/50/EU into Dutch law, any person who, directly or indirectly, acquires or disposes of an actual or potential capital interest and/or actual or potential voting rights in Stellantis must without delay notify the AFM of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person reaches, exceeds or falls below the following thresholds: three percent, five percent, ten percent, 15 percent, 20 percent, 25 percent, 30 percent, 40 percent, 50 percent, 60 percent, 75 percent and 95 percent (the "Notification Thresholds").

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and/or voting rights directly held (or acquired or disposed of) by any person; (ii) shares and/or voting rights held (or, acquired or disposed of) by such person's controlled entities or by a third party for such person's account; (iii) voting rights held (or acquired or disposed of) by a third party with whom such person has concluded an oral or written voting agreement; (iv) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights in consideration for a payment; and (v) shares which such person, or any controlled entity or third party referred to above, may acquire pursuant to any option or other right to acquire shares.

As a consequence of the above, special voting shares must be added to Stellantis common shares for the purposes of the above thresholds.

For the purpose of calculating the percentage of capital interest or voting rights, the following instruments qualify as 'shares': (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

Controlled entities (within the meaning of the FMSA) do not themselves have notification obligations under the FMSA as their direct and indirect interests are attributed to their (ultimate) parent. If a person who has a three percent or larger interest in Stellantis' share capital or voting rights ceases to be a controlled entity it must immediately notify the AFM and all notification obligations under the FMSA will become applicable to such former controlled entity.

Special rules apply to the attribution of shares and/or voting rights which are part of the property of a partnership or other form of joint ownership. A holder of a pledge or right of usufruct in respect of shares can also be subject to notification obligations if such person has, or can acquire, the right to vote on the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger notification obligations as if the pledgee or beneficial owner were the legal holder of the shares and/or voting rights.

Furthermore, when calculating the percentage of capital interest, a person is also considered to be in possession of shares if (i) such person holds a financial instrument the value of which is (in part) determined by the value of the shares or any distributions associated therewith and which does not entitle such person to acquire any shares; (ii) such person may be required to purchase shares on the basis of an option; or (iii) such person has concluded another contract whereby such person acquires an economic interest comparable to that of holding a share.

If a person's capital interest and/or voting rights reaches, exceeds, or falls below the above-mentioned thresholds as a result of a change in Stellantis' issued and outstanding share capital or voting rights, such person is required to make a notification not later than on the fourth trading day after the AFM has published Stellantis' notification as described below.

The notification to the AFM should indicate whether the interest is held directly or indirectly, and whether the interest is an actual or a potential interest.

In addition, each person who is or ought to be aware that, as a result of the exchange of certain financial instruments, such as options for shares, his or her actual capital or voting interest in Stellantis, reaches, exceeds or falls below any of the Notification Thresholds, *vis-à-vis* his or her most recent notification to the AFM, must give notice to the AFM no later than the fourth trading day after he or she became or ought to be aware of this change.

Stellantis is required to notify the AFM promptly of any change of one percent or more in its issued share capital or voting rights since a previous notification. Other changes in Stellantis' issued share capital or voting rights must be notified to the AFM within eight days after the end of the quarter in which the change occurred.

In addition to the above-described notification obligations pertaining to capital interest or voting rights, pursuant to Regulation (EU) No. 236/2012, notification must be made to the AFM of any net short position of 0.2 percent in the issued share capital of Stellantis and of every subsequent 0.1 percent above this threshold. Notifications starting at 0.5 percent and every subsequent 0.1 percent above this threshold will be made public via the short selling register of the AFM. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located. Furthermore, gross short positions are required to be notified in the event that a threshold is reached, exceeded, or fallen below. With regard to gross short positions, the same disclosure thresholds as for holders of capital interests and/or voting rights apply, without any set-off against long positions.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes any notification received which can be accessed via www.afm.nl. The notifications referred to in this paragraph should be made through the online notification system of the AFM.

Non-compliance with these disclosure obligations is an economic offense and may lead to criminal prosecution. The AFM may impose administrative penalties for non-compliance and may publish the imposed penalties. In addition, a civil court can impose measures against any person that fails to notify or incorrectly notifies the AFM of matters required to be notified. A claim requiring that such measures be imposed may be instituted by Stellantis and/or by one or more shareholders who alone or together with others represent at least three percent of the issued and outstanding share capital of Stellantis or are able to exercise at least three percent of the voting rights. The measures that the civil court may impose include:

- an order requiring appropriate disclosure;
- suspension of the right to exercise the voting rights for a period of up to three years as determined by the court;
- voiding a resolution adopted by the general meeting of shareholders, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person with a duty to disclose, or suspension of a resolution adopted by the general meeting of shareholders until the court makes a decision about such voiding; and
- an order to refrain, during a period of up to five years as determined by the court, from acquiring shares and/or voting rights in Stellantis.

Shareholders are advised to consult with their own legal advisers to determine whether the disclosure obligations apply to them.

**Mandatory Bid Requirement**

Under Dutch law, any person who, acting alone or in concert with others, directly or indirectly acquires 30 percent or more of Stellantis' voting rights will be required to launch a public offer for all outstanding shares in Stellantis' share capital for a fair purchase price determined by law. A fair price is considered a price which is equal to the highest price paid by such person or the persons acting in concert with it for Stellantis' shares in the year prior to the announcement of the offer or, in the absence of such a purchase, the average share price of Stellantis' shares in the year prior to the announcement of the offer. At the request of the offeror, Stellantis, or any of the Stellantis shareholders, the Enterprise Chamber of the Court of Appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) (the "Dutch Enterprise Chamber") may determine a different fair price. If a 30 percent shareholder fails to make a public offer, the Dutch Enterprise Chamber may require such shareholder to do so upon the request of, among others, Stellantis or any of the Stellantis shareholders.

**Dutch Financial Reporting Supervision Act**

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving,* or the "FRSA"), the AFM supervises the application of financial reporting standards by, amongst others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange.

Pursuant to the FRSA, the AFM has an independent right to (i) request an explanation from Stellantis regarding its application of the applicable financial reporting standards and thereafter (ii) make informal arrangements with the Company that must be observed in the future or make a notification to the Company that its financial reports do not meet the applicable financial reporting standards, which notification may be accompanied by a recommendation to the Company to issue a press release on the subject matter. If we do not comply or comply adequately with such a request or recommendation, the AFM may request that the Enterprise Chamber order us to (i) provide an explanation of the way we have applied the applicable financial reporting standards to our financial reports; or (ii) prepare our financial reports in accordance with the Enterprise Chamber's instructions.

**Compulsory Acquisition**

Pursuant to article 2:92a of the Dutch Civil Code, a shareholder who, for its own account, holds at least 95 percent of the issued share capital of Stellantis may institute proceedings against the other shareholders jointly for the transfer of their shares to it. The proceedings are held before the Dutch Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure. The Dutch Enterprise Chamber may grant the claim for the squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary, after appointment of one to three expert(s) who will offer an opinion to the Dutch Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Dutch Enterprise Chamber, the person acquiring the shares must give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to it. Unless the addresses of all of them are known to it, it must also publish the same in a Dutch daily newspaper with a national circulation. A shareholder can only appeal against the judgment of the Dutch Enterprise Chamber before the Dutch Supreme Court.

In addition, pursuant to article 2:359c of the Dutch Civil Code, following a public offer, a holder of at least 95 percent of the issued share capital and of voting rights of Stellantis has the right to require the minority shareholders to sell their shares to it. Any such request must be filed with the Dutch Enterprise Chamber within three months after the end of the acceptance period of the public offer. Conversely, pursuant to article 2:359d of the Dutch Civil Code, each minority shareholder has the right to require the holder of at least 95 percent of the issued share capital and the voting rights of Stellantis to purchase its shares in such a case. The minority shareholder must file such a claim with the Dutch Enterprise Chamber within three months after the end of the acceptance period of the public offer.

**Disclosure of Trades in Listed Securities**

Pursuant to the FMSA, each member of the Board of Directors must notify the AFM:

- within two weeks after his or her appointment of the number of shares he or she holds and the number of votes he or she is entitled to cast in respect of Stellantis' issued and outstanding share capital; and
- subsequently of each change in the number of shares he or she holds and of each change in the number of votes he or she is entitled to cast in respect of Stellantis' issued and outstanding share capital, immediately after the relevant change.

Furthermore, pursuant to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 (as amended and supplemented, the "Market Abuse Regulation"), each of the members of the Board of Directors and any other person discharging managerial responsibilities within Stellantis and who in that capacity is authorized to make decisions affecting the future developments and business prospects of Stellantis and has regular access to inside information relating, directly or indirectly, to Stellantis (each, a "PDMR") must notify the AFM of all transactions, conducted or carried out for his or her own account, relating to Stellantis common shares, special voting shares or financial instruments the value of which is (in part) determined by the value of Stellantis common shares or special voting shares.

In addition, persons that are closely associated with members of the Board of Directors or any of the other PDMRs must notify the AFM of all transactions conducted for their own account relating to Stellantis' shares or financial instruments, the value of which is (in part) determined by the value of Stellantis' shares. The Market Abuse Regulation designates the following categories of persons: (i) the spouse or any partner considered by applicable law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year as of the relevant transaction date; and (iv) any legal person, trust or partnership, among other things, whose managerial responsibilities are discharged by a member of the board of directors or any other PDMR or by a person referred to under (i), (ii) or (iii) above.

The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM no later than the third business day following the relevant transaction date by means of a standard form. Such notifications under the Market Abuse Regulation may however be postponed until the date that the value of the transactions carried out on a person's own account, together with the transactions carried out by the persons associated with that person, reaches, or exceeds the amount of €5,000 in the calendar year in question. Any subsequent transaction must be notified as set forth above. The AFM keeps a public register of all notifications made pursuant to the FMSA and the Market Abuse Regulation.

Non-compliance with these reporting obligations could lead to criminal penalties, administrative fines, and cease-and-desist orders (and the publication of such penalties, fines and orders), imprisonment or other sanctions.

***Shareholder Disclosure and Reporting Obligations under U.S. Law***

Holders of Stellantis common shares are subject to certain U.S. reporting requirements under the Exchange Act for shareholders owning more than five percent of any class of equity securities registered pursuant to Section 12 of the Exchange Act. Among the reporting requirements are disclosure obligations intended to keep investors aware of any plans or proposals that may lead to a change of control of an issuer.

If Stellantis were to fail to qualify as a foreign private issuer in the future, Section 16(a) of the Exchange Act would require Stellantis' directors and executive officers, and persons who own more than ten percent of a registered class of Stellantis' equity securities, to file reports of ownership of, and transactions in, Stellantis' equity securities with the SEC. Such directors, executive officers and ten percent stockholders would also be required to furnish Stellantis with copies of all Section 16 reports they file.

**Disclosure Requirements under Italian law and European Union law**

Further disclosure requirements will apply to Stellantis under Italian law and French law by virtue of the listing of Stellantis' shares on Euronext Milan and Euronext Paris, respectively. Summarized below are the most significant requirements to be complied with by Stellantis in connection with the admission to trading of Stellantis common shares on Euronext Milan and the admission to listing and trading on Euronext Paris. The breach of the obligations described below may result in the application of fines and criminal penalties (including, for instance, those provided for insider trading and market manipulation).

In particular, the following main disclosure obligations will apply to Stellantis:

- The following articles of Legislative Decree no. 58/1998, or the Italian Financial Act (as well as the implementing regulations enacted by CONSOB thereunder) effective as of the date of this report: article 92 (equal treatment principle), article 113-*ter* (general provisions on regulated disclosures), article 114 (information to be provided to the public), article 114-*bis* (information concerning the allocation of financial instruments to corporate officers, employees and collaborators), article 115 (information to be disclosed to CONSOB upon the authority's request), articles 180 through 187-*quaterdecies* (relating to insider trading and market manipulation) and article 193 (fines for breach of disclosures duties);

- the General Regulation of the AMF, article 223-16 (obligation to disclose on a monthly basis the total number of shares and voting rights comprising Stellantis' share capital if these numbers have changed compared to the most recently disclosed numbers) and article 223-20 (obligation to file with the AMF certain changes to the Articles of Association). The information required to be published in France may be published in French or English; and

- the applicable law concerning market abuse and, in particular, article 7 (Inside information), article 17 (Public disclosure of inside information), article 18 (Insider lists) and article 19 (Managers' transactions) of the Market Abuse Regulation, as well as implementing regulations promulgated thereunder.

In addition to the above, the applicable provisions set forth under the market rules (including those relating to the timing for the payment of dividends and relevant "ex date" and "record date") will apply to Stellantis.

The foregoing is based on the current legal framework and, therefore, it may vary following any potential regulatory changes adopted by the concerned member states and competent authorities.

**Disclosure of Inside Information - Article 17 of the Market Abuse Regulation**

Pursuant to the Market Abuse Regulation, Stellantis has to disclose to the public, without delay, any inside information which: (i) is of a precise nature; (ii) has not been made public; (iii) directly concerns Stellantis; and (iv) if it were made public, would be likely to have a significant effect on the prices of Stellantis' financial instruments (as such term is defined under the Market Abuse Regulation) or on the price of related derivative financial instruments (the "Inside Information"). In this regard:

- information is deemed to be of a precise nature if: (a) it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred, or which may reasonably be expected to occur and (b) it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments (*e.g.* Stellantis' common shares) or the related derivative financial instrument. In this respect, in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be information of precise nature; and

- information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments or the related derivative financial instruments means information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

An intermediate step in a protracted process is deemed to be Inside Information if, by itself, it satisfies the criteria of Inside Information as referred to above.

The above disclosure requirement has to be complied with through the publication of a press release by Stellantis in accordance with the Market Abuse Regulation and Dutch, Italian and French law, which discloses to the public the relevant Inside Information. In addition, any Inside Information disseminated by Stellantis in any jurisdiction is required to be made public in a manner that permits full and prompt access to, and correct and timely evaluation of, such information by the public in compliance with the Market Abuse Regulation.

Under specific circumstances, the AFM, CONSOB and the AMF may request Stellantis and/or its main shareholders to disclose to the public, or provide, specific information or documentation. For this purpose, the AFM, CONSOB and the AMF have broad powers under applicable EU regulations, as well as Italian and French law, to, among other things, carry out inspections or investigations or request information from the members of the Board of Directors or the external auditors.

Stellantis may, under its own responsibility, delay disclosure to the public of Inside Information provided that all of the following conditions are met: (a) immediate disclosure is likely to prejudice the legitimate interests of Stellantis; (b) delay of disclosure is not likely to mislead the public; and (c) Stellantis is able to ensure the confidentiality of that information.

In the case of a protracted process that occurs in stages and that is intended to bring about, or that results in, a particular circumstance or a particular event, Stellantis may under its own responsibility delay the public disclosure of Inside Information relating to this process, subject to the conditions set forth under (a), (b) and (c) above.

**Insiders' List - Article 18 of the Market Abuse Regulation**

Stellantis, as well as persons acting on its behalf or on its account, are required to draw up and keep regularly updated, a list of all persons who have access to Inside Information and who are working for them under a contract of employment, or otherwise performing tasks pursuant to which they have access to Inside Information, such as advisers, accountants, or credit rating agencies (the "insider list").

Stellantis, or any person acting on its behalf or on its account, is required to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of Inside Information.

**Prohibition on Insider Dealing – Article 14 of the Market Abuse Regulation**

It is prohibited for any person to make use of inside information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates, as well as an attempt to do so ("insider dealing"). The use of inside information by cancelling or amending of an order concerning a financial instrument also constitutes insider dealing. In addition, it is prohibited for any person to disclose inside information to anyone else (except where the disclosure is made strictly as part of the person's regular duty or function) or, whilst in possession of inside information, recommend or induce anyone to acquire or dispose of financial instruments to which the information relates. Furthermore, it is prohibited for any person to engage in or attempt to engage in market manipulation, for instance by conducting transactions which could lead to an incorrect or misleading signal of the supply of, the demand for or the price of a financial instrument.

**Prohibition to Trade During Closed Periods – Article 19 of the Market Abuse Regulation**

A PDMR is not permitted to (directly or indirectly) conduct any transactions on its own account or for the account of a third party, relating to shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of an annual or semi-annual financial report of the Company.

**Transparency Directive**

The Netherlands is the Company's home member state for the purposes of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (as amended by Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013) as a consequence of which the Company will be subject to the FMSA in respect of certain ongoing transparency and disclosure obligations.

**Public Tender Offers**

Certain rules provided for under Italian law with respect to both voluntary and mandatory public tender offers will apply to any offer launched for Stellantis common shares. In particular, among other things, the provisions concerning the tender offer price and the procedure, including the obligation to communicate the decision to launch a tender offer, the content of the offer document and the disclosure of the tender offer will be supervised by CONSOB and will be subject to Italian law.

**Stellantis Policies**

On January 17, 2021, the Board of Directors *approved an amended insider trading policy, as described further below under "*—Insider Trading Policy*".*

The Board of Directors approved the Stellantis Code of Conduct on March 2, 2021, as further described below, and on February 22, 2022, the Board of Directors adopted the Diversity Policy of the Board of Directors, the Profile of non-Executive Directors and the Policy on Bilateral Contacts with Shareholders.

On September 25, 2023 the Board of Directors updated the Diversity Policy for Board of Directors in accordance with the Dutch Corporate Governance Code as approved on December 20, 2022 and renamed it as Diversity and Inclusion Policy for the Composition of the Board of Directors.

***Code of Conduct***

The Stellantis Board of Directors adopted the new “Stellantis Code of Conduct” (the “Code”) on March 2, 2021.

The Code is a pillar of the integrity system, regulating the decision-making processes and operating approach of the Company and its employees in the interests of stakeholders. Integrity is regarded as a source of competitiveness, a foundation of the Company’s sustainable growth and the way to build day after day Stellantis’ reputation as a Company that customers, the workforce and stakeholders can trust and rely on. The Code sets the ethical principles of integrity that will guide the Company and its workforce ensuring compliance with laws, regulations, and best practices.

The Code establishes our engagement with sustainable practices and environmental protection, our commitment to an inclusive workplace, with explicit reference to the United Nations Universal Declaration of Human Rights and the ILO declaration on fundamental principles and rights at work, and our respect for the law, including laws regarding safety, emissions, data privacy, anti-corruption, trade controls, and others.

The Code applies to the members of the Stellantis Board of Directors, officers and to all full-time or part-time employees, temporary workers, and contract workers. Stellantis also expects its stakeholders, including suppliers, dealers, distributors, and joint venture partners, to act with integrity and in accordance with the Code.

The Code focuses on four main areas:

(a) the protection of the Stellantis workforce, including a commitment to diversity, fairness, and health and safety;

(b) the way Stellantis conducts business by engaging in sustainable practices, with a specific reference to the environmental protection, and in accordance with applicable law, including vehicle safety and emissions laws and regulations, anti-money laundering, competition, export and trade regulations, insider trading, data privacy, anti-bribery and private corruption, lobby, and political contribution;

(c) the interaction with external parties, including the avoidance of conflicts of interest and the support of our communities; and

(d) the protection of Stellantis assets and information.

On February 12, 2024, the Code was revised and updated to incorporate recent benchmarking and best practices. The revisions primarily focus on emphasizing Stellantis' commitment to human rights through a dedicated paragraph, providing up-to-date and relevant examples, increasing the visibility of the Integrity Helpline, and enhancing the section that addresses managers' and employees' responsibilities.

The Code is supplemented by a set of policies and procedures that will be reviewed on an annual basis for the applicability and effectiveness.

Members of the workforce have the responsibility to become familiar with the Code, abide by it, and report any conduct that they believe may be in violation of its principles. A company-wide reporting hotline known as the Integrity Helpline, available 24/7 wherever permitted by law, allows employees, suppliers, clients, and other stakeholders to:

(a) report any concerns about situations inconsistent with our Code;

(b) report any concerns regarding vehicle safety, emissions, or regulatory compliance;

(c) disclose conflicts of interest that can affect job performance; and

(d) ask a question concerning the Code.

Retaliation against anyone who reports a matter in good faith is strictly prohibited and will be subject to disciplinary action up to including termination.

Stellantis closely monitors the effectiveness of and compliance with the Code through appropriate governance and oversight by the Ethics and Compliance Committee and implementation of the Company’s compliance roadmap, which is the result of, among other things, an analysis and investigation of the allegations made in the Integrity Helpline, benchmarking, risk assessments, and auditing. On a regular basis, the Chief Audit and Compliance Officer informs the Chief Executive Officer and the Audit Committee on the major findings. For all Code violations, remedial actions taken are commensurate with the seriousness of the case and comply with local legislation.

The Stellantis Code of Conduct and the Stellantis Integrity Helpline are available on the Governance section of the Company’s website at https://www.stellantis.com/en/group/governance/corporate-regulations.

***Insider Trading Policy***

The insider trading policy was initially adopted on October 10, 2014, by the board of directors of Fiat Investments. This policy was amended by the Board of Directors of FCA on July 28, 2016, following the new applicable law concerning market abuse and, in particular, the MAR Regulation and its implementing regulations; the policy was further revised by the Board of Directors on October 2, 2019, effective as of November 4, 2019, to improve its effectiveness and scope. On January 17, 2021, the Board of Directors amended the policy in connection with the listing of Stellantis’ common shares on Euronext Paris. The insider trading policy sets forth guidelines and recommendations to all Directors, officers, and employees of the Company with respect to transactions in the Company’s securities. This policy, which also applies to immediate family members and members of the households of persons covered by the policy, is designed to prevent insider trading or allegations of insider trading, and to protect the Company’s integrity and ethical conduct.

***Sustainability Practices***

Stellantis is committed to operating in an environmentally and socially-responsible manner. For a full description of sustainability governance, guidelines, targets, and results, refer to the section *NON-FINANCIAL INFORMATION* elsewhere in this report.

**Diversity and Inclusion Policy for the Composition of the Board of Directors**

On February 22, 2022, the Board of Directors adopted a revised diversity policy for the Board of Directors (the “Diversity Policy”); on September 25, 2023 the Board of Directors updated the Diversity Policy for Board of Directors in accordance with the Dutch Corporate Governance Code as adopted on December 20, 2022 (and effective as of January 1, 2023) and renamed it as Diversity and Inclusion Policy for the Composition of the Board of Directors. Diversity & Inclusion is one of Stellantis’ core values and members of the Board of Directors and its committees are selected on the basis of expertise, experience, personal qualities, age, sex or gender identity, nationality and personal background, as the Company believes that diversity in the composition of the Board of Directors in such terms is an important means of promoting debate, balanced decision-making, and independent actions of the Board of Directors. Members of the Board of Directors are selected on the basis of professional and personal qualifications in a manner designed to ensure sufficiently diverse and complementary skills to enable these members to oversee the Company’s strategy. The members’ skills relate to their specific operational experiences or their experience as a member of the board of other corporations overseeing major challenges.

A combination of skills and experience is fundamental to the proper functioning of the Board of Directors. The size, complexity, and product offerings of the sectors in which the Company operates, and the geographic spread of its businesses, require that members of the Board of Directors have a broad and diverse mix of skills and backgrounds. International experience and an understanding of industrial and financial sectors are also reflected in the Board of Directors membership. By applying this Policy to the Board of Directors, the Company would like to formalize its efforts to achieve and maintain a truly diverse senior management.

There will be an overriding emphasis based on merit when nominating candidates for vacancies of the Board of Directors but within that scope the Company applies the following diversity aspects to the Board of Directors: age, sex or gender identity, expertise, experience, personal qualities, work and personal background and nationality. The Company considers each of these aspects key drivers to support the above-mentioned goals and to achieve sufficient diversity of views and the expertise needed for a proper understanding of current affairs and longer-term risks and opportunities related to the Company's business. The Board of Directors and its ESG Committee consider such factors when evaluating nominees for election to the Board of Directors and during the annual performance assessment process.

Stellantis has determined that the objective of this Policy, with an overriding emphasis based on merit, is that: a) at least 40 percent of the seats of the Board of Directors are occupied by women and that in 2025, as soon as the resolutions taken by shareholders in the context of the merger will expire and the renewal of seven members out of our eleven of the Board of Directors will become feasible, the composition of the Board of Directors will meet this target; b) the nationality of the members of the Board of Directors shall be reasonably consistent with the geographic footprint of Stellantis' business and no nationality should count for more than 60 percent of the members of the Board of Directors; and c) the age of the members of the Board of Directors should be more diverse by having one or more members of the Board of Directors aged under 50 at the day of their nomination. It being understood that in the selection of a candidate on the basis of the defined diversity criteria, rules, and generally accepted principles of non-discrimination (on grounds such as ethnic origin, race, disability, or sexual orientation) will be taken into account.

To ensure its correct implementation the Policy has been embedded in the Company in various ways. The targets mentioned above will be taken into account in (a) in the appointment and nomination of executive directors, and (b) in the adoption of a profile for non-executive directors as well as in nominating and recommending non-executive directors. The ESG Committee will be responsible for assisting and advising the Board of Directors with, to the extent relevant for purpose of this Policy: (i) the identification of the criteria, professional and personal qualifications for candidates to serve as Directors; (ii) periodic assessment of the size and composition of the Board of Directors; (iii) proposals for election of executive and non-executive Directors; (v) supervision of the selection criteria and appointment procedure for senior management. If members of the Board of Directors are put up for election by the general meeting, the profile that will be presented to the general meeting will contain sufficient information for the shareholders to understand the background of the proposed member of the Board of Directors and its alignment with this Policy. In addition, the Diversity and Inclusion Policy has been taken into account in the adoption of a profile for non-executive Directors. In the 2022 financial year, the targets relating to nationality and age have been realized. Three out of nine non-executive Directors are female Board Members representing one third of the non-executive Directors and 27 percent of the whole Board of Directors. As described above, as per 2025, it is envisaged that the composition of the Board of Directors will meet the target that at least 40 percent of the seats of the Board of Directors are occupied by women.

**Compliance with Dutch Corporate Governance Code**

The Dutch Corporate Governance Code contains principles and best practice provisions that regulate, among other things, relations between the Board of Directors and the shareholders (including the general meeting of shareholders). The Dutch Corporate Governance Code is divided into five chapters which address the following topics: (i) sustainable long-term value creation; (ii) effective management and supervision; (iii) remuneration; (iv) the general meeting of shareholders; and (v) one-tier governance structure.

Dutch companies whose shares are listed on a regulated market, such as Euronext Milan or Euronext Paris, or comparable system, such as the NYSE, are required under Dutch law to disclose in their annual reports whether or not they apply the provisions of the Dutch Corporate Governance Code and, in the event that they do not apply a certain provision, to explain the reasons why they have chosen to depart from it.

Stellantis acknowledges the importance of good corporate governance and supports the best practice provisions of the Dutch Corporate Governance Code as amended in 2022.

While the Company endorses the principles and best practice provisions of the Dutch Corporate Governance Code, its current corporate governance structure applies the following best practice provisions as follows:

- The initial term of appointment of the Chairman, Chief Executive Officer, Senior Independent Director and Vice Chairman amounts to five years instead of the maximum period of 4-years referred to in best practice provision 2.2.2. by the Dutch Corporate Governance Code. FCA and PSA agreed upon such initial term as part of the merger negotiations between both parties and taking into account the best interests of the Company;

- The Company does not have a retirement schedule as referred to in best practice provision 2.2.4. of the Dutch Corporate Governance Code, because, pursuant to the Articles of Association, the term of office of the Directors is approximately two years;

- Although the Board of Directors has appointed a non-executive Director with the title of Vice-Chairman, this person does not qualify as a vice-chairperson within the meaning of best practice provision 2.3.7 of the Dutch Corporate Governance Code. The Board of Directors has however appointed a non-executive Director as the chairperson of the Board of Directors referred to by Dutch law, with the title of Senior Independent Director. Pursuant to Board of Directors' Regulations, the Chairman, or in his or her absence the Senior Independent Director, or in his or her absence, any other non-executive Director chosen by a majority of the Directors present at a meeting, will preside at a meeting of the Board of Directors. In addition, the Chairman of Stellantis acts as contact person for individual Directors regarding any conflict of interest of the Senior Independent Director. It is believed that this is sufficient to ensure that the functions assigned to the vice-chairperson by the Dutch Corporate Governance Code are properly discharged; and

- Pursuant to best practice provision 4.1.8 of the Dutch Corporate Governance Code, every executive and non-executive Director nominated for appointment should attend the general meeting of shareholders at which votes will be cast on his or her nomination. By publishing the relevant biographical details and curriculum vitae of each nominee for (re)appointment, the Company ensures that the Company's general meeting of shareholders is well informed in respect of the nominees for (re)appointment and, in practice, only the executive Directors will therefore be present at the general meeting of shareholders.

**Differences between Dutch Corporate Governance Practices and NYSE Listing Standards**

The discussion below summarizes the significant differences between our corporate governance practices and the NYSE standards applicable to U.S. companies, as well as certain ways in which our governance practices (see above section *Compliance with Dutch Corporate Governance Code*) deviate from those suggested in the Dutch Corporate Governance Code.

- The NYSE requires that when an audit committee member of a U.S. domestic listed company serves on four or more audit committees of public companies, the listed company should disclose (either on its website or in its annual proxy statement or annual report filed with the SEC) that the board of directors has determined that this simultaneous service would not impair the director's service to the listed company. Dutch law does not require the Company to make such a determination;

- The Audit Committee is elected by the Board of Directors and is comprised of at least three independent Directors. Audit Committee members are also required (i) not to have any material relationship with the Company or to serve as auditors or accountants for the Company; (ii) to be "independent" for the purposes of NYSE rules, Rule 10A-3 of the Exchange Act and the Dutch Corporate Governance Code; and (iii) to be "financially literate" and have "accounting or selected financial management expertise" (as determined by the Board of Directors). Furthermore, the Audit Committee may not be chaired by the Chairperson of the Board of Directors or by a former executive of the Company. Currently, the Audit Committee consists of Ann Frances Godbehere (Chairperson), Wan Ling Martello, Henri de Castries and Fiona Clare Cicconi;

- In contrast to NYSE rules applicable to U.S. companies which require that external auditors be appointed by the Audit Committee, the general rule under Dutch law is that external auditors are appointed by the general meeting of shareholders. In accordance with the requirements of Dutch law, the appointment and removal of our independent registered public accounting firm must be resolved upon at a general meeting of shareholders. Our Audit Committee is responsible for the recommendation to the shareholders of the appointment or dismissal and compensation of the independent registered public accounting firm and oversees and evaluates the work of our independent registered public accounting firm;

- NYSE rules require a U.S. listed company to have a compensation committee and a nominating/corporate governance committee composed entirely of independent directors. As a foreign private issuer, we do not have to comply with this requirement; however, the Dutch Corporate Governance Code also requires us to have a Remuneration Committee and a selection and appointment committee. There is no specific requirement as to the name of the selection and appointment committee (which we call our ESG Committee) and about its function being exclusive. Our Remuneration Committee Charter states that more than half of the members of the Remuneration Committee must be independent under the Dutch Corporate Governance Code. Three out of five of the current members of the Remuneration Committee are independent under both the NYSE rules and the Dutch Corporate Governance Code; and

- Under NYSE listing standards, shareholders of U.S. companies must be given the opportunity to vote on all equity compensation plans and to approve material revisions to those plans, with the limited exceptions set forth in the NYSE rules. As a foreign private issuer, we are permitted to follow our home country laws regarding shareholder approval of compensation plans, and under Dutch law such approval from shareholders is not required for equity compensation plans for employees other than the members of the Board of Directors, to the extent the authority to grant equity rights has been delegated at a general meeting of shareholders to the Board of Directors. For equity compensation plans for members of the Board of Directors and/or in the event that the authority to issue shares and/or rights to subscribe for shares has not been delegated to the Board of Directors, approval by the general meeting of shareholders is required.

**Cybersecurity**

*Risk management and strategy*

Our cybersecurity risks are managed through continuous processes of monitoring known routes of access to our systems, blocking potential threats and assessing identified incidents. Certain of these processes specifically focus on systems belonging to our supplier or third party service providers, including through testing, assessments and contractual requirements. Our cybersecurity risk management processes are confirmed by external risk assessments and NIST 800-53 security control audits conducted by global consulting firms with deep cybersecurity and risk management expertise.

Cybersecurity risks identified through external audits and industry benchmarking are prioritized by impact and likelihood and integrated into our information technology function's overall risk management program. The most relevant cybersecurity risks are then incorporated into the overall risk assessment that forms a part of our ERM framework. Please see the "*RISK MANAGEMENT*" section in this report for a description of our ERM framework.

To date, risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected the Company and are not expected to be reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition. Please refer to "*Risk Factors – Risks Related to Our Business, Strategy and Operations*" in this report for a description of ongoing risks from cybersecurity threats that, if realized, could materially affect the Company.

*Governance*

Our Board of Directors has delegated cybersecurity risk oversight to the Audit Committee. Our Chief Digital Information Officer ("CDIO") and Chief Information Security Officer ("CISO") update the Audit Committee regarding cybersecurity risks and significant incidents. In turn, the Board of Directors receives an overview of cybersecurity matters as part of its regular reports from the Audit Committee.

Cybersecurity risks are also considered by the Board of Directors as part of their regular review of risk management and covered by the annual internal audit plan reviewed and approved by the Audit Committee.

We have also established the Global Cybersecurity and Data Privacy Committee, which meets regularly and provides management-level oversight of our global security program, including in connection with cybersecurity, data privacy and related strategy. The committee is chaired by our Chief Human Resources & Transformation Officer and includes senior executives from engineering, finance, risk management, internal audit, legal and manufacturing functions.

On a day-to-day basis, our processes for identifying, tracking and managing cybersecurity risk are primarily conducted by the Cybersecurity Department within our information technology function. The Cybersecurity Department is led by our CISO, a seasoned cybersecurity expert with more than a decade of experience dealing with major cybersecurity threats. Our CISO reports directly to the CDIO, an experienced information technology and cybersecurity leader with nearly 30 years of global information technology experience spanning multiple industries.

When an incident is identified, dedicated teams within our Cybersecurity Department work to identify and contain the scope, while following standardized processes for internal notification and escalation to senior management and the Board of Directors.

**Disclosure of a Registrant's Actions to Recover Erroneously Awarded Compensation**

Not Applicable.

**Report of the Non-Executive Directors**

***Introduction***

This report renders an account of the supervision exercised by the non-executive Directors of Stellantis in the 2023 financial year as referred to in best practice provision 5.1.5 of the Dutch Corporate Governance Code.

It was the responsibility of the non-executive Directors of Stellantis to supervise the policies carried out by the executive Directors of Stellantis and the general affairs of Stellantis and its affiliated enterprise, including the implementation of the strategy of Stellantis regarding sustainable long-term value creation. In so doing, the non-executive Directors of Stellantis acted solely in the interest of Stellantis. With a view to maintaining supervision on Stellantis, during the 2023 financial year the non-executive Directors of Stellantis regularly discussed Stellantis' long-term business plans, the implementation of such plans and the risks associated with such plans with the executive Directors of Stellantis.

According to the Articles of Association of Stellantis the Board of Directors is a one-tier board and consists of three or more members, comprising both members having responsibility for the day-to-day management of Stellantis (executive Directors) and members not having such day-to-day responsibility (non-executive Directors). The Stellantis Articles of Association provided for the possibility to allocate tasks between the executive and non-executive Directors of Stellantis. Regardless of an allocation of tasks, all Directors of Stellantis remained collectively responsible for oversight of the strategy and management of the Company with particular focus on the development and supervision of the strategy for sustainable long-term value creation (including supervision thereof in case of non-executive Directors of Stellantis).

The composition of the Stellantis Board of Directors during the year ended December 31, 2023, was as follows:

| Year of Birth | Name | | Nationality |
|---|---|---|---|
| 1976 | J. Elkann | M | Italian |
| 1958 | C. Tavares | M | Portuguese |
| 1950 | R. Peugeot | M | French |
| 1954 | H. De Castries | M | French |
| 1975 | A. Agnelli(1) | M | Italian |
| 1972 | B. Ribadeau-Dumas(2) | M | French |
| 1966 | F. C. Cicconi | F | British – Italian |
| 1957 | J. De Saint-Exupery | M | French |
| 1963 | N. Dufourcq | M | French |
| 1955 | A. F. Godbehere | F | Canadian - British |
| 1958 | W. L. Martello | F | U.S. |
| 1972 | K. Scott | M | U.S. |

*(1) Mr. Andrea Agnelli resigned from his position as member of the Board of Directors effective at the 2023 Annual General Meeting, held on April 13, 2023*
*(2) Mr. Benoît Ribadeau-Dumas was appointed as non-executive director at the 2023 Annual General Meeting held on April 13, 2023, with effect from the same date*

Details of the current composition of the Board of Directors (including the non-executive Directors) and its committees are set forth in the section "Board of Directors" above.

***Supervision by the non-executive Directors***

The non-executive Directors, being part of the Stellantis' one-tier Board of Directors, participate in all the board meetings and are fully involved in any discussion and resolution, including strategies and related implementation. In addition, the non-executive Directors cover all the positions of the Committees of the Board of Directors.

The non-executive Directors of Stellantis supervised the policies carried out by the executive Directors of Stellantis and the general affairs of Stellantis and its affiliated enterprises. In so doing, during the 2023 financial year the non-executive Directors of Stellantis have also focused on key areas such as strategy, sustainable long-term value creation, climate change, culture, diversity, human resources, as well as the effectiveness of Stellantis' internal risk management and control systems, the integrity and quality of the financial reporting and Stellantis' long-term business plans, the implementation of such plans and the associated risks. The non-executive Directors also discussed regular business updates, brand, region and function reviews, technology reviews, strategic plan updates, competitive scenario analysis, risk management, budget review, ESG reviews, ERM, cybersecurity, as well as major transactions, shareholder engagement.

The non-executive Directors of Stellantis also determined the remuneration of the executive Directors of Stellantis. Furthermore, pursuant to the Stellantis Articles of Association, the Board of Directors of Stellantis had the possibility to allocate certain specific responsibilities to one or more individual Directors of Stellantis or to a committee comprised of eligible Directors of Stellantis and its subsidiaries. In this respect, the Board of Directors of Stellantis allocated certain specific responsibilities to the Audit Committee, the Remuneration Committee and the ESG Committee.

According to the Audit Committee charter in place in 2023, the responsibilities of the Audit Committee were to assist and advice the Stellantis Board of Directors inter alia with respect to: (1) the integrity of Stellantis' financial statements, including any published interim reports; (2) Stellantis ' policy on tax planning adopted by management; (3) Stellantis ' financing; (4) the application by Stellantis of information and communication technology; (5) the system of internal controls that Stellantis ' management and/or Stellantis ' Board of Directors established; (6) Stellantis ' compliance with legal and regulatory requirements; (7) Stellantis ' compliance with recommendations and observations of internal and independent auditors; (8) Stellantis ' policies and procedures for addressing certain actual or perceived conflicts of interest; (9) the qualifications, independence and remunerations of Stellantis ' independent auditors and any non-audit services provided to Stellantis by the independent auditors; (10) the functioning of Stellantis ' internal auditors and independent auditors; (11) risk management guidelines and policies; and (12) the implementation and effectiveness of Stellantis ' ethics and compliance program.

The Stellantis Audit Committee consisted of Ms. Ann Frances Godbehere (Chairperson), Ms. Wan Ling Martello, Mr. Henri de Castries and Ms. Fiona Clare Cicconi.

During 2023, ten meetings of Stellantis' Audit Committee were held. The average attendance of its members at those meetings was 90.83 percent. The Committee reviewed the Stellantis' financial results for the period ended on June 30, and the full year, as well as the shipments and revenues related to the first and the third quarter of the year. The Committee, with the assistance of the Stellantis' Chief Financial Officer and other Company officers mainly from finance and legal departments, focused on main business drivers in addition to key accounting, reporting matters and periodical reviews of the main areas such as synergies, enterprise risk management, treasury, insurance, and employee benefits/pensions review with specific focus on the areas of major audit risks such as the evaluation of assets and liabilities requiring management judgment. Particular focus was dedicated to cybersecurity matters. The Audit Committee also presided over the audit tender process to select the Company's new auditor, starting in 2024, due to the mandatory rotation requirements in the Netherlands. Independent Auditors attended all the meetings providing regular information to the Committee on their activity. The Committee reviewed the annual internal audit plan, the performance of external auditor, and received updates on legal and compliance matters, with the General Counsel attending the Committee meetings. Internal Audit activity was reviewed on a regular basis with the Head of Audit, and Compliance attending all the meetings and discussing with the Committee the main findings and remediating actions. Internal control over financial reporting was part of these reviews as well. In line with the policy adopted by the Company, the Committee was regularly involved in the review and approval of transactions entered into with related parties.

According to the Remuneration Committee charter in place in 2023, the responsibilities of the Remuneration Committee were to assist and advice the Stellantis Board of Directors inter alia with respect to: (1) compensation for executive Directors; (2) Stellantis' remuneration policy; (3) compensation of non-executive Directors; and (4) remuneration reports.

The Stellantis Remuneration Committee consisted of Ms. Wan Ling Martello (Chairperson), Mr. Ribadeau-Dumas, Mr. De Castries, Ms. Cicconi and Mr. Peugeot.

During 2023, three meetings of Stellantis' Remuneration Committee were held with 100 percent attendance of its members at those meetings. The Remuneration Committee reviewed the 2023 Remuneration Report and carefully assessed the shareholders' feedback on 2022 Remuneration Report; in addition, it recommended to the Board of Directors to amend the Company's Remuneration Policy. Details of the activities of the Remuneration Committee are included in the REMUNERATION REPORT section included elsewhere in this report.

According to the ESG Committee charter in place in 2023, the responsibilities of the ESG Committee were to assist and advice the Stellantis Board of Directors *inter alia* with respect to: (1) monitoring, evaluation and reporting on the strategy, targets, achievements, disclosures and reports relating to ESG matters globally of the Company and its subsidiaries; (2) reviewing, assessing and making recommendations regarding significant emerging and current trends and stakeholders' views regarding ESG matters in addition to the review of the Company's annual Sustainability Report; (3) drawing up the selection criteria and appointment procedures for Directors; (4) periodic assessment of the size and composition of the Stellantis Board of Directors and as appropriate making proposals for a composition profile of the Stellantis Board of Directors; (5) periodic assessment of the performance of individual directors and reporting on this to the Stellantis Board of Directors; (6) proposals to the non-executive Directors for the nomination and re-nomination of Directors to be elected by the Stellantis shareholders and (7) supervision of the policy on the selection and appointment criteria for senior management and on succession planning

The Stellantis ESG Committee consisted of Mr. de Castries (Chairperson), Mr. Ribadeau-Dumas, Ms. Cicconi, Mr. Dufourcq and Mr. Scott.

During 2023, three meetings of the Stellantis ESG Committee were held with 100 percent attendance of its members at those meetings. The ESG Committee reviews the Company's ESG roadmap, achievements and disclosures in accordance with 2030 Dare Forward Plan and its implementation. In addition, the ESG Committee periodically assesses the performance of individual directors and reports on this to the Board of Directors. In 2023, the ESG Committee assisted the Board by reviewing the update of the Diversity and Inclusion Policy for the Composition of the Board of Directors, the updated Dutch Corporate Governance Code, and discussing items related to climate change, such as reduction of fuel emission, electrification, circular economy and stakeholders' engagement. The ESG Committee members participated in updates led by management teams and designed to provide them with adequate information in the fields of the Company transformation through the development of human capital, the global philanthropy strategy, global, European and U.S. trends in governance and new EU and U.S. rules related to sustainability reporting in force starting 2024.

According to the profile of non-executive directors approved in 2022, the Stellantis Board of Directors shall be composed in such manner that its composition reflects an adequate mix of technical abilities, professional background, and experience, both general and specific, gained in an international environment and pertaining to the dynamics of the macro-economy and globalization of markets, more generally, as well as the industrial and financial sectors, more specifically. The size and composition of the board of directors also allows for a mix of skills and experience that is adequate in terms of the size of the Company and its Group, as well as the complexity and specific characteristics of the sectors in which the Company's group operates and the geographic distribution of its businesses. Stellantis non-executive directors are selected and recommended according to the following selection criteria: (a) background/education/training/degrees; (b) (international) experience; (c) skills; (d) nationality; (e) age and gender; (f) independence; and (g) diversity. In selecting and nominating new non-executive directors, the Company shall ensure that such new directors complement the knowledge and experience of the other non-executive directors and that the Diversity and Inclusion policy of the board of directors is taken into account. Each non-executive director has to be capable of assessing the broad outline of the overall policy of the Company. The Board of Directors will designate the non-executive director(s) considered financial expert(s) as referred to in Section 2(3) of the Dutch Decree on the Establishment of an audit committee (i.e., a financial expert with relevant knowledge and experience of financial administration and accounting).

Details on the current duties of the Audit Committee, Remuneration Committee and ESG Committee, are set forth in the sections "The Audit Committee", "The Remuneration Committee" and "The ESG Committee", within "Board Practices and Committees" above.

During the 2023 financial year, the non-executive Directors of Stellantis supervised the adoption and implementation of the strategies and policies by Stellantis, received updates on legal and compliance matters, and they were regularly involved in the review and approval of transactions entered into with related parties. The non-executive Directors of Stellantis also reviewed the reports of the Board of Directors of Stellantis and its committees, the ESG achievement and objectives.

During 2023, there were six meetings of the Board of Directors. Portions of these meetings took place without the executive Directors of Stellantis being present. The average attendance at those meetings was 95.45 percent. An overview of the attendance of the individual Directors per meeting of the Board of Directors of Stellantis and its committees set out against the total number of such meetings is set out below:

| Name | Meeting Board of Directors | Audit Committee | ESG Committee | Remuneration Committee |
|---|---|---|---|---|
| **John Elkann** | 6/6 | | | |
| **Carlos Tavares** | 6/6 | | | |
| **Robert Peugeot** | 6/6 | | | 3/3 |
| **Henri de Castries** | 6/6 | 10/10 | 3/3 | 3/3 |
| **Andrea Agnelli** | 1/1 | | 1/1 | 1/1 |
| **Benoît Ribadeau-Dumas** | 5/5 | | 1/1 | 2/2 |
| **Fiona Clare Cicconi** | 5/6 | | 3/3 | 3/3 |
| **Jacques de Saint-Exupery** | 6/6 | | | |
| **Nicolas Dufourcq** | 6/6 | | 3/3 | |
| **Ann Frances Godbehere** | 6/6 | 10/10 | | |
| **Wan Ling Martello** | 5/6 | 8/10 | | 3/3 |
| **Kevin Scott** | 5/6 | | 3/3 | |

*All the current Board members were appointed as directors at the extraordinary general meeting of shareholders held on January 4, 2021, as of January 17, 2021, with the sole exception of Mr. Benoît Ribadeau-Dumas, who was appointed as director at the 2023 Annual General Meeting held on April 13, 2023, with effect from the same date*

During these meetings, the key topics discussed were, amongst others: the long-term strategic plan "Dare Forward 2030"; the Stellantis' strategy including the electrification, batteries and software strategy; analysis of investments, the Stellantis' financial results and reporting, business performance by segment, the share buyback, acquisitions and divestitures, executive compensation, product plan and technological developments, brand, region and function reviews, competitive scenarios, brands' strategy, risk management, legal and compliance matters, environmental-social-governance key targets and related roadmap, human resources, talent management, diversity and inclusion, culture and the Remuneration Report; the updated Diversity and Inclusion Policy.

Main topics discussed with Directors include the following:

- auto OEM business overview with a focus on geographic presence, corporate footprint, R&D methodologies and applications;
- new product development process including solutions to reduce vehicles $CO_2$ emissions, notably through electrification, in line with the climate change challenge;
- technological challenges, including software developments driving innovation in the industry and customer experience; and
- auto OEM strategy plans, new emerging players and disruptive innovation and business models.

### *Independence of the non-executive Directors*

The non-executive Directors are required by Dutch law to act solely in the interest of the Company. The Dutch Corporate Governance Code stipulates the corporate governance rules relating to the independence of non-executive Directors and requires under most circumstances that a majority of the non-executive Directors be "independent."

The Board of Directors determined that, in 2023, six non-executive members of Stellantis' eleven Board of Directors members qualified as independent for purposes of NYSE rules, Rule 10A-3 of the Exchange Act, and the Dutch Corporate Governance Code. The remaining directors, being John Elkann, Carlos Tavares, Robert Peugeot, Benoît Ribadeau-Dumas and Jacques de Saint-Exupery, did not qualify as independent for the purposes referred to in the preceding sentence.

The rules of the NYSE require that listed companies have a majority of independent directors, based on the NYSE independence standards. While Stellantis, as a foreign private issuer, is exempted from this rule, Stellantis' board of directors determines on an annual basis which of its directors meet the NYSE independence requirements.

Pursuant to Section 303A of the NYSE Listed Company Manual, an independent director is a director who, as affirmatively determined by the board of directors, has no material relationship with the Company, either directly or as an officer, partner or stockholder of an entity that has a relationship with the company. A director will not be considered independent if:

- the director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer, of the Company;

- the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

- (1) the director is a current partner or employee of a firm that is the Company's internal or external auditor; (2) the director has an immediate family member who is a current partner of such a firm; (3) the director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (4) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time;

- the director or an immediate family member is, or has been with the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or

- the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2 percent of such other company's consolidated gross revenues.

Rule 10A-3 under the Exchange Act provides that no member of the Audit Committee may, other than in his or her capacity as a member of the Board of Directors or any committee thereof (including the Audit Committee):

- (i) accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries (with limited exceptions for payments under a retirement plan with the Company); or

- (ii) be an “affiliated person” of the Company or any of its subsidiaries. The term affiliate of, or a person affiliated with, a specified person, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. Directors who are also employees of the company and/or any of its affiliates as well as any executive officer, general partner or managing member of the Company or any of its affiliates and, generally, any shareholder owning more than 10 percent of the voting share capital of the Company would be “affiliated persons” under the Exchange Act.

For purposes of the Dutch Corporate Governance Code (2.1.8), a non-executive director is "independent" if, in short, neither the director, nor the director's spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree: (i) is an employee or executive director of the company (or an issuing institution associated with the company) in the five years prior to his or her appointment; (ii) receives personal financial compensation from the Company, or an entity associated with the Company, other than the compensation received for the work performed as a non-executive director and in so far as this is not in keeping with the normal course of business; (iii) has, or has had in the year prior to his appointment, an important business relationship with the Company, or an entity associated with it; (iv) is a member of the management board of a company in which an executive director of the Company is a supervisory director or a non-executive director; (v) has temporarily performed management duties during the previous twelve months in the absence or incapacity of the executive directors of the Company; (vi) has a shareholding in the Company of at least ten percent, taking into account the shareholding of natural persons or legal entities collaborating with him on the basis of an express or tacit, verbal or written agreement; or (vii) is a member of the management board or supervisory board, an executive director or non-executive director, or representative, of a legal entity which directly or indirectly holds at least ten percent of the shares in the Company, unless such entity is a member of the same group as the Company.

***Evaluation by the non-executive Directors***

The non-executive Directors of Stellantis were responsible for supervising the Stellantis Board of Directors and its committees, as well as the individual executive and non-executive Directors of Stellantis, and are assisted by the ESG Committee in this respect.

Each year, the Board of Directors, with a prominent role for the Non-Executive Directors, reviews and discusses its own functioning and performance, as well as the functioning of its Committees and individual Directors. In 2023, the evaluation of the Board and its Committees consisted of a self-assessment facilitated by written questionnaires. In addition, the Senior Non-Executive Director held individual discussions with the Directors. The results of the evaluation were discussed by the Board at one of its meetings during which the Board received the feedback and recommendations of the Senior Non-Executive Director and discussed the overall functioning of the Board and of the individual Directors. The process took place in the second half of 2023 and was completed in early 2024. The main topics of the questionnaire related to the composition, competence, quality of meetings, quality and timeliness of meeting information, Board oversight and engagement, and the functioning of the Board Committees. The overall conclusion on the composition and functioning of the Board is good and supportive. The appropriateness of the size and composition of the Board and the Committees, as well as the Board Regulations and the Committee Charters were confirmed. The effectiveness and organization of meetings and related agendas and participation were positively assessed. The open and constructive Board discussions, in particular the discussions on purpose and long-term strategy, were positively assessed by the Directors. Discussions during the year on the strategic plan, strategic transaction, regions, brands, ESG matters, talent management and human resources policies, and enterprise risk management were appreciated. The review also focused on the diversity of the Board and the composition of the Committees, the workload and the distribution of responsibilities among the Committees. A conclusion that could be drawn from the above, and in accordance with best practice provision 2.2.8 of the Dutch Corporate Governance Code, is that the Board would like to further rationalize the distribution of tasks among the committees and reserve more time at Board meetings for matters of interest to the Board.

The non-executive Directors of Stellantis were regularly informed by each committee as referred to in best practice provision 2.3.5 of the Dutch Corporate Governance Code and the conclusions of those committees were taken into account when drafting this report of the non-executive Directors of Stellantis.

The charters of the Committees were amended at the Governance Effective Time in connection with the implementation of the Stellantis governance arrangements following the merger.

The non-executive Directors of Stellantis were able to review and evaluate the mission of Stellantis' Audit Committee, ESG Committee and Remuneration Committee in 2021. Based on the evaluations, the charters of the Audit Committee and of the ESG Committee have been amended during the year 2021. Details on the current charters of the Audit Committee, the ESG Committee and the Compensation Committee, are set forth in the sections "The Audit Committee", "The Remuneration Committee" and "The ESG Committee", within "Board Practices and Committees" above.

Also, pursuant to Stellantis' Remuneration Committee Charter, in 2021 the Compensation Committee recommended the Amendment of the Remuneration Policy of the Board of Directors, also in view of the size of the Company following the merger, implemented and oversaw the Remuneration Policy as it applied to non-executive Directors of Stellantis, executive Directors of Stellantis and senior officers reporting directly to the executive Directors of Stellantis. In 2023 the Remuneration Committee recommended to the Board of Directors to amend the Company's Remuneration Policy and the revised Remuneration Policy of the Board of Directors was approved by the general meeting of shareholders as of April 13, 2023. The Remuneration Committee administered all of the equity incentive plans and deferred compensation benefits plans of Stellantis. On the basis of the assessments performed, the non-executive Directors determined the remuneration of the executive Directors of Stellantis. Furthermore, the Remuneration Committee recommended the review and approval of the Long-Term Incentive ("LTI") Plan and one-time award for the CEO.

The non-executive Directors have supervised the performance of Stellantis' Audit Committee, Remuneration Committee and ESG Committee.

## REMUNERATION REPORT

This Remuneration Report provides an overview of our remuneration policy and practices, its application in 2023, and proposed future changes. It has been approved by the Remuneration Committee of the Board of Directors.

### Letter from the Chairperson of the Remuneration Committee

Dear Shareholders,

I present Stellantis' 2023 Remuneration Report on behalf of the Remuneration Committee of the Board of Directors. As a Board, we recognize remuneration can be a sensitive and complex issue for shareholders and wider stakeholders. The responsibility of retaining and attracting world class executives in a global corporation and ensuring an appropriate incentive structure, which delivers in the uncertain economic conditions we are living in, is challenging but it is a responsibility which we are fully committed to discharge in the interests of all stakeholders. Given the 80.4 percent approval of the 2022 Remuneration Report and 93 percent approval of the Remuneration Policy, we remain committed to continue our dialogue with our shareholders to understand and reflect shared feedback. ***In response to the feedback we received, we continue to improve the transparency of our Remuneration Report which reflects a number of changes made to our executive compensation program effective January 1, 2023.***

We consulted with 74 percent of our top fifty institutional shareholders over the course of two rounds of engagement throughout 2023 and in early 2024. We sought feedback on the 2023 AGM vote, changes made to the 2023 executive compensation incentive plans going forward and discussed alignment of the executive compensation program with the long-term Company strategy given best interests of shareholders in mind.

The conversations throughout the outreach process proved that many shareholders share our common views about our compensation philosophy and approach. The feedback we received from our shareholders led to the following changes of our executive compensation program and disclosure:

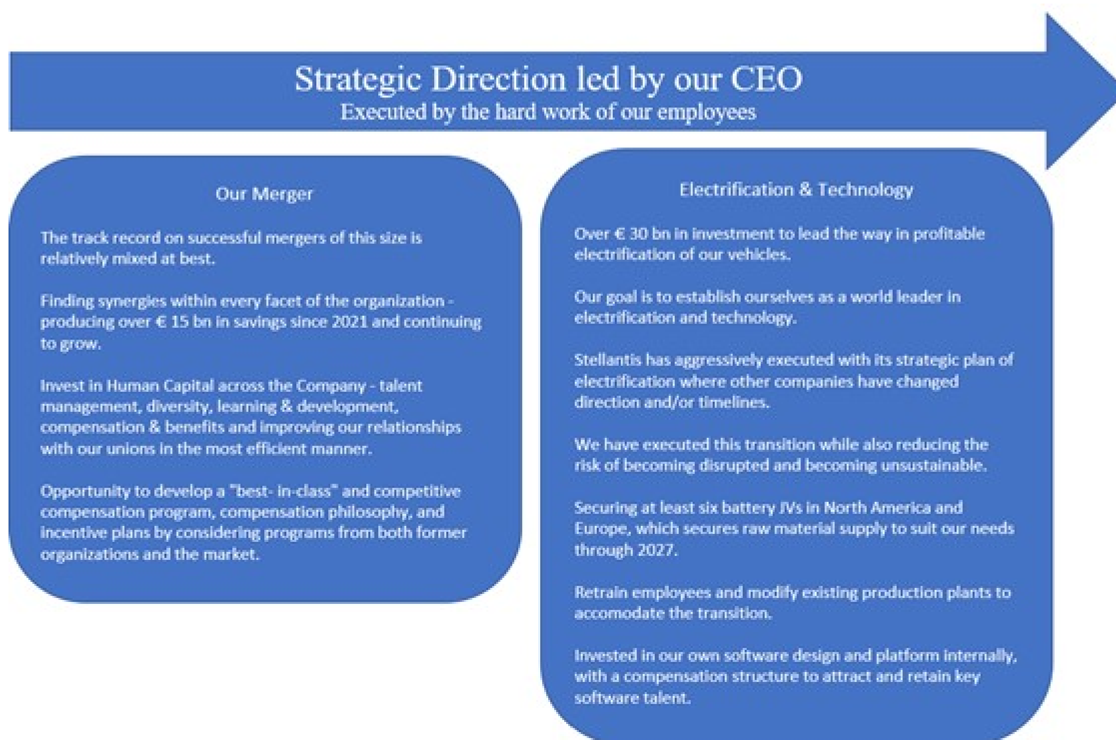
| Executive Compensation changes made in 2023 |
|---|
| • The LTI plan consists of 100% Performance Share Units ("PSUs" for the Executive Directors) beginning with the 2023 grant, as amended to the Remuneration Policy and approved by Shareholders at the 2023 AGM held on April 13, 2023. |
| • The Total Shareholder Return ("TSR") metric, beginning with the 2023 LTI grant, does not allow for any vesting/ payout for below-median performance. |
| • We improved our message as to how our global footprint is reflected in benchmarking our executive compensation with our peer group and how our incentives reflect the Company's bold strategy to transform itself to a sustainable mobility tech company – emphasizing the electrification and software of its vehicles, followed with its ambitious DARE FORWARD 2030 plan for carbon net zero in 2038 with single-digit percentage compensation of the remaining emissions. |
| • We enhanced the transparency of the Remuneration Report with more detail of setting our incentive performance targets and performance achievement, in particular that of the CEO Transformation Award's milestones/goals and how it is aligned with the Company's long-term strategy and shareholders' interests. |

As we continue our journey in adding shareholder value, I hope that our shareholders vote in favor of this year's Remuneration Report. Based on our extensive consultation process with shareholders, we firmly believe that the changes introduced, and greater transparency, will be supported by shareholders.

I would like to thank our shareholders for their insights and engagement over the past two years and welcome their feedback on this year's Remuneration Report, which will be submitted for an advisory vote at our AGM on April 16, 2024. For more information, please refer to the AGM agenda at *www.stellantis.com*.

Wan Ling Martello

Chair, Remuneration Committee




**Stellantis – An extraordinary point in our short history**

The year 2021 was an unparalleled and unprecedented moment in time for Stellantis.

Not only did the Company, along with the rest of the world had to face the COVID pandemic challenges, but also we had to (1) merge two large global automotive organizations with very different global footprints and cultures, and (2) face an extraordinary shift in the industry to electrification and technology.

Throughout this remuneration report, you will find our Company performance across profitability, generating cash, total shareholder return, and the achievement of key electrification milestones. It is for these reasons our compensation program delivers fairly at a high level – only when the Company performs at a high level.

**Our Company's Performance**

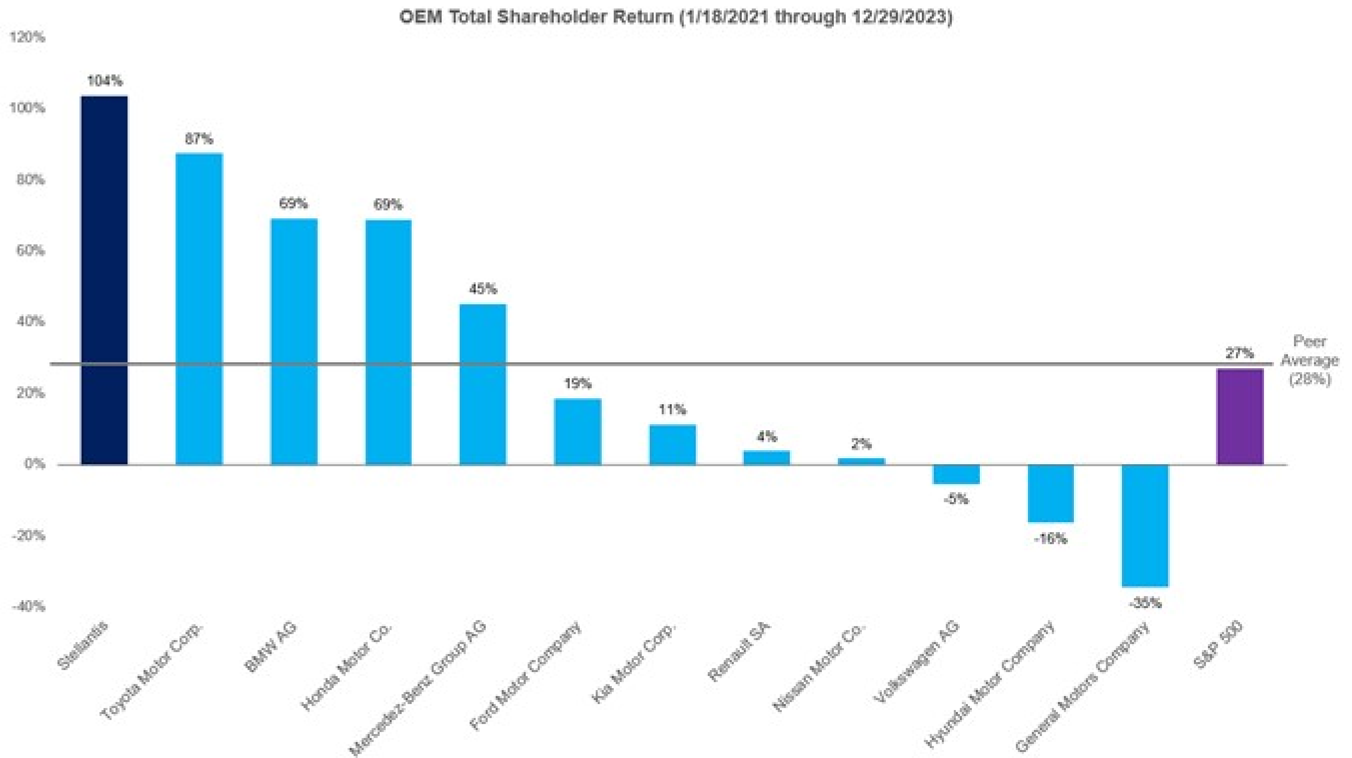
Since Stellantis was first formed on January 17, 2021, the Company has posted record results, accelerated the realization of merger synergies and built solid commercial performance. This has been driven by our clear focus on speed of execution since day one and continued throughout 2023 under the leadership of our CEO, all while leading the fast pace of transformation towards a sustainable tech mobility company.

After having unveiled its ambitious electrification and software plans in July 2021 with planned investments of more than €30 billion through 2025 and strong partnerships announced in battery technology, battery raw materials and software.

Stellantis presented in March 2022 its DARE FORWARD 2030 Plan: a bold strategic plan that paves the way for the Company to achieve carbon net zero by 2038 and build upon three fundamentals pillars that will lead the Company to achievement of it financial ambition of doubling our net revenues by 2030 (versus 2021) and sustaining double-digit adjusted operating income margins throughout the decade.

**Extraordinary Total Shareholder Return**

Since the inception of Stellantis in January 2021, the Company's share price has outperformed the industry's OEM peer average and the S&P 500 by a significant margin:




Stellantis continues to lead the industry in financial performance, as represented in our first half 2023 results, continuing through strong performance to the end of 2023:

First Half 2023 Financial Results

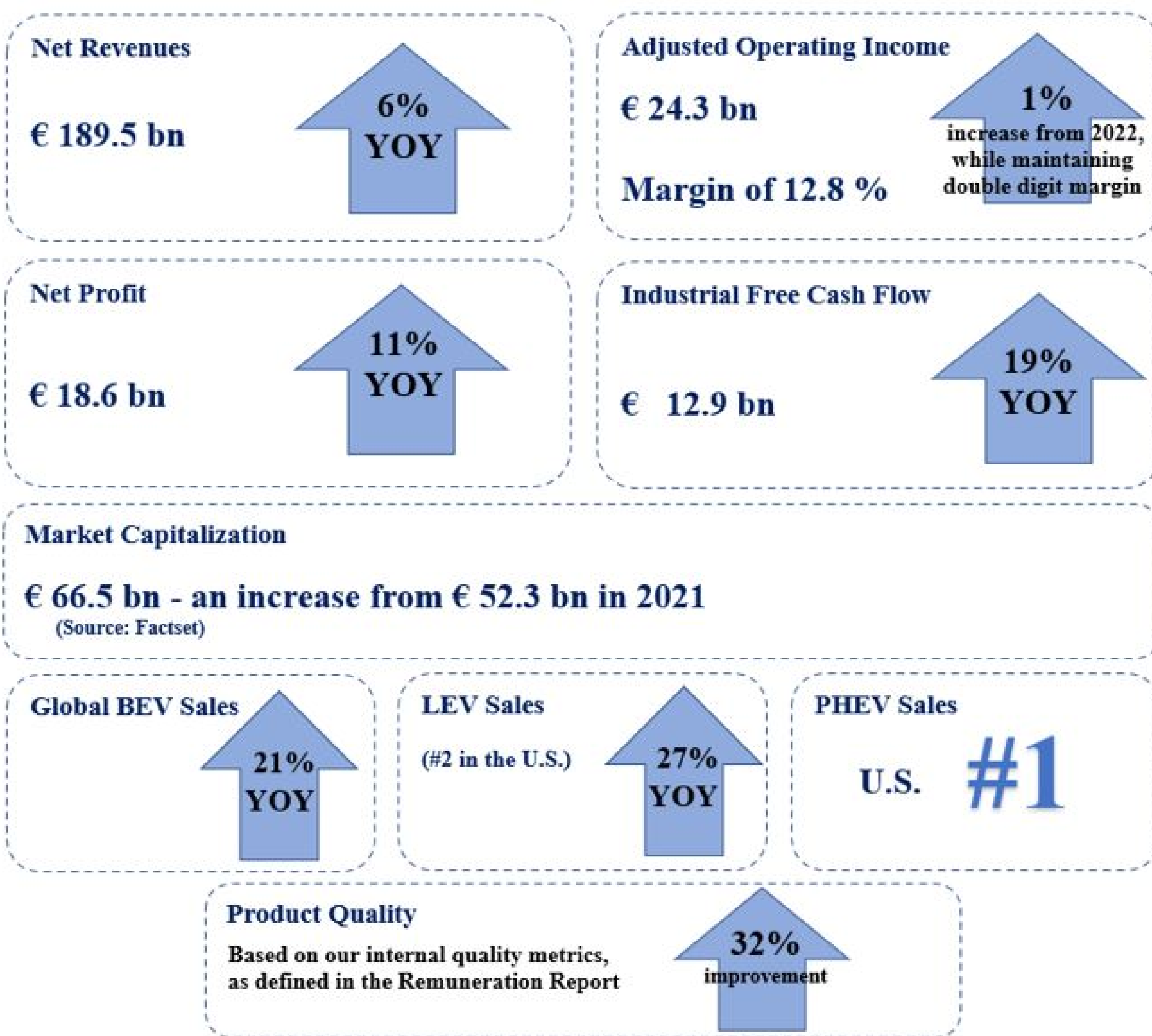
# 1 vs. 11 large OEMs

AOI = €14.1bn

AOI Margin = 14.4%

Free Cash Flows = €8.7bn

* OEMs include BMW, Ford, GM, Honda, Hyundai, Mercedes, Nissan, Renault, Tesla, Toyota and Volkswagon




How did we pay for our performance?

Our incentive programs are based on our pay-for-performance principles and includes all employees of the Company globally. Incentives based on performance come in the form of an annual bonus plan or a profit-sharing plan – plans that are based on achievement of strategic, annual goals. Our pay-for-performance approach in compensation covers all employees of the Company – where substantially all employees share in the success for the year. Furthermore, the profitable success of the Company is reflective of the cash dividends we provide to our shareholders.

The chart below provides a summary of the total performance incentives we paid to our employees as well as the total dividends declared from 2021 through 2023. Beginning in 2023, the Company implemented an employee share purchase plan (“Shares to Win”) for employees in France and Italy. The Shares to Win program will be extended to employees in other countries in 2024 and beyond.

| | 2021 | 2022 | 2023 | Total |
|---|---|---|---|---|
| **Performance Incentives & Profit Sharing (in million €)** | **€1,995** | **€2,047** | **€1,855** | **€5,897** |
| **Employee Stock Purchase Plan - rollout in 2023 (in million €)** | **—** | **—** | **€36** | **€36** |
| **Dividends to Shareholders (in million €)** | **€3,300** | **€4,200** | **€4,700(1)** | **€12,200** |

*(1) Subject to shareholder approval and is anticipated to be paid in 2024*

**Our Approach to Executive Remuneration**

Clear alignment between executive rewards and shareholder interests is central to our Remuneration Policy. Our pay-for-performance philosophy has strong links between rewards and results for both our short-term and long-term incentive plans.

The Remuneration Committee has a clearly defined process for setting stretch targets for our incentive compensation plans and a framework for decision-making around executive remuneration. A third-party, independent consulting advisor provides recommendations and information on best market practices for remuneration structure and design. The Committee had extensive discussions, supported by its external advisor, to review the composition and key drivers of remuneration.

Facilitated by the announcement of our Dare Forward 2030 strategic plan targets in March 2022 and in line with the feedback from our shareholders, the details of the milestone targets set for the CEO Transformation Award will be disclosed beginning with this Remuneration Report. This approach is an important step toward further increasing transparency.

The Remuneration Committee determines executive remuneration on the basis of a set of principles (as shown in the table below) that demonstrate clear alignment with shareholder and other stakeholder interests with the responsibility to ensure that executive remuneration is closely aligned with financial and strategic performance.

| **Principles of Executive Remuneration** | |
|---|---|
| **Alignment with Stellantis Strategy** | Compensation is strongly ***linked to the achievement*** of the Company’s disclosed performance targets. |
| **Pay for Performance** | Must ***reinforce our performance-driven culture and principles of meritocracy***. Majority of pay is ***linked directly to Company performance*** through both short and long-term variable pay. |
| **Competitiveness** | Compensation will be ***competitive*** against the comparable ***global*** market and set in a manner to ***attract, retain and motivate*** expert leaders and highly qualified executives. Considering competitiveness across both the European and U.S. talent market is essential given our global footprint. |
| **Creating Long-term Shareholder Value** | Performance targets triggering any variable compensation payment should ***align with the interests of shareholders and other stakeholders***. |
| **Compliance** | Compensation policies and practices are ***designed to comply*** with applicable laws and corporate governance requirements. |
| **Risk Prudence** | The compensation structure and design should ***avoid incentives that encourage unnecessary or excessive risks*** that could threaten the Company’s value. |

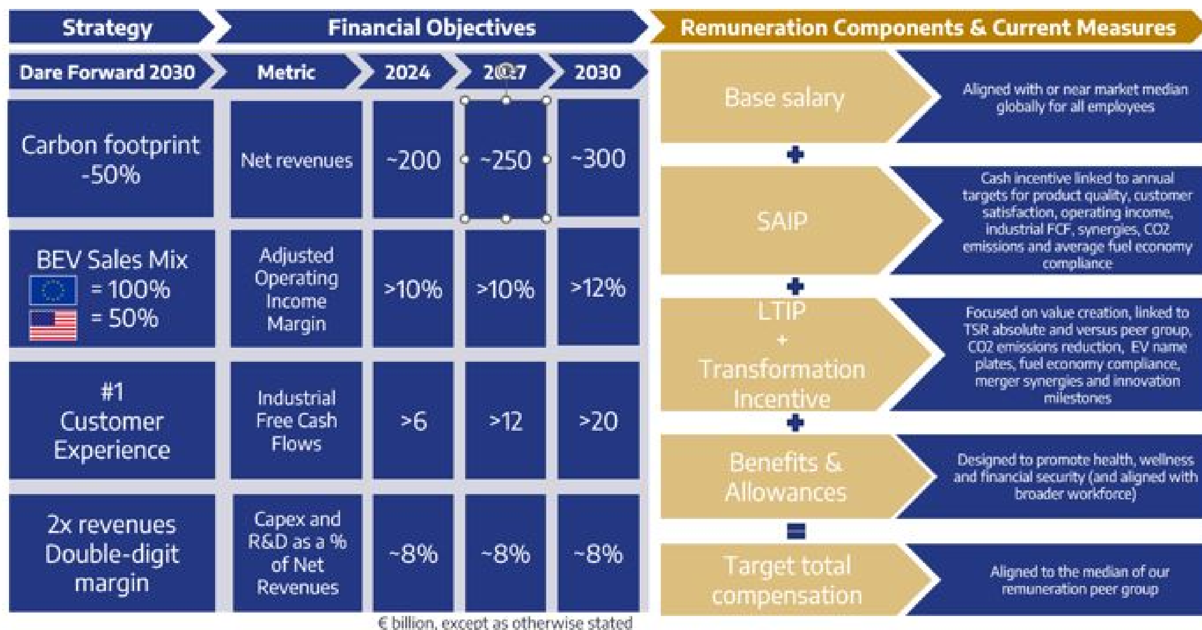
***Our Executive Remuneration Framework***

The table below provides a high-level summary of the core elements of the remuneration for our Executive Directors:

| Remuneration Element | Key Feature | Alignment to Strategy and Shareholder Interests |
| --- | --- | --- |
| **Base Salary** | Market-based fixed cash compensation set competitively to large global automobile manufacturers with the peer group. | Set at a level to attract, motivate and retain the best talents in global and/or regional markets. |
| **Short Term Incentive Plan - Stellantis Annual Incentive Plan ("SAIP")** | Paid annually in cash; the CEO's target opportunity is 200% of base salary and maximum opportunity is 400% of base salary. Board Chair is not eligible. | Incentivize delivery of performance against our pre-established and challenging annual strategic and financial goals. |
| **LTI Plan** | 100% Performance Share Units (PSUs): Conditional rights on ordinary shares, with amounts earned subject to Company performance and a three-year vesting schedule. | Incentivize delivery of financial performance and creation of long-term sustainable value; demonstrates long-term alignment with shareholder interests. PSUs are 100% at-risk and contingent upon Stellantis' performance - no amounts are guaranteed. |
| **Share Ownership and Retention Guidelines** | Executive Directors:<br><br>Six (6) x Annual Base Salary<br><br>Required to retain one hundred percent (100%) of net, after-tax shares of Common stock issued upon vesting and settlement of any equity awards granted until the fifth (5th) anniversary of the grant date of such award.<br><br>Shares owned outright and any unvested Restricted Stock Units (RSUs) are counted for purposes of satisfying the guideline. Unvested PSUs are not considered. | Establishes long-term alignment with shareholders; promotes focus on management of company risks. |
| **Retirement Benefits** | Defined contribution retirement savings plan that is available to the CEO and all employees in the country of employment. The Chairman participates in a retiree health care benefit plan. | Provides appropriate retirement savings designed to be competitive in the relevant market. |
| **Other Benefits & Allowances** | Executive Directors may receive usual and customary fringe benefits such as severance, company vehicles, security, medical insurance, tax preparation, financial consulting and tax equalization. | Recognizes competitive practices. |
| **CEO Transformation Incentive (One-time, long-term award)** | One-time cash incentive with payout upon the achievement of innovative milestones/goals during a five-year period (2021-2025). | Designed to achieve results within an aggressive timeline toward carbon neutrality in mobility and technology. |
| **CEO Shareholder Return Incentive (One-time, long-term award)** | One-time equity incentive with payout only if share price appreciates at least 80% for sixty consecutive days during a five-year period (2021-2025).<br>50% of any payout is subject to an additional 2-year holding period. | Directly aligned with Shareholder return on investment (absolute TSR). |

***Aligning Company Strategy with our Remuneration Framework***

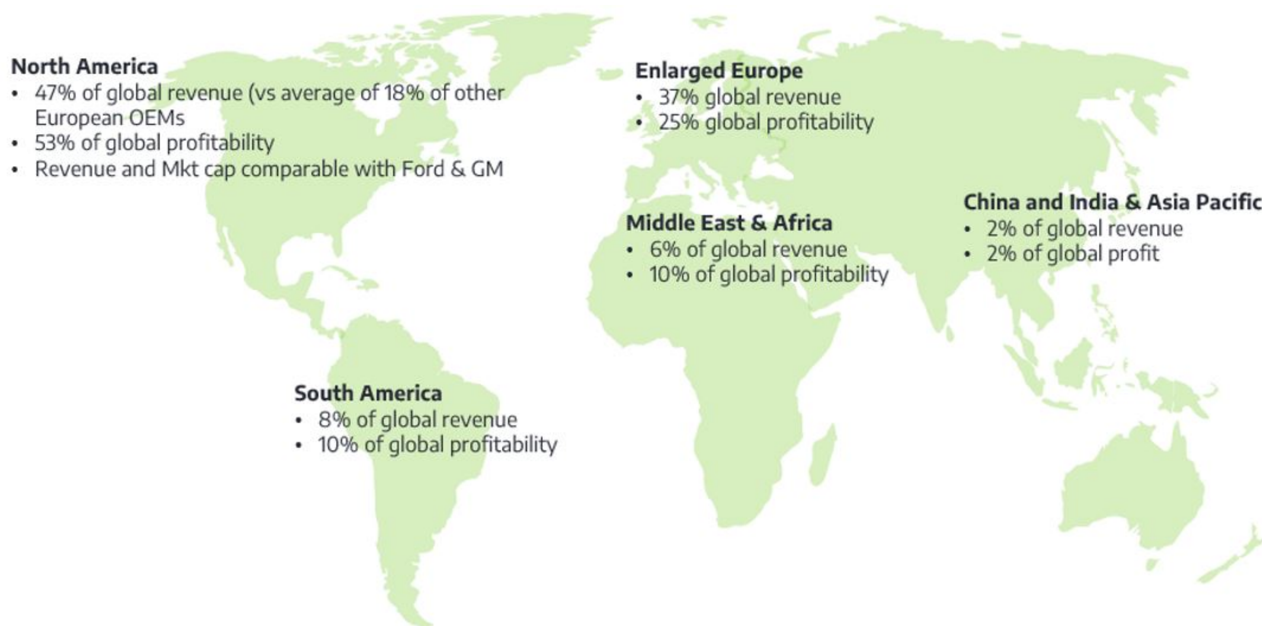
Our philosophy, approach and delivery of remuneration is strongly linked to the Company's performance and interests of our shareholders. All elements of our compensation structure are market-driven with a significant portion (88.9 percent) of overall compensation (base salary, short-term incentive and long-term incentive) subject to performance risk for our CEO. The long-term incentive, Transformation Award and Shareholder Return Award are aligned with the long-term success and sustainability of Stellantis as it competes in a dynamic industry undergoing a significant transformation driven by electrification and software technologies.




***Our Compensation Peer Group***

The Remuneration Committee reviews each year the compensation peer group for compensation comparisons and makes any updates as needed to align with the established criteria and Company strategy. Additional companies may be considered for benchmarking particular executive/director compensation when necessary.

The Committee strives to identify a peer group that best reflects all aspects of Stellantis' business and considers our global footprint, revenue, and market capitalization and/or enterprise value. It is important to note that to attract and retain our top executive talent, we need to consider a blend of both U.S. and European companies - as a significant portion of our business, revenue and profitability is driven by both regions. **Given its global footprint, Stellantis has to be considered a global company.**




*The allocation of revenues and profitability does not reflect the allocation to the operating segments*

In addition to including U.S. and European automobile manufacturers, our peer group includes U.S. and European companies with a global presence that have significant manufacturing and/or engineering operations. We do not limit our peer group to our industry alone because we believe compensation practices at other large global multinational companies affect our ability to attract and retain diverse talent.

For 2023, the peer group approved by the Remuneration Committee is shown below (unchanged from 2022):

| U.S. Companies | | European Companies | |
|---|---|---|---|
| • Boeing | • General Dynamics | • Airbus | • Renault |
| • Caterpillar | • General Electric | • ArcelorMittal | • Siemens |
| • Chevron | • General Motors | • BASF | • ThyssenKrupp |
| • Deere | • Honeywell | • BMW | • Total |
| • Exxon Mobil | • Lockheed Martin | • Continental | • Volkswagen |
| • Ford | • Raytheon Technologies | • Mercedes-Benz (formerly Daimler) | • Volvo |

We review each element of compensation compared to the market and generally target our total direct compensation (base salary, annual bonus and long-term incentives, or for Non-Executive Directors - retainers, meeting fees, committee service) for Directors, on average, to be at or near market median. Although we include large global non-automotive companies in our peer group, the remuneration used to benchmark Executive Director remuneration considers only the similarly sized global automotive companies of our peer group (Volkswagen, Mercedes-Benz, BMW, Renault, Ford and General Motors).

In addition, we consider Stellantis' relative size and scope against those of our peers in assessing and setting our pay levels and program designs for our Directors. An individual compensation element or an individual's total direct compensation may be positioned above or below the market median because of his or her specific responsibilities, experience, and performance.

***Pay for Performance***

A key characteristic of Stellantis' Remuneration Policy is pay for performance. All elements of our compensation structure – base salary, incentive compensation and benefits – are benchmarked with our Peer Group and are designed to align in driving shareholder value.

We believe it is important to look at how our CEO's realizable pay compares to the Company's performance. To evaluate how the executive compensation program is delivering value for shareholders, we analyze the alignment between CEO pay with Company's performance (since 2021) relative to the Peer Group. Since the financial performance data of our peers is not publicly available at the time of this report's release, the pay-for-performance analysis reflects a one-year lag.

Given that 2021 was Stellantis' inaugural year, we considered actual total cash compensation (base and bonus) over a two-year average period (2021 and 2022). Long-term incentive compensation was not considered in the analysis (for Stellantis and the peer companies) since Stellantis did not have any post-merger granted LTI awards vest in 2021 and 2022 (merger to form Stellantis was in 2021).

**Executive Pay: Actual Total Cash Compensation – average of 2021 & 2022**

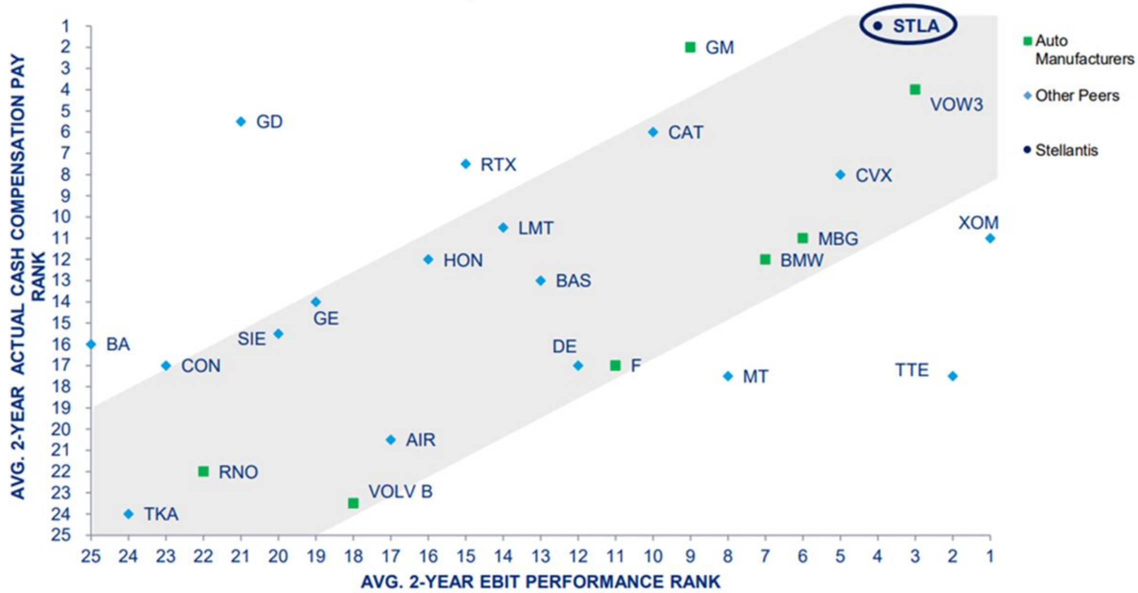
- Base salary received
- Actual short-term incentive bonus: Bonus amount earned based on 2021 & 2022 performance
- Long-term incentives and unique, one-time awards were not considered for Company and peers

**Performance:**

- Average 2021 & 2022 EBIT and Free Cash Flow as reported per each peer company's most recent fiscal year end

The following charts illustrate the relative percentile ranking of the average 2021and 2022 actual Total Annual Cash Compensation for Stellantis' CEO as compared to the average 2021 and 2022 EBIT and 2021 and 2022 Free Cash Flow. In summary, Stellantis' average 2021 and 2022 Operating Income (using EBIT) and Industrial Cash Flow (using Free Cash Flow) were among the highest in the peer group (fourth and fifth in the group, respectively) while our CEO's average 2021 and 2022 total annual cash compensation was the highest in the peer group.

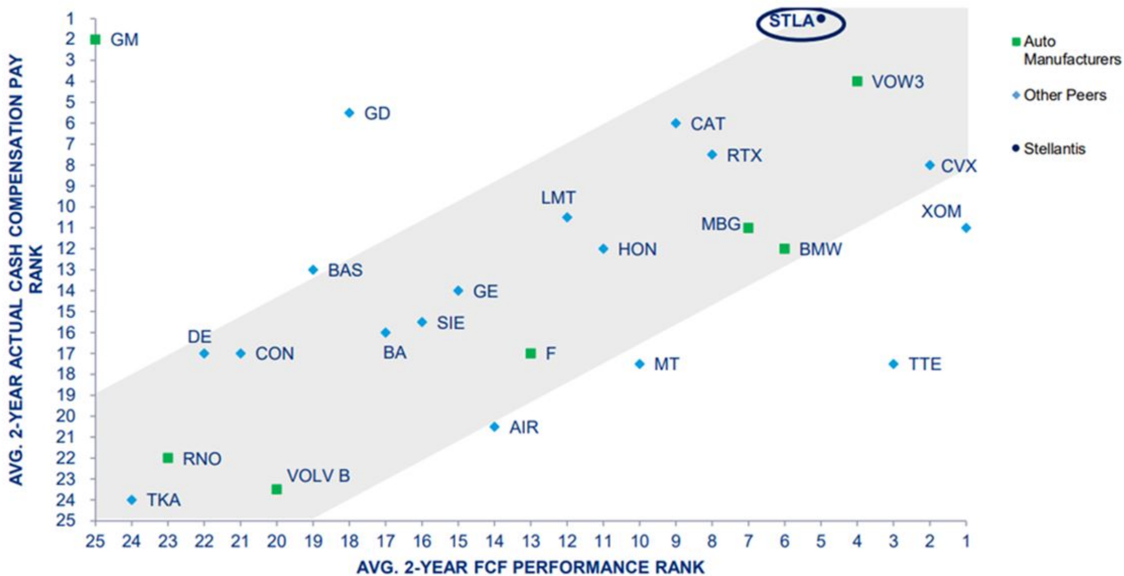
**Pay for Performance Chart - EBIT**




| VOW3 = Volkswagen | GM = General Motors | MBG = Mercedes-Benz Group | F = Ford | BMW = BMW | RNO = Renault | VOLV B = Volvo | XOM = ExxonMobil | TTE = TotalEnergies SE | CVX = Chevron | BAS = BASF | MT = ArcelorMittal | GE = General Electric |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SIE = Siemens | BA = Boeing | RTX = Raytheon Technologies | LMT = Lockheed Martin | AIR = Airbus | CAT = Caterpillar | DE = Deere | TKA = ThyssenKrupp | GD = General Dynamics | CON = Continental | HON = Honeywell | STLA = Stellantis | |

The shaded area in each graph denotes pay for performance alignment. Based on the two-year average EBIT performance, Stellantis' CEO's average 2021& 2022 actual total cash compensation was aligned with its relative performance ranking.

**Pay for Performance Chart – Cash Flow**





| VOW3 = Volkswagen | GM = General Motors | MBG = Mercedes-Benz Group | F = Ford | BMW = BMW | RNO = Renault | VOLV B = Volvo | XOM = ExxonMobil | TTE = TotalEnergies SE | CVX = Chevron | BAS = BASF | MT = ArcelorMittal | GE = General Electric |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SIE = Siemens | BA = Boeing | RTX = Raytheon Technologies | LMT = Lockheed Martin | AIR = Airbus | CAT = Caterpillar | DE = Deere | TKA = ThyssenKrupp | GD = General Dynamics | CON = Continental | HON = Honeywell | STLA = Stellantis | |


The shaded area in each graph denotes pay for performance alignment. Based on the two-year average Free Cash Flow performance, Stellantis' CEO's average 2021 & 2022 actual total cash compensation was aligned with its relative performance ranking.

*Risk Assessment*

The Remuneration Committee reviews the compensation program on an ongoing basis to evaluate whether it supports the Company's Remuneration Policy and its principles annually. The Committee's compensation consultant reports a risk assessment of the executive compensation structure including, but not limited to, its incentive program design. Our compensation practices include the following, each of which we believe reinforces our compensation objectives:

| What we do: | What we do not do: |
| --- | --- |
| • Pay for performance by structuring a significant percentage of target compensation in the form of variable, at risk compensation within Stellantis | • We do not offer remuneration which encourages our Executive Directors and non-Executive Directors to take any unnecessary or excessive risks or to act in their own interests |
| • Predetermined stretch performance goals for incentive pay programs | • We do not reward for performance below threshold |
| • We align goals and values organization-wide through incentive pay and rigorous performance management | • We do not have excessive pay programs |
| • Incorporate ESG goals into our short-term and long-term incentive plans | • We do not allow hedging, pledging or short-selling of our securities |
| • Market comparison of Executive Director and non-Executive Director remuneration against relevant peers | • We do not pay out guaranteed bonuses |
| • Conduct a rigorous and detailed analysis of CEO pay and Company performance against our peers | • We have no excessive perquisites |
| • We consider pay ratios within the Company in establishing Executive Directors' pay | |
| • Use of an independent compensation consultant reporting directly to the Remuneration Committee | |
| • We have robust stock ownership and share retention guidelines | |
| • We have clawback policies incorporated into our incentive plans | |
| • "Double-trigger" vesting of equity awards upon a change of control | |

**2023 Remuneration**

The chart below shows the actual compensation (cash and vested equity awards) paid to our CEO for the year ended December 31, 2023 as compared to the amounts paid for the year ended December 31, 2022:

| Year | Base Pay | Annual Bonus | Transformation Incentive | Vested LTI | Pension Contribution | Total |
|---|---|---|---|---|---|---|
| **2023** | **€2,000,000** | **€5,786,800** | **€10,000,000** | **€3,738,229** | **€1,946,700** | **€23,471,729** |
| **2022** | **€2,000,000** | **€7,480,000** | **€—** | **€3,073,489** | **€2,370,000** | **€14,923,489** |

Table 1 provided below does not reflect the compensation actually paid to our CEO in 2023. The post-retirement benefits expense reflects pension contributions for deferred retirement income, and the fringe benefits show the value of Company payments for services or benefits provided under the terms of the CEO agreement and are considered competitive in the market. The long-term incentive (LTI) reflects the accounting expense recognized during each period – not the actual LTI awards received upon vesting. Under IFRS, an award with market-based vesting conditions, which is the case for the LTI with TSR targets, is fair valued at grant date. The grant date fair value of the award is then recognized as expense over the vesting period irrespective of whether the market-based vesting condition will be satisfied or not.

### *Director’s Total Remuneration in 2023*

The following table summarizes the remuneration of the members of the Board of Directors for the year ended December 31, 2023.

| | | | Fixed Remuneration | | Variable Remuneration | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Directors of Stellantis** | **Office Held** | **Year** | **Base salary/ Fees** | **Fringe benefits** | **Short-term incentive** | **Long-term incentive** | **Post Retirement Benefits Expense** | **Other Compensation** | **Total Remuneration** | **Proportion of Fixed Remuneration** | **Proportion of Variable Remuneration** |
| ELKANN, John Philipp | Chairman | 2023 | **€ 924,404** | **€ 684,230** *(1)* | | **€ 3,214,886** *(2)* | | | **€ 4,823,520** | **33%** | **67%** |
| | | 2022 | 951,519 | 1,124,290 | | 3,774,242 | | | 5,850,051 | 35% | 65% |
| TAVARES, Carlos | CEO | 2023 | **2,000,000** | **634,697** *(1)* | **€5,786,800** | **26,125,828** *(3)* | **€ 1,946,700** | | **36,494,025** | **7%** | **93%** |
| | | 2022 | 2,000,000 | 14,345 | 7,480,000 | 11,594,661 | 2,370,000 | | 23,459,006 | 9% | 91% |
| PEUGEOT, Robert | Vice Chairman | 2023 | **205,000** | **11,927** *(4)* | | | | | **216,927** | **100%** | **—%** |
| | | 2022 | 205,000 | 14,595 | | | | | 219,595 | 100% | —% |
| AGNELLI, Andrea[5] | Director | 2023 | **60,000** | **2,644** *(4)* | | | | | **62,644** | **100%** | **—%** |
| | | 2022 | 210,000 | 13,022 | | | | | 223,022 | 100% | —% |
| CASTRIES, Henri de | Director | 2023 | **275,000** | **11,924** *(4)* | | | | | **286,924** | **100%** | **—%** |
| | | 2022 | 275,000 | 15,010 | | | | | 290,010 | 100% | —% |
| CICCONI, Fiona Clare | Director | 2023 | **215,632** | **18,846** *(4)* | | | | | **234,478** | **100%** | **—%** |
| | | 2022 | 210,000 | 17,611 | | | | | 227,611 | 100% | —% |
| DUFOURCQ, Nicolas[6] | Director | 2023 | - | - | | | | | - | | |
| | | 2022 | - | - | | | | | - | | |
| GODBEHERE, Ann Frances | Director | 2023 | **225,000** | **510** *(4)* | | | | | **225,510** | **100%** | **—%** |
| | | 2022 | 225,000 | 3,106 | | | | | 228,106 | 100% | —% |
| MARTELLO, Wan Ling | Director | 2023 | **220,000** | **25,960** *(4)* | | | | | **245,960** | **100%** | **—%** |
| | | 2022 | 220,000 | 14,440 | | | | | 234,440 | 100% | —% |
| RIBADEAU-DUMAS, Benoit[7] | Director | 2023 | — | — | | | | | — | —% | —% |
| SAINT-EXUPERY, Jacques | Director | 2023 | **200,000** | **—** *(4)* | | | | | **200,000** | **100%** | **—%** |
| | | 2022 | 200,000 | 1,853 | | | | | 201,853 | 100% | —% |
| SCOTT, Kevin | Director | 2023 | **205,000** | **25,960** *(4)* | | | | | **230,960** | 100% | —% |
| | | 2022 | 205,000 | 13,702 | | | | | 218,702 | 100% | —% |
| | | | **4,530,036** | **1,416,698** | **5,786,800** | **29,340,714** | **1,946,700** | **—** | **43,020,948** | | |

*(1) Fringe benefits include the use of company-provided transportation, tax-equalization services and insurance premiums. For Mr. Elkann, the fringe benefits of €684,230 include €430,760 for company-provided transportation, €244,920 in tax equalization benefits for the use of company-provided transportation, €1,410 in tax services and €7,140 of insurance premiums. For Mr. Tavares, the fringe benefits of €634,697 includes €2,760 for a company-provided vehicle, €620,564 in tax equalization benefits of compensation received in 2022 due to his employment status in the Netherlands and France, €3,623 of health care insurance premiums and €7,750 of death & disability insurance premiums*
*(2) The stated amounts represent the Company's 2023 expense relating to the grants issued to the Chairman under the Stellantis N.V Equity Incentive Plan (or successor plan)*
*(3) The stated amount includes €11,832,738 of expense relating to the grants issued to the CEO under the Stellantis N.V. Equity Incentive Plan (or successor plan), and €14,293,090 relating to the CEO Transformation Incentive 2021 – 2025 Award, which consists of €10,000,000 paid to the CEO in 2023 due to the achievement of 3 Innovative Milestones and €4,293,090 of expense relating to the Shareholder Return Incentive. More information about the CEO Transformation Award 2021-2025 can be found in the CEO Transformation Incentive 2021-2025 section of the Remuneration Report*
*(4) The stated amounts include the use of transport and tax services*
*(5) Mr. Agnelli was a Director of Stellantis from January 1, 2023 to April 12, 2023*

*(6) In accordance, with internal regulations of Bpifrance S.A., the Company at which Mr. Dufourcq serves as Chief Executive Officer and Executive Director, Mr. Dufourcq does not receive any remuneration for the performance of his duties as a Director of Stellantis*
*(7) Mr. Ribadeau-Dumas was appointed Director of Stellantis effective April 13, 2023. In accordance with Mr. Ribadeau-Dumas's agreement with Exor N.V., non-executive directors, having a seat on behalf of Exor N.V. are not paid their respective director compensation and that such compensation is paid directly to Exor N.V.. An amount of €149,577 was paid to Exor N.V. in accordance with the agreement*

***Base Salary***

We provide competitive base salaries to compensate our Executive Directors for their primary roles and responsibilities, and to provide a stable level of annual compensation. Actual salary levels are based on the Executive Director's role, level of responsibility, experience, individual performance, future potential and market value

| Executive Director | 2023 Annual Base Salary |
|---|---|
| John Elkann, Chairman | $1,000,000 |
| Carlos Tavares, Chief Executive Officer | €2,000,000 |

There were no increases in the annual base salary to the Executive Directors in 2023, nor planned for 2024.

***2023 Stellantis Annual Incentive Plan ("SAIP")***

The SAIP provides approximately 54,500 employees, including our CEO, with a cash incentive for the achievement of specific annual targets for a set of financial and non-financial performance measures. The SAIP target and maximum opportunity for our Executive Directors is shown below:

| Executive Director | 2023 Annual Incentive Target Opportunity (as a % of base pay) | | |
|---|---|---|---|
| | Threshold | Target | Maximum |
| John Elkann, Board Chair | Not Eligible | Not Eligible | Not Eligible |
| Carlos Tavares, Chief Executive Officer | 50% | 200% | 400% |

All performance-related goals were approved by the Remuneration Committee before the end of the first quarter of 2023. Goals include both financial and strategic goals important for Company to achieve during 2023. Financial goals are based on the annual budget developed in-line with the long-term Dare Forward 2030 strategic plan. The 2023 SAIP also included a payout trigger whereby if the triggering metric is not achieved during the performance year, no annual incentive is payable - regardless of whether the other financial or non-financial metrics performed above the respective thresholds.

***2023 Payout Trigger***

For any SAIP award to be paid, the Company must have positive Free Cash Flow for 2023. If this trigger is not achieved, no SAIP is paid, regardless of achievement of any of the other metrics.

*2023 SAIP Metrics*

| Measure | Weighting | How performance is calculated |
|---|---|---|
| Adjusted Operating Income (AOI) | 25% | SAIP financial targets are based on the annual budget developed in-line with the long-term Dare Forward 2030 strategic plan. |
| Industrial Free Cash Flow | 25% | |
| Synergies (less implementation costs) | 20% | |
| ESG Metric:<br>LEV Market Share EU & Mix U.S. | 15% | ESG metric reflecting an increasing volume of electrified mobility |
| Quality | 15% | Measured by product quality rates and service quality customer satisfaction. Goals set at beginning of the performance year which reflect improvement from prior year. |

Performance below the threshold will result in a zero payout for that particular metric.

**Adjusted Operating Income ("AOI")**

Adjusted operating income: Adjusted operating income/(loss) excludes from Net profit/(loss) from continuing operations adjustments comprising restructuring and other termination costs, impairments, asset write-offs, disposals of investments and unusual operating income/(expense) that are considered rare or discrete events and are infrequent in nature, as inclusion of such items is not considered to be indicative of the Company's ongoing operating performance, and also excludes Net financial expenses/(income) and Tax expense/(benefit).

Effective from January 1, 2023, our Adjusted operating income/(loss) includes Share of the profit/(loss) of equity method investees. The comparatives for the years ended December 31, 2022 and 2021, have been adjusted accordingly. This change was implemented as management believes these results are becoming increasingly relevant due to the number of partnerships Stellantis has recently engaged in, and will continue to engage in in the future, around electrification and other areas critical to the future of mobility.

Unusual operating income/(expense) are impacts from strategic decisions as well as events considered rare or discrete and infrequent in nature, as inclusion of such items is not considered to be indicative of the Company's ongoing operating performance. Unusual operating income/(expense) includes, but may not be limited to:

- Impacts from strategic decisions to rationalize Stellantis' core operations;
- Facility-related costs stemming from Stellantis' plans to match production capacity and cost structure to market demand; and
- Convergence and integration costs directly related to significant acquisitions or mergers.

For the year ended December 31, 2021, Pro Forma Adjusted operating income includes the Adjusted operating income of FCA for the period January 1 - January 16, 2021.

**Industrial Free Cash Flow**

Industrial free cash flows: is our key cash flow metric and is calculated as Cash flows from operating activities less:

(i) cash flows from operating activities from discontinued operations;

(ii) cash flows from operating activities related to financial services, net of eliminations;

(iii) investments in property, plant and equipment and intangible assets for industrial activities and

(iv) contributions of equity to joint ventures and minor acquisitions of consolidated subsidiaries and equity method and other investments;

and adjusted for: (i) net intercompany payments between continuing operations and discontinued operations; (ii) proceeds from disposal of assets and (iii) contributions to defined benefit pension plans, net of tax.

The timing of Industrial free cash flows may be affected by the timing of monetization of receivables, factoring and the payment of accounts payables, as well as changes in other components of working capital, which can vary from period to period due to, among other things, cash management initiatives and other factors, some of which may be outside of the Company's control.

Refer to *"FINANCIAL OVERVIEW - Non-GAAP Financial Measures*" included elsewhere in this report for additional information.

**Synergies (less implementation costs)**

This is a crucial goal to ensure we deliver value from the merger between FCA N.V. and PSA Groupe. Synergies are measured net of implementation costs and considered on a cash basis. After three years of integration from the merger, Synergies will no longer be a metric in the short-term incentive plan beginning 2024. The Company continues to identify and implement synergies and efficiencies resulting from the merger (and beyond) which may impact financial results.

**LEV Market Share (EU) and Mix (U.S.)**

For 2023, an ESG metric was added to the annual incentive plan reflecting our Dare Forward 2030 strategy in carbon neutrality. Each of the two metrics results from our largest global markets in Enlarged Europe and North America to drive the transformation to electrification.

- LEV Mix U.S. = LEV mix production (consistent with U.S. compliance standard) for Passenger Cars + Light Duty Trucks (ratio PHEV/BEV production vs total production)

- LEV Market Share EU PC + LCV parity vs Global Market = PHEV/BEV/FCEV Passenger Cars + Light Commercial Vehicle registrations in the LEV market against global Stellantis Market Share. "Parity" is the difference between Stellantis LEV market share and Stellantis global market share.

    - PHEV: Plug-in Hybrid Electric Vehicle

    - BEV: Battery Electric Vehicle

    - FCEV: Fuel Cell Electric Vehicle

**Quality**

Quality is an extremely important metric for the Company as it establishes the trust between the Company and our customers. Failure in product quality will impact future revenues and cannot be compromised. Our Quality metric in the SAIP is broken down into two measurements - product quality rates and service quality customer satisfaction and is based on continuous improvements to be "best-in-class" within the industry.

- **Failure Rate** corresponds to number of incidents after 3 months in service (repaired under warranty in the network). Based on feedback from customers on models marketed by Company globally and regarding the number of cars produced during the same period.

- **Customer satisfaction** rate for new vehicles ("NV") & after sales ("AFS") correspond to the percentage of customers who rated their experience by giving a recommendation quote.

*2023 Annual Bonus Performance Target Setting*

The Remuneration Committee selects ambitious targets using the year's annual budget which considers opportunities and headwinds facing the Company and industry. Included in the review process is a comparison with prior year's goal-setting and actual results. The chart below shows how the 2023 SAIP targets compare with 2022 targets and actual performance. The 2023 performance targets and maximums represent a continuation of the positive results achieved in 2022 while continuing to invest for Dare Forward 2030 targets.

| Metric | 2022 Targets | 2022 Actual Performance | 2023 Targets |
|---|---|---|---|
| AOI | Threshold: 9.0%<br>Target: 10.0%<br>Maximum: 12.1% | 13.0% | Threshold: 10.0%<br>Target: 12.5%<br>Maximum: 14.0% |
| Industrial Free Cash Flow | Threshold: €2.5bn<br>Target: €3.5b<br>Maximum: €8.1bn | €10.8bn | Threshold: €6.0bn<br>Target: €7.0b<br>Maximum: €10.0bn |
| Synergies (less implementation costs) | Threshold: €3.6bn<br>Target: €4.5b<br>Maximum: €5.0bn | €7.1bn | Threshold: €7.1bn<br>Target: €7.5b<br>Maximum: €8.1bn |
| LEV<br>• Market Share (EU)<br>• Mix (U.S. | N/A<br>New Metric | N/A<br>New Metric | Refer to below table for target and performance ranges |
| Quality<br>• Failure Rate<br>• Customer Satisfaction | Not Disclosed | Not Disclosed | • Threshold performance generally set at prior year's 2022 actual performance results<br>• Failure Rate target set at a stretch 22.5% improvement from 2022 actual performance results |

**2023 SAIP Performance Results**

In 2023, the Company achieved the payout trigger with a positive free cash flow. As a result, the amount of the 2023 SAIP payable to the CEO was determined as follows:

| SAIP Performance Metric | Weight | Threshold | Target | Maximum | Actual | SAIP Result |
|---|---|---|---|---|---|---|
| Adjusted Operating Income | 25% | 10.0% | 12.5% | 14.0% | 12.84% | 122.7% |
| Industrial Free Cash Flow | 25% | €6.0bn | €7.0bn | €10.0bn | €12.9bn | 200% |
| Synergies | 20% | €7.1bn | €7.5bn | €8.1bn | €8.4bn | 200% |
| Low Emissions Vehicles | | | | | | |
| Market Share - EU | 7.5% | Parity - 4.1 | Parity | Parity + 1.5 | Parity - 4.0 | 51.2% |
| Mix - U.S. | 7.5% | 6.6% | 13.3% | 14.5% | 13.5% | 116.7% |
| Quality – 3 metrics | | | | | | |
| Failure Rate 3MIS kppm | 8% | ND* | ND* | ND* | ND* | 93% |
| Customer Satisfaction – NPS NV | 3.5% | ND* | ND* | ND* | ND* | 50% |
| Customer Satisfaction – NPS AFS | 3.5% | ND* | ND* | ND* | ND* | 63% |
| **Total Payout Percentage:** | | | | | | **144.67%** |

* *Quality metrics information is deeme*d to be commercially sensitive information and the Company has decided to not disclose the specific performance ranges and results

The performance results determine the amount of the SAIP award for the CEO by multiplying the Base Pay by 200 percent (SAIP Target Opportunity Level) and the payout percentage above. The table below provides the payout of the CEO's 2023 SAIP relative to the incentive plan's performance/payout range.

| | Base Salary | Annual Cash Bonus Range | | | | Actual 2023 SAIP Payout |
|---|---|---|---|---|---|---|
| | | Below Threshold | Threshold | Target | Maximum | |
| Carlos Tavares | €2,000,000 | € 0 | €2,000,000 | €4,000,000 | €8,000,000 | €5,786,800 |

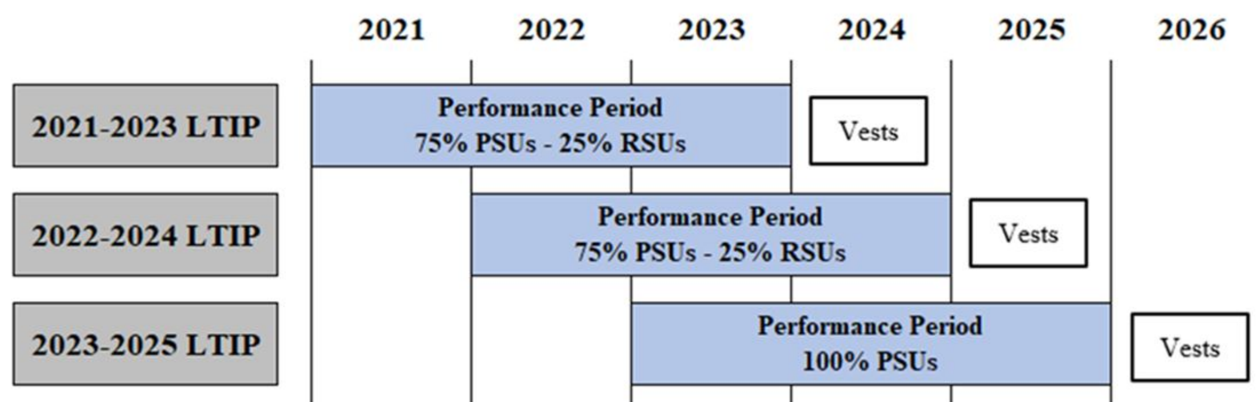
***LTI Plan***

Our equity-based incentive awards are tied to Company performance and the future value of our common stock. These awards are intended to focus executive behavior on our longer-term interests because today's business decisions affect the Company over several years.

The Remuneration Policy sets out the operation of the LTI Plan. The design incorporates annual rolling grants directly linked to a three-year performance and vesting period. The process for setting targets for the LTI Plan starts with our Company strategy, which is generally formulated every three years, and our three-year financial plan, which is updated annually.

The annual LTI Plan award value for 2021 and 2022 grants consists of 75 percent of PSUs and the other 25 percent through restricted stock units (RSUs). As requested by our Shareholders during our 2022-2023 outreach campaign, grant awards beginning with the 2023-2025 LTI Plan consist of 100 percent PSUs for our Executive Directors and top management.

Each PSU and RSU award cliff vests after three years.




The LTI Plan covers approximately 2,250 employees, including our Executive Directors. The LTI Plan target opportunity for our Executive Directors is determined as a percentage of base pay as shown below:

| Executive Director | 2023 Long-Term Incentive Opportunity | |
|---|---|---|
| | Target Opportunity | Maximum Opportunity |
| John Elkann, Board Chair | 300% of base salary | 390% of base salary |
| Carlos Tavares, Chief Executive Officer | 600% of base salary | 780% of base salary |

***Long Term Incentive Plans: Performance Share Units***

The process for setting targets for the LTI Plan starts with our Company strategy, which is generally formulated every three years, and our three-year financial plan, which is updated annually.

The actual payout of PSUs depends on meeting strategic, long term Company performance goals. The 2021-2023 LTI and 2022-2024 LTI Plans maintained the same performance metrics for PSUs. There were some changes made to the performance metrics for the 2023-2025 LTI Plan.

| 2021-2023 & 2022-2024 LTI PSU Metrics | | |
|---|---|---|
| **Measure** | **Weighting** | **How performance is calculated** |
| Relative Total Shareholder Return | 40% | Relative TSR performance as compared to peer group of companies. over a 3-year period |
| Synergies (less implementation costs) | 40% | Cumulative cash synergies net of implementation costs realized over the three-year period. Maximum payout for this metric is 100%. |
| The $CO_2$ emissions reduction metric (weighted at 20% of the LTI) has two components equally weighted: | | |
| CAFE Compliance | 10% | Must be compliant in each year of the 3-year period with the Europe Corporate Average Fuel Economy (CAFE). Failure to comply in any one year will result in no payout for this metric. |
| Electrification of Vehicle Nameplates | 10% | Projected number of EV nameplates at the end of a 3-year period. Maximum payout for this metric is 100%. |

The 2023-2025 LTI plan metrics were changed to focus on company profitability over a longer-term basis while continuing the focus with long-term growth with vehicle electrification across our brands. Driving performance of AOI and electrification of our vehicles are critical on both an operational and strategic level – hence the reason why these performance metrics, each having their own dynamics with different time horizons, are used in both the short-term and long-term incentive plans.

| 2023-2025 LTI PSU Metrics | | |
|---|---|---|
| **Measure** | **Weighting** | **How performance is calculated** |
| Relative Total Shareholder Return | 30% | Relative TSR performance as compared to peer group of companies. over a 3-year period; no payout below median performance. |
| Adjusted operating income (3-yr period) | 40% | Cumulative cash synergies net of implementation costs realized over the three-year period. Maximum payout for this metric is 100%. |
| Electrification of Vehicle Nameplates | 30% | Projected number of EV nameplates at the end of a 3-year period. Maximum payout for this metric is 100%. |

**Total Shareholder Return**

The relative TSR Metric constitutes a market performance condition relative to eleven of the larger OEMs ("TSR Peer Group") and a payout scale subject to certain thresholds depending on the stock price appreciation plus dividends and any other shareholder distribution over each cumulative performance period of the Company in comparison with the companies forming part of the TSR Peer Group.

The TSR Peer Group consists of Volkswagen AG, Toyota Motor Corporation, Mercedes-Benz, General Motors Company, Ford Motor Company, Honda Motor Co. Ltd., BMW Group, Nissan Motor Corporation, The Hyundai Motor Company, Renault SA, and Kia Motors Corporation.

The tables below shows the payout scales for the three rolling period LTI plans. Based on feedback received during our Shareholder outreach campaign, the payout scale for TSR was changed for 2023-2025 LTI plan as shown below:

**2021-2023 LTI & 2022-2024 LTI**
**TSR Payout Scale**

| Stellantis Rank | Payout % of Target |
|---|---|
| 1st | 200% |
| 2nd | 175% |
| 3rd | 150% |
| 4th | 125% |
| 5th | 100% |
| 6th | 75% |
| 7th | 50% |
| 8th | 25% |
| 9th | —% |
| 10th | —% |
| 11th | —% |
| 12th | —% |

**2023-2025 LTI**
**TSR Payout Scale**

| Stellantis Rank | Payout % of Target |
|---|---|
| 1st | 200% |
| 2nd | 180% |
| 3rd | 160% |
| 4th | 140% |
| 5th | 120% |
| 6th | 100% |
| 7th | —% |
| 8th | —% |
| 9th | —% |
| 10th | —% |
| 11th | —% |
| 12th | —% |

Payout scales based on relative TSR performance during the respective 3-year performance period.

**Merger Synergies less implementation costs: 2021-2023 LTI & 2022-2024 LTI plans only**

The metric related to merger synergies less implementation costs on a cash basis; provides for a 50 percent payout of the target amount and shall be met if the Company reaches threshold performance of the synergy target, up to a maximum of 100 percent payout at target achievement. Note that this merger synergies metric will no longer be included in the LTI Plan design beginning with the 2023 LTI grant.

**ESG Metric: $CO_2$ Emissions Reduction – CAFE Compliance (2021-2023 LTI & 2022-2024 LTI plans only) and Electrification of Vehicle Nameplates**

The $CO_2$ emissions reduction metric has two components equally weighted: Europe Corporate Average Fuel Economy ("CAFE") Compliance and a goal to increase the percentage of electrical vehicle nameplates in the U.S. and European markets.

For a payout to occur under the CAFE Compliance, the Company must remain compliant in each of 2021, 2022 and 2023 calendar years. If the Company misses in any one year, there will be no payout for this metric.

The target for the electrification of vehicle nameplates is based on the availability of battery electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles in the U.S. and European markets. A payout of 50 percent will occur when threshold performance is achieved, up to a maximum of 100 percent payout at target achievement.

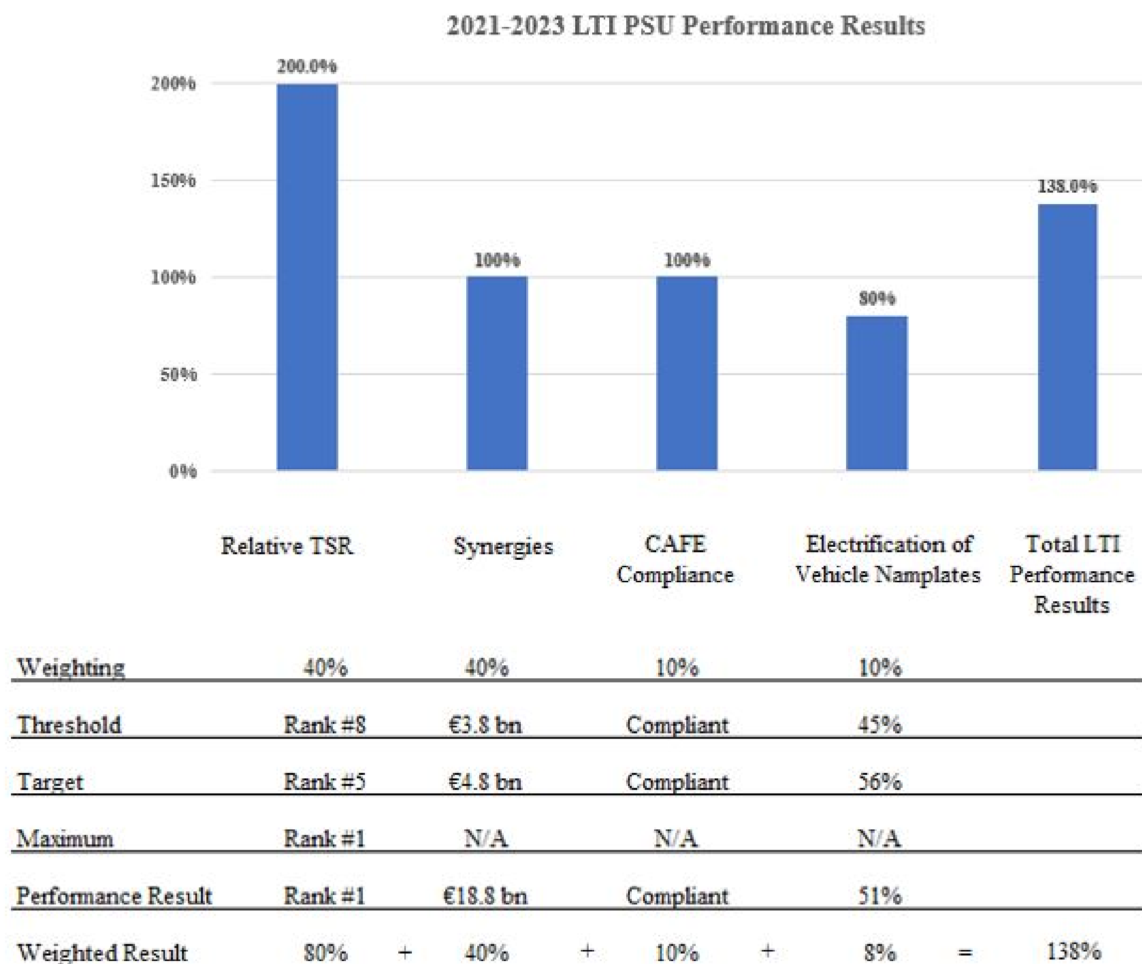
**Adjusted operating income (3-year period): 2023-2025 LTI only**

The measurement of adjusted AOI is the same as described in the short-term incentive plan but using an average over a three-year performance period beginning January 1, 2023 through December 31, 2025.

**2021-2023 LTI Plan Results**

The performance period of the 2021 PSU grant ended on December 31, 2023. The plan's structure and design are shown below along with the performance metric results. The LTI plan's goals were established in early 2021 covering a three-year performance period.

The 2021-2023 PSU results are shown in the chart below. It indicates overall achievement of 138% of target performance for the 2021-2023 performance period. The Committee certified the 2021-2023 LTI PSU final awards to the CEO and Board Chair at 138% of the target level that was achieved.




| | | | | | |
|---|---|---|---|---|---|
| Weighting | 40% | 40% | 10% | 10% | |
| Threshold | Rank #8 | €3.8 bn | Compliant | 45% | |
| Target | Rank #5 | €4.8 bn | Compliant | 56% | |
| Maximum | Rank #1 | N/A | N/A | N/A | |
| Performance Result | Rank #1 | €18.8 bn | Compliant | 51% | |
| Weighted Result | 80% | + 40% | + 10% | + 8% | = 138% |

The table below summarizes the number of PSUs awarded from the 2021-2023 LTI plan to our Executive Directors based on the plan's performance of 138 percent of target. The shares will be distributed in May 2024. Note that the value of this award has been reflected in Table 1 of this Remuneration Report.

| Executive Director | 2021-2023 Long-Term Incentive PSUs Awarded | |
|---|---|---|
| | PSUs awarded in 2021 | PSUs to be distributed in May 2024 (based on 138% performance) |
| John Elkann, Board Chair | 127,900 | 176,502 |
| Carlos Tavares, Chief Executive Officer | 612,700 | 845,526 |

Because the 2022 and 2023 PSU grants have a three-year performance period, performance objectives and performance results will not be disclosed until the end of the respective performance periods. We are not disclosing the 2022 & 2023 LTI PSU objectives now because such information would provide competitors with insight into our business plan that could substantially harm Stellantis' business interests. At the time the Remuneration Committee approved these targets, the Committee believed the targets to be ambitious and achievable while incentivizing executives to exceed expectations.

*CEO Transformation Incentive 2021-2025*

Beginning in 2021, Stellantis launched its bold strategy to transform itself to a sustainable mobility tech company – emphasizing the electrification and software of its vehicles, followed with its ambitious DARE FORWARD 2030 plan for carbon net zero in 2038 with single-digit percentage compensation of the remaining emissions.

Given the challenges that the automotive industry is facing with the transformation in global mobility, technology and the electrification of vehicles, and in recognition of Mr. Tavares' essential role in leading Stellantis through the merger, on June 30, 2021, as provided under the terms of the Remuneration Policy, the Remuneration Committee recommended, and the Board approved, a one-time transformation incentive for the CEO. The design of the incentive, through the Remuneration Committee's comprehensive and thoughtful consideration, reflects direct alignment between the Company's direction of delivering value to shareholders through the critical merger and integration period while successfully positioning the Company as a global leader in the innovation of electrification of mobility in the industry. It was for this reason that the one-time incentive was defined and awarded in 2021 (after the creation of Stellantis from the merger) - to lock-in long-term goals over a critical five-year performance period.

€ 30 billion

in Company investment of electrification and technology

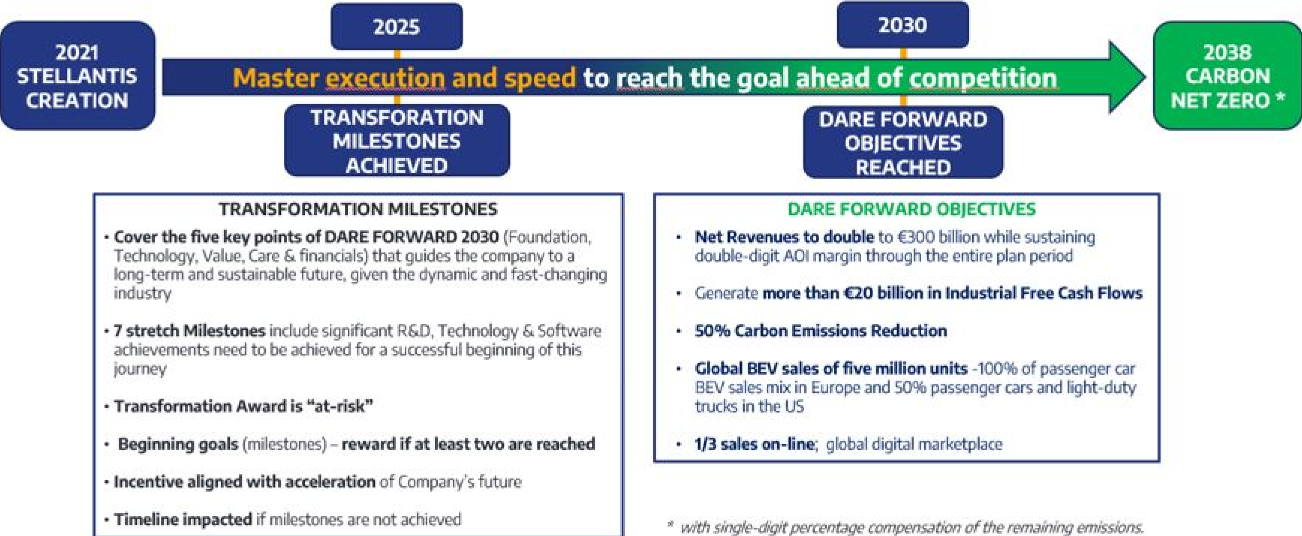
To be a leader in the industry

Maximum payout (meeting all seven milestones) of the Transformation Incentive is 0.167% of the investment

The transformation incentive award consists of a cash reward ("Transformation Incentive") upon the achievement of significant and strategic innovation milestones over a five-year period and an equity reward ("Shareholder Return Incentive") based on creating shareholder value through stock appreciation. Both rewards are considered "at-risk" with aggressive target setting in a very demanding context for the industry.

**Transformation Incentive**

The Transformation Incentive provides 250,000 performance cash units ("PCUs") with a target value of €25,000,000. The amount of the incentive is determined upon the achievement of up to seven (7) key innovative milestones in the development and execution of software engineering advancements and vehicle electrification by December 31, 2025. No incentive is paid until the second milestone is achieved. The following chart shows the direct linkage between the performance-based milestones and our long-term strategic Dare Forward objectives. These milestones form the foundation in our journey towards meeting our long-term objectives by 2030 and Carbon Net Zero with single-digit percentage compensation of the remaining emissions by 2038.



As requested by our Shareholders during our 2022-2023 outreach campaign, we have disclosed the seven strategic milestones of the Transformation award below.

***Key Milestones to transform Stellantis through Dare Forward 2030, into a sustainable tech mobility Company; to offer a clean, safe and affordable mobility***

**Electrification Commitment**

- Master technology leadership and value chain through ACC milestone achievements
  - Innovative approaches to develop **the first competitive solid state battery technology**
- Launch breakthrough e-motors made at Nidec
  - Transform our technology and manufacturing plants to achieve an efficient **electric engine at competitive cost**
- Produce benchmark eDCT electrified
  - A single **eDCT** modular concept to ensure best performance of both Mild Hybrid and Electric vehicles on the market
- Exceed customer expectation with **eCMP** (Common Modular Platform) increase range to 400 km and **eVMP** (Vehicles Modular Platform) extend range to 600 km
  - Begin vehicle production of EV platforms of improved range efficiency
- Achieve European LEV sales mix above 15%
  - **European leader on the LEV market**

**Technology Commitment**

- Create the condition to secure project with license WAYMO
  - Strategic partnership achieved to ensure Waymo L4 technology in onboard and management of the appropriate path to upskill and reskill Stellantis internal resources to support the integration and use of fully **autonomous vehicles technology**
- Achieve **over the Air Software update** of Vehicles
  - Increase the attractiveness and residual values of our vehicles; additional revenue opportunities over our vehicles' life cycle

Any cash award will be paid after the respective vesting and achievement of the above milestone(s) as reviewed and approved by the Remuneration Committee. The process for validating the achievement of each milestone includes the following:

| | | |
|---|---|---|
| 1. | Milestone Validation | • Company's Human Resources and the business owner responsible for the milestone confirms that the milestone was achieved.<br>• Minutes/documentation necessary to support achievement, subject to internal audit verification. |
| 2. | Milestone Assessment | • Detailed information about milestone achievement provided to Remuneration Committee for review and assessment. |
| 3. | Committee Validation | • Committee makes determination that milestone was successfully achieved (vesting of the award). |
| 4. | Incentive Payout | • Incentive is settled in cash no later than sixty days from vesting event.<br>• CEO must remain in continuous employment throughout the achievement of each milestone. |

The payout schedule for the Transformation Incentive award is shown below:

| Innovative Milestone Achieved during the 5-year Performance Period | Cash Award (percentage of Target Value) |
|---|---|
| 0-1 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 80% |
| 5 | 120% |
| 6 | 160% |
| 7 | 200% |

***CEO Transformance Incentive Results***

The Company has accelerated its efforts in the transformation to electrification and technology within the industry. Given the five-year performance period for meeting the milestones, as of December 31, 2023, three of the seven milestones have been achieved and approved by the Remuneration Committee. Achieving these three milestones to date shows significant progress in the Company's journey in transforming to global leader in electrification and technology, which in turn create long-term stability within the industry and creates shareholder value.

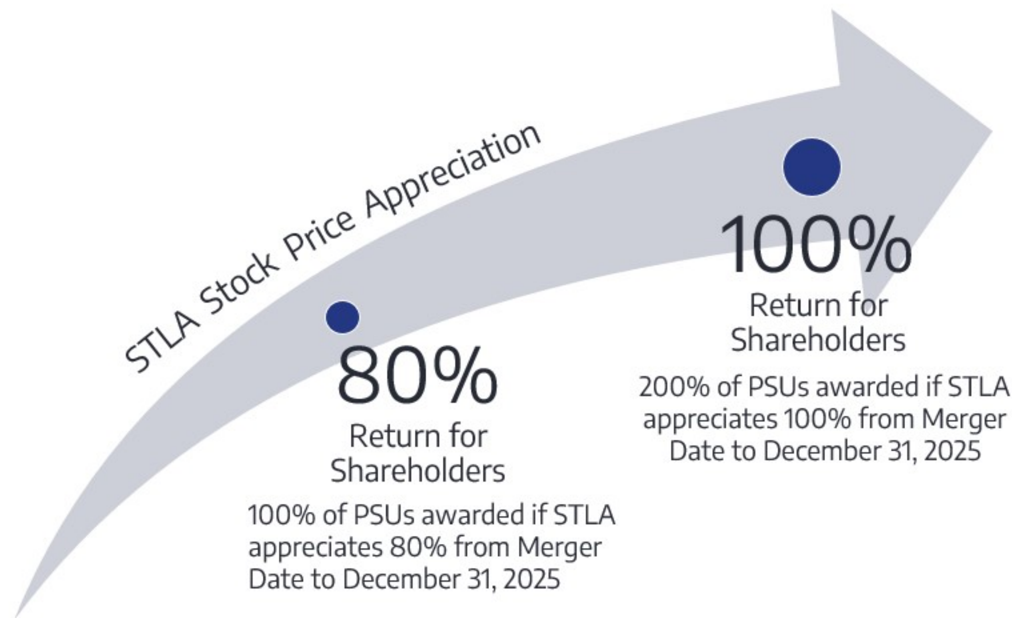
At the end of 2023, nearly one-third of our product portfolio was battery electric, and in 2024 the Company intends to have an additional 18 BEVs launched, for a total of 48 electric models. This product offensive will support the big electrification push in North America and strengthen our European position.

| Milestone Achieved | Significance to Long-Term Strategy | Stellantis Sustainability and Future |
|---|---|---|
| European LEV sales mix at 15%<br>*(achieved in 2022)* | • In 2020, the European LEV sales mix was 6.7%<br>• Industry is transforming away from carbon-emitting internal combustion engines | • Beginning of the journey to become a global leader in electrification and mobility<br>• Drive Stellantis in the LEV (BEV/PHEV) competition to be a top player in industry |
| First start of production of e-motors made at Nidec PSA E-motors (NPE)<br>*(achieved in 2023)* | • Starting from ground up – modification of plants to produce new technology and retraining of employees<br>• Cornerstone for e-components vertical integration<br>• Provides highest efficiency at competitive costs<br>• Over €93M of industrial investments to date | • Stellantis Trémery plant first facility to produce electric motors<br>• Aims to drive electrification growth while also meeting the needs of other automakers |
| First start of production of eDCT electrified<br>*(achieved in 2023)* | • Starting from ground up – modification of plants to produce new technology and retraining of employees<br>• Cornerstone for e-components vertical integration<br>• Provides broader availability of affordable electrified powertrains on global market<br>• Over €57M of industrial investments to date | • Stellantis Metz site ramping up production of 600,000 electrified dual-clutch gearboxes per year<br>• Supply mild Hybrid Electric Vehicles and PHEV<br>• Solution will gradually be extended to all brand models in Europe to reduce $CO_2$ emissions |

Upon achievement of the 2nd and 3rd milestones, the CEO received two incentive awards of €5 million each in 2023.

**Shareholder Return Incentive**

The Shareholder Return Incentive is directly aligned with shareholder interests as the incentive becomes vested only in the event shareholders gain at least an 80 percent return on investment. The Shareholder Return Incentive provides an equity grant of 1,000,000 PSUs to the CEO, based on the absolute TSR from the merger date to December 31, 2025. The value of the Shareholder Return Incentive is reflected in Table 1 above under the Long-Term Incentives column.




***How is the stock measured for purposes of the Shareholder Return Incentive?***

The absolute TSR is measured using the average split-adjusted closing price per share over sixty (60) consecutive trading days measured against the average split-adjusted closing price per share over twenty (20) consecutive trading days from January 18, 2021. The share price is measured using the share price reported on the Euronext Milan.

***Continuous Employment and Additional Holding Requirement***

To receive any incentive, the CEO must remain continuously employed with the Company through January 17, 2026. If the performance metric is satisfied during the five-year period, the PSUs will vest on January 17, 2026 with **50 percent of any payout subject to an additional two-year holding period (until January 17, 2028).**

***Other Benefits***

Retirement Plan: The CEO participates in a defined contribution plan. The Company makes annual contributions equal to 25 percent of base salary and annual bonus paid to his retirement account. Fifty percent of the contribution shall be attributable to tax payment and the remaining fifty percent directly to his retirement fund. The Board Chair does not participate in a retirement plan sponsored by the Company.

Health Care: The CEO participates in the same health care plan as other local based salaried employees. The Company provides health care coverage for the Board Chair who is eligible for a retiree healthcare plan as provided to other executives in Italy which provides for a reimbursement of a portion of health care costs incurred in retirement. Both Executive Directors participate in a comprehensive annual physical exam.

Severance Benefits: Pursuant to a service agreement between the CEO and the Company and in accordance to limits of Dutch Civil Code, a severance benefit equal to one-year's base salary would be provided in the event of termination of employment by the Company without cause. Severance benefits do not include any acceleration of equity awards.

Company Vehicle: Our CEO is eligible to participate in the Company's vehicle benefit program.

Personal Use of Company Aircraft: The use of the Company's aircraft for personal use ensures the security of our CEO and Board Chair. The Company pays the costs associated with both business and personal use of the aircraft.

Detail and compensatory value of the above and other benefits and/or perquisites provided or paid in 2023 are included in Table 1 of this Remuneration Report.

### *Share Plans Grant to Directors*

The following table provides an overview of the share plans held by Executive Directors for the year ended December 31, 2023:

| Name of Director, Position | Specification of Plan | Performance Period | Grant Date | Number of Units Granted | Fair Value at Grant Date[3] | Vesting Date | End of Holding Period[4] | Opening Balance - January 01, 2023 | Shares Granted | Shares Vested[5] | Closing Balance | Long Term Incentive Expense |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ELKANN, John Phillip, Chairman | 2020 LTI RSU[1] | 2020-2022 | May 1, 2020 | 382,560 | € 2,968,739 | May 1, 2023 | May 1, 2025 | 477,106 | — | 477,106 | — | € 610,449 |
| | 2021 LTI RSU | 2021-2023 | April 15, 2021 | 42,580 | € 622,904 | April 15, 2024 | May 1, 2026 | 42,580 | — | — | 42,580 | € 220,415 |
| | 2021 LTI PSU | 2021-2023 | April 15, 2021 | 127,900 | € 1,871,053 | April 15, 2024 | May 1, 2026 | 127,900 | — | — | 127,900 | € 787,133 |
| | 2022 LTI RSU | 2022-2024 | May 15, 2022 | 54,950 | € 580,959 | May 15, 2025 | May 15, 2027 | 54,950 | — | — | 54,950 | € 222,885 |
| | 2022 LTI PSU | 2022-2024 | May 15, 2022 | 164,840 | € 1,686,462 | May 15, 2025 | May 15, 2027 | 164,840 | — | — | 164,840 | € 745,374 |
| | 2023 LTI PSU | 2023 - 2025 | May 1, 2023 | 169,773 | € 2,138,008 | May 1, 2026 | May 1, 2028 | — | 169,773 | — | 169,773 | € 628,629 |
| TAVARES, Carlos CEO | 2019 LTI RSU | 2019- 2021 | May 20, 2019 | 130,000 | € 2,299,440 | May 23, 2022 May 23, 2023 | | 102,780 | — | 102,780 | — | € 58,706 |
| | 2020 LTI RSU | 2020-2022 | May 11, 2020 | 80,000 | € 826,880 | May 11, 2023 | | 144,638 | — | 144,638 | — | € 132,926 |
| | 2021 LTI RSU | 2021-2023 | April 15, 2021 | 204,180 | € 2,956,526 | May 15, 2024 | May 15, 2026 | 204,180 | — | — | 204,180 | € 1,056,936 |
| | 2021 LTI PSU | 2021-2023 | April 15, 2021 | 612,700 | € 9,484,596 | May 15, 2024 | May 15, 2026 | 612,700 | — | — | 612,700 | € 3,770,732 |
| | 2021 CEO PSU[2] | 2021-2026 | June 28, 2021 | 1,000,000 | € 19,560,000 | January 17, 2026 | January 17, 2028 | 1,000,000 | — | — | 1,000,000 | € 4,293,090 |
| | 2021 LTI RSU[6] | 2021-2023 | October 1, 2021 | 10,190 | € 143,068 | October 1, 2024 | May 1, 2026 | 10,190 | — | — | 10,190 | € 51,158 |
| | 2022 LTI RSU | 2022-2024 | May 15, 2022 | 232,220 | € 2,584,366 | May 15, 2025 | May 15, 2027 | 232,220 | — | — | 232,220 | € 922,086 |
| | 2022 LTI PSU | 2022-2024 | May 15, 2022 | 696,650 | € 7,502,483 | May 15, 2025 | May 15, 2027 | 696,650 | — | — | 696,650 | € 3,083,791 |
| | 2023 LTI PSU | 2023 - 2025 | May 1, 2023 | 744,417 | € 9,374,692 | May 1, 2026 | May 1, 2028 | — | 744,417 | — | 744,417 | € 2,756,403 |

*(1) Consistent with the treatment approved by the Board of Directors and approved by the shareholders as part of their approval of the merger and as set forth in the Combination Agreement, unvested PSU units from the 2019 and 2020 grants were converted to unvested RSU units. The Fair Value at Grant Date for these awards is as previously reported in prior year's Remuneration Reports*
*(2) CEO Transformation Incentive 2021 - 2025 Award provided under the terms of the Remuneration Policy and approved by the Board*
*(3) Fair Value at Grant Date is calculated as described in the Share Based Compensation note within the Consolidated financial statements included elsewhere in this report*
*(4) In 2019, the Board approved holding requirements for the Executive Directors effective for grants issued after January 1, 2020. The grant issued to the Chairman in 2019 is not subject to these holding requirements. Grants issued to the CEO prior to the merger are not subject to these guidelines*
*(5) The fair market value of the shares that vested during 2023 for the Chairman was €7,222,348 and the fair market value of the shares that vested during 2023 for the CEO was €3,738,214*
*(6) Amount reflects additional RSUs pursuant to the €1 billion extraordinary distribution on Stellantis common shares, contemplated by the combination agreement and approved at the Annual General Meeting of Shareholders of Stellantis held on April, 15, 2021. Additional details can be found in Note 19 - Share Based Compensation within the Consolidated financial statements included elsewhere in this report*

### *Non-Executive Board of Directors Compensation*

Remuneration of Non-executive Directors is set forth in the Remuneration Policy. Non-executive Directors receive cash retainers; they do not receive Board meeting fees. Non-executive Directors are not eligible for variable compensation and do not participate in any incentive plans based on Company performance. Non-executive Directors are eligible to receive one vehicle rotated annually and discounts on purchases and leases of vehicles (same discounts as for eligible employees). Vehicle benefits are subject to taxes for imputed income.

Current annual remuneration for the non-executive directors is shown in the table below:

| Non-executive Director Remuneration | |
|---|---|
| Annual cash retainer: | € 200,000 |
| Additional retainer for Senior Independent Director: | € 50,000 |
| Additional retainer for Audit Committee Chair: | € 25,000 |
| Additional retainer for Audit Committee membership: | € 10,000 |
| Additional retainer for other Committee Chairs: | € 10,000 |
| Additional retainer for other Committee membership: | € 5,000 |

***Other Remuneration Matters***

*Compliance with Remuneration Policy*

The remuneration paid to Executive and Non-executive Directors for 2021 was done in line with the Remuneration Policy approved by Shareholders at the April 15, 2021 Annual General Meeting. We refer to the paragraphs on the Elements of Executive Director Remuneration, Base Salary, 2023 Stellantis Annual Incentive Plan, Long Term Incentive Plan and CEO Extraordinary Award, more detailed information on how the remuneration in the Remuneration Report contribute to the long-term performance of the Company.

*Derogations and deviations from Remuneration Policy*

There were no deviations from the Remuneration Policy in 2023.

*Terms of Engagement*

The CEO is employed by the Company on the basis of a service agreement for a five-year period ending on April 15, 2026, subject to any earlier termination by either party. The Company and the Board Chair has entered an agreement which continues for an indefinite term, subject to shareholder approval and Company governing documents. Additional details regarding remuneration for the Executive Directors can be found in this Report and in the Remuneration Policy.

*Restrictive Covenants*

Pursuant to the services agreement between the CEO and the Company, the CEO is subject to a non-competition restriction for a period of one year following termination of employment. A customary provision regarding confidentiality is also included in the services agreement.

*Stock Ownership and Retention Guidelines*

Our Board recognizes the critical role that executive stock ownership and retention has in aligning the interests of management with those of shareholders. In 2021, the Board approved stock ownership and retention guidelines for Executive Directors and Non-executive Directors. Shares owned outright and any unvested RSUs are counted for purposes of meeting the guideline (unvested PSUs are not considered).

The Chairman and CEO are subject to stock ownership guidelines which require owning shares with an aggregate value of not less than six (6) times base salary. Non-executive Directors are required to own shares with an aggregate value of not less than one year of the retainer fee. All are required to meet their required level of ownership within five years. As of December 31, 2023, the Executive Directors have satisfied the stock ownership guideline requirement.

The Chairman and CEO are required to retain one hundred percent of net, after-tax shares of common stock issued upon vesting and settlement of any equity awards granted until the fifth (5th) anniversary of the grant date of such award.

*Clawback Policy*

The Company is dedicated to maintaining and enhancing a culture focused on integrity and accountability. Pursuant to the terms of the Equity Incentive Plan (“EIP”) and the Remuneration Policy, the Company may recover, or clawback, incentive compensation, including the ability to retroactively adjust if any cash or equity incentive award is predicated upon achieving financial results and the financial results were subject to an accounting restatement. In addition, the Board had approved a clawback policy in 2023 that complies with Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and is provided, as required, in our 2023 Annual Report.

In the financial year 2023, no situation occurred where variable remuneration has been, or had to be, reclaimed.

*Insider Trading Policy / Security Hedging Provisions*

The Company maintains an insider trading policy applicable to all directors, employees, members of the households and immediate family members (including spouse and children) of persons listed and other unrelated persons, if they are supported by the persons listed. The insider trading policy provides that the aforementioned individuals may not buy, sell or engage in other transactions in the Company’s stock while in possession of material non-public information; buy or sell securities of other companies while in possession of material non-public information about those companies they become aware of as a result of business dealings between the Company and those companies; disclose material non-public information to any unauthorized persons outside of the Company; or engage in hedging transactions through the use of certain derivatives, such as put and call options involving the Company’s securities. The insider trading policy also restricts trading by specified individuals to defined window periods which follow the Company’s earnings and revenue releases.

To ensure alignment with shareholders' interest and to further strengthen our compensation risk management policies and practice, the Company’s insider trading policy prohibits all individuals to whom the policy applies from engaging in a short sale of the Company's or its subsidiaries' securities and derivatives (such as options, puts, calls, or warrants).

*Internal Pay Ratios and Comparative Information*

The Remuneration Committee considers internal pay ratios within the Company when setting the Executive Directors’ compensation. In line with the guidance provided under the Dutch Corporate Governance Code and the Dutch Civil Code, the CEO pay ratio and five-year average employee compensation are to be disclosed in the annual Remuneration Report.

To meet the five-year trend of average employee compensation requirement, total personnel costs reported in the annual report less any Executive Director compensation divided by the average headcount reported in the annual report less any Executive Directors who are included in the total average headcount was utilized and is illustrated in the tables below.

For purposes of providing historical information, the information included in the table below for years 2019 and 2020 is what was reported in the FCA N.V. 2020 Remuneration Report and includes personnel cost and average number of employees of FCA N.V. prior to the merger:

| **Employees excluding Executive Directors** | **2023** | **2022** | **2021** | **2020(1)** | **2019(1)** | **5 years average** |
|---|---|---|---|---|---|---|
| Personnel cost (€ billion) | 19.1 | 18.2 | 17.1 | 10.3 | 11.4 | 15.2 |
| Average number of employees | 271,292 | 282,926 | 292,432 | 191,703 | 198,770 | 247,425 |
| Average employee compensation (€) | 70,404 | 64,328 | 58,475 | 53,729 | 57,353 | 60,858 |

*(1) These amounts reflect those reported in FCA N.V. 2020 Remuneration Report*

For purposes of providing a five-year trend of the CEO's pay ratio, the information included in the table below for years 2019 and 2020 is what was reported in the FCA N.V. 2020 Remuneration Report and includes CEO compensation and average employee compensation of FCA N.V. prior to the merger:

| | 2023 | 2022 | 2021[(1)] | 2020[(2)] | 2019[(2)] | 5 years average |
|---|---|---|---|---|---|---|
| CEO compensation (€) | 36,494,025 | 23,459,006 | 17,453,507 | 11,729,558 | 13,280,913 | 20,479,802 |
| Average employee compensation (€) | 70,404 | 64,328 | 58,475 | 53,729 | 57,353 | 60,858 |
| CEO Pay Ratio | 518* | 365 | 298 | 218 | 232 | 337 |

*(1) CEO Compensation used to calculate the 2021 CEO pay ratio excludes Other Compensation reported in table 1*
*(2) These amounts reflect those reported in FCA N.V. 2020 Remuneration Report*

**The increase in the CEO pay ratio from 2022 to 2023 is primarily attributable to the LTI expense from the CEO Transformation Incentive 2021 - 2025. Excluding the amount relating to the CEO Transformation Incentive 2021 - 2025 of €14,293,090 would result in a* ***CEO pay ratio of 315.***

In accordance with the guidance provided under the Dutch Corporate Governance Code, further pay ratios including scenario analysis reflecting incentive plan performance were conducted between the CEO and senior management. Considering base salary and incentive opportunities (both short-term and long-term incentives but excluding the one-time CEO Transformation and Shareholder Return Incentives), the CEO pay ratio ranged from 3.1 to 5.8.

***Comparative Table over Remuneration and Company Performance***

In line with guidance provided under the Dutch Corporate Governance Code and the Dutch Civil Code, the performance of the Company, the remuneration of each Director and the average employee compensation other than directors from 2019 to 2023 financial years is disclosed in the following table. For purposes of providing historical information, the information included for years 2019 and 2020 is what was reported in the FCA N.V. 2020 Remuneration Report.

| Company Performance | 2023 | 2022 | 2021 | 2020[(1)] | 2019[(1)] |
|---|---|---|---|---|---|
| Net revenues (€ million) | € 189,544 | € 179,592 | € 149,419 | € 86,676 | € 108,187 |
| Net profit/(loss) from continuing operations (€ million) | 18,625 | 16,779 | 13,218 | 24 | 2,700 |
| Diluted earnings/(loss) per share from continuing operations (€) | € 5.94 | € 5.31 | € 4.19 | € 0.02 | € 1.71 |

*(1) These amounts reflect those reported in FCA N.V. 2020 Remuneration Report*

| Director | Position | 2023 | 2022 | 2021 | 2020[1] | 2019[1] |
|---|---|---|---|---|---|---|
| ELKANN, John Philipp | Chairman | € 4,823,519 | € 5,850,051 | € 7,884,085 | € 2,391,177 | € 3,849,946 |
| TAVARES, Carlos | CEO | 36,494,025 | 23,459,006 | 19,153,507 | | |
| PEUGEOT, Robert | Director | 216,927 | 219,595 | 203,782 | | |
| AGNELLI, Andrea | Director | 62,644 | 223,022 | 226,135 | 45,888 | 180,157 |
| CASTRIES, Henri de | Director | 286,294 | 290,010 | 273,725 | | |
| CICCONI, Fiona Clare | Director | 234,478 | 227,611 | 208,061 | | |
| DUFOURCQ, Nicolas | Director | - | - | - | | |
| GODBEHERE, Ann Frances | Director | 225,510 | 228,106 | 228,458 | | |
| MARTELLO, Wan Ling | Director | 245,960 | 234,440 | 221,546 | | |
| RIBADEAU-DUMAS, Benoit | Director | - | | | | |
| SAINT-EXUPERY, Jacques | Director | 200,000 | 201,853 | 198,436 | | |
| SCOTT, Kevin | Director | 230,960 | 218,702 | 203,498 | | |
| MARCHIONNE, Sergio | Former CEO | | | 26,080,867 | | |
| MANLEY, Michael | Former CEO | | 51,184,773[2] | 305,876 | 11,728,558 | 13,280,913 |
| PALMER, Richard | Former CFO | 345,686[3] | | 14,766,580 | 4,471,542 | 4,035,288 |
| ABBOTT, John | Former Director | | | 8,456 | 43,775 | 178,655 |
| BRANDOLINI D'ABBA, Tiberto | Former Director | | | 9,169 | 44,691 | 180,968 |
| EARLE, Glenn | Former Director | | | 8,387 | 71,635 | 215,649 |
| MARS, Valerie | Former Director | | | 11,872 | 60,903 | 208,529 |
| SIMMONS, Ruth J. | Former Director | | | - | - | 99,835 |
| THOMPSON, Ronald L. | Former Director | | | 14,611 | 58,231 | 220,524 |
| VOLPI, Michelango A. | Former Director | | | 12,198 | 52,369 | 189,409 |
| WHEATCROFT, Patience | Former Director | | | 8,723 | 59,690 | 204,284 |
| ZEGNA, Emenegildo | Former Director | | | 24,479 | 68,037 | 205,626 |

*(1) These amounts reflect those reported in the FCA N. V. 2020 Remuneration Report*
*(2) This amount represents the amount paid as described in the Pre-merger Legacy Matters - Remuneration of Former Executive Directors FCA N.V. section of the 2022 Remuneration Report*
*(3) This amount represents the amount paid as described in the Pre-merger Legacy Matters - Remuneration of Former Executive Directors of FCA N.V. section of the 2023 Remuneration Report*

| Average employee compensation | 2023 | 2022 | 2021 | 2020[1] | 2019[1] |
|---|---|---|---|---|---|
| Average employee compensation | € 70,404 | € 64,328 | € 58,475 | € 53,729 | € 57,353 |

*(1) These amounts reflect those reported in the FCA N.V. 2020 Remuneration Report*

***Pre-merger Legacy Matters - Remuneration to Former Executive Director of FCA N.V.***

Mr. Richard Palmer was the Chief Financial Officer and an Executive Director of FCA N.V. prior to the merger with PSA Groupe that formed Stellantis N.V. in 2021. In January 2023, Stellantis made a final payment to Mr. Palmer in fulfillment of an agreement entered into between Mr. Palmer and FCA N.V. prior to the merger. The agreement was legally binding effective September 17, 2020.

The entitlements pursuant to the agreement between Mr. Palmer and FCA N.V. were disclosed in the 2021 Remuneration Report. The portion of the recognition award attributable to Mr. Palmer's service as an Executive Director of FCA N.V. was €345,686. No decision was made in 2023 by the Stellantis Board regarding this matter, as the payment was contractually due under an agreement entered into prior to the merger. Mr. Palmer left the Company on June 30, 2023.

There are no further pre-merger legacy matters to report in the future.

## CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

Under the supervision, and with the participation, of its management, including the Chief Executive Officer and Chief Financial Officer, Stellantis conducted an evaluation of the effectiveness of its disclosure controls and procedures as of December 31, 2023 pursuant to Exchange Act Rule 13a-15(b). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Stellantis' disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in Stellantis' Exchange Act filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to Stellantis management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

### Principal Characteristics of the Internal Control System and Internal Control over Financial Reporting

Stellantis has designed a system of internal control over financial reporting based on the model provided in the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Framework for Internal Controls, according to which the internal control system is defined as a set of rules, procedures and tools designed to provide reasonable assurance of the achievement of corporate objectives. In relation to the financial reporting process, reliability, accuracy, completeness and timeliness of the information contribute to the achievement of such corporate objectives. A periodic evaluation of the system of internal control over financial reporting is designed to provide reasonable assurance regarding the overall effectiveness of the components of the COSO Framework (control environment, risk assessment, control activities, information and communication, and monitoring) in achieving those objectives.

The approach adopted by Stellantis for the evaluation, monitoring and continuous updating of the system of internal control over financial reporting, is based on a 'top-down, risk-based' process consistent with the COSO Framework. This enables focus on areas of higher risk and/or materiality, where there is risk of significant errors, including those attributable to fraud, in the elements of the financial statements and related documents. The key components of the process are:

- identification and evaluation of the source and probability of material errors in elements of financial reporting;
- assessment of the adequacy of key controls in preventing or detecting potential misstatements in elements of financial reporting; and
- verification of the operating effectiveness of controls based on the assessment of the risk of misstatement in financial reporting, with testing focused on areas of higher risk.

### Management's Report on Internal Control over Financial Reporting

Stellantis management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rule 13a-15(f). The Stellantis internal control system was designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements in accordance with IFRS. All internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to the reliability of financial reporting and the preparation and presentation of financial statements in accordance with IFRS. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Stellantis internal control over financial reporting as of December 31, 2023, using the criteria set forth in the "Internal Control - Integrated Framework (2013)" issued by COSO. Based on that assessment, management concluded that the internal control over financial reporting was effective as of December 31, 2023.

### Changes in Internal Control

No change to Stellantis' internal control over financial reporting occurred during the year ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Stellantis N.V.

**Opinion on Internal Control over Financial Reporting**

We have audited Stellantis N.V.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Stellantis N.V. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of Stellantis N.V. as of December 31, 2023 and 2022, and the related consolidated income statements, statements of comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2023, and the related notes, and our report dated February 22, 2024 expressed an unqualified opinion thereon.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ EY S.p.A.

Turin, Italy

February 22, 2024

# FINANCIAL STATEMENTS

# CONSOLIDATED FINANCIAL STATEMENTS

**STELLANTIS N.V. AND SUBSIDIARIES**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Stellantis N.V.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated statement of financial position of Stellantis N.V. and subsidiaries (the Company) as of December 31, 2023 and 2022, and the related consolidated income statements, statements of comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2023 and 2022, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 22, 2024 expressed an unqualified opinion thereon.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the Audit Committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

***Provision for North America product warranty and recall campaigns***

| | |
|---|---|
| *Description of the Matter* | At December 31, 2023, the provision for product warranty and recall campaigns amounted to €8,984 million with the most significant amounts related to the North America region. The Company establishes a provision for product warranty obligations, including the estimated cost of service and recall actions in the North America region, at the time the vehicle is sold. The estimated future costs of these actions, which are recorded in cost of revenues in the consolidated income statement, are principally based on assumptions regarding the lifetime warranty costs of each vehicle line and each model year of that vehicle line, as well as claims and past experience for the vehicles. The disclosures on warranty provision are included in notes 2 and 21 to the consolidated financial statements.<br><br>Auditing management's provision for product warranty and recall campaign was complex in consideration of the judgment required to develop assumptions around future costs to be incurred for warranty provision. The complexity in evaluating management's estimate related to the North America region's warranty and campaign provision is driven by numerous uncertainties, including the nature and frequency of warranty claims and the estimated average costs of such claims. Due to the significance, the uncertainty, and potential volatility of these estimated future costs and other factors, changes in assumptions used could materially affect the result of the Company's consolidated financial statements and is therefore considered a critical audit matter. |
| *How We Addressed the Matter in Our Audit* | The procedures designed to address the matter in our audit included, among others, obtaining an understanding, evaluating the design of and testing the operating effectiveness of controls over the Company's warranty and recall campaign process, including controls over management's review of the aforementioned significant assumptions.<br><br>We involved actuarial specialists to assist us in evaluating and testing the Company's methodology and the assumptions developed by management in determining the warranty and recall campaign provision. With the assistance of the actuarial specialists, we performed sensitivity analyses and independently calculated a range of probable outcomes for the North America product warranty and recall campaigns provision. We compared current year developments against expectations. We performed other audit procedures to evaluate the data applied in the model including, among others, (i) tested warranty payments made in the year, (ii) obtained external third-party confirmations in respect of the completeness and accuracy of current year claims for warranty and recall and (iii) tested estimated costs associated with approved recall campaigns. We evaluated the adequacy of the related disclosures in the consolidated financial statements, including the disclosures of related significant judgements made by management. |

***Recoverability of non-current assets with definite useful lives with reference to Enlarged Europe***

| | |
|---|---|
| *Description of the Matter* | At December 31, 2023, the non-current assets with definite useful lives amounted to €58,312 million. Non-current assets with definite useful lives include property, plant and equipment (€37,687 million) and intangible assets (€20,625 million), that include assets historically recorded by Peugeot-Citroen-DS (PCD) in Enlarged Europe. Intangible assets with definite useful lives mainly consist of capitalized development expenditures. The Company reviews the carrying amount of non-current assets with definite useful lives when events or circumstances indicate that an asset may be impaired and, if required, the carrying amount of the asset is reduced to its recoverable amount, which is the higher of fair value less costs of disposal and its value in use. The recoverable amount is determined at the cash generating unit (CGU) level. The disclosures on non-current assets with definite useful lives are included in notes 2, 10 and 11 of the consolidated financial statements.<br><br>Auditing management's assessment of the recoverability of non-current assets with definite useful lives with reference to Enlarged Europe for PCD was complex and highly judgmental due to the significance, uncertainties and potential volatility involved in the forecast volumes and margins, which may be affected by regulatory changes as well as changes in the expected costs of implementing electrification. Changes in the assumptions used could potentially materially affect the recoverability of such non-current assets with definite useful lives. Therefore, this matter is considered to be a critical audit matter. |

| | |
|---|---|
| *How We Addressed the Matter in Our Audit* | The procedures designed to address the matter in our audit included, among others, obtaining an understanding, evaluating the design and testing the operating effectiveness of controls over the Company's non-current assets with definite useful lives impairment assessment process, including controls over management's review of the significant assumptions described above. |
| | To test the determination of the recoverable amount of the CGUs, we involved valuation specialists to assist in evaluating the methodology used by the Company, including the impairment test model developed and the discount rates (Weighted Average Cost of Capital) applied. With the assistance of our valuation specialists, we performed independent calculations and sensitivity analyses over key assumptions for each CGU. We evaluated the key assumptions applied in determining the recoverable amount and evaluated the CGUs identified and tested the allocation of assets to the carrying value of each CGU. We assessed the cash flow forecasts for each CGU by comparing volumes with those forecasted per automotive industry market research reports and comparing forecasted revenue and margins with actuals of other vehicles from the same brand and/or segment. We evaluated the consistency of the volumes mix derived from the impairment test with the Company's long-term strategy on climate change risks and the electrification transition and the impact thereof on the cash flows used in determining the cash flows of the CGUs. We evaluated the historical accuracy of the Company's forecasts by comparing to actual results. We evaluated the adequacy of the related disclosures in the consolidated financial statements, including the disclosures of related significant judgements made by management. |

/s/ EY S.p.A.

We have served as the Company's auditor since 2021.

Turin, Italy

February 22, 2024

**STELLANTIS N.V. AND SUBSIDIARIES**
**CONSOLIDATED INCOME STATEMENT**
**(in € million, except per share amounts)**

| | Note | Years ended December 31, | | |
|---|---|---|---|---|
| | | **2023** | **2022[(1)]** | **2021[(1)]** |
| Net revenues | 4 | € 189,544 | € 179,592 | € 149,419 |
| Cost of revenues | | 151,400 | 144,327 | 119,943 |
| Selling, general and other costs | | 9,541 | 8,981 | 9,130 |
| Research and development costs | 5 | 5,619 | 5,200 | 4,487 |
| Gains/(losses) on disposal of investments | | 20 | 72 | (35) |
| Restructuring costs | | 1,119 | 1,144 | 698 |
| Share of the profit/(loss) of equity method investees | 12 | 491 | 264 | 737 |
| **Operating income/(loss)** | | **22,376** | **20,276** | **15,863** |
| Net financial expenses/(income) | 6 | (42) | 768 | 734 |
| **Profit/(loss) before taxes** | | **22,418** | **19,508** | **15,129** |
| Tax expense/(benefit) | 7 | 3,793 | 2,729 | 1,911 |
| **Net profit/(loss) from continuing operations** | | **18,625** | **16,779** | **13,218** |
| Profit/(loss) from discontinued operations, net of tax | 3 | — | — | 990 |
| **Net profit/(loss)** | | **€ 18,625** | **€ 16,779** | **€ 14,208** |
| | | | | |
| **Net profit/(loss) attributable to:** | | | | |
| Owners of the parent | | € 18,596 | € 16,799 | € 14,200 |
| Non-controlling interests | | 29 | (20) | 8 |
| | | € 18,625 | € 16,779 | € 14,208 |
| **Net profit/(loss) from continuing operations attributable to:** | | | | |
| Owners of the parent | | € 18,596 | € 16,799 | € 13,210 |
| Non-controlling interests | | 29 | (20) | 8 |
| | | € 18,625 | € 16,779 | € 13,218 |
| **Earnings per share:** | 28 | | | |
| Basic earnings per share | | € 5.98 | € 5.35 | € 4.64 |
| Diluted earnings per share | | € 5.94 | € 5.31 | € 4.51 |
| | | | | |
| **Earnings per share for Net profit from continuing operations:** | 28 | | | |
| Basic earnings per share | | € 5.98 | € 5.35 | € 4.32 |
| Diluted earnings per share | | € 5.94 | € 5.31 | € 4.19 |

*(1) Share of the profit of equity method investees is included in our Operating income effective January 1, 2023. Comparatives for 2022 and 2021 have been adjusted accordingly. Refer to Note 2, Basis of preparation for additional information*

The accompanying notes are an integral part of the Consolidated Financial Statements.

**STELLANTIS N.V. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**(in € million)**

| | Note | Years ended December 31, | | |
|---|---|---|---|---|
| | | **2023** | **2022** | **2021** |
| **Consolidated profit/(loss) for the period** | | **€ 18,625** | **€ 16,779** | **€ 14,208** |
| | | | | |
| Fair value remeasurement to cash flow hedges | | (910) | (482) | 149 |
| *of which, reclassified to the income statement* | | 532 | (353) | (98) |
| *of which, recognized in equity during the period* | | (1,442) | (129) | 247 |
| Gains and losses from remeasurement of financial assets | | 57 | 3 | 6 |
| *of which, recognized in equity during the period* | | 57 | 3 | 6 |
| Exchange differences on translating foreign operations | | (1,927) | 2,013 | 2,005 |
| Income tax benefit/(expense) | | 245 | 89 | (54) |
| Share of Other comprehensive income/(loss) for equity method investees | | (221) | (7) | (47) |
| **Amounts to be potentially reclassified to profit or loss** | 27 | **(2,756)** | **1,616** | **2,059** |
| | | | | |
| Actuarial gains and losses on defined benefit pension obligations | | (228) | 1,753 | 2,488 |
| Share of Other comprehensive income/(loss) for equity method investees | | 2 | (5) | 8 |
| Income tax (expense)/benefit | | 41 | (379) | (729) |
| **Amounts not to be reclassified to profit or loss** | 27 | **(185)** | **1,369** | **1,767** |
| | | | | |
| **TOTAL CONSOLIDATED COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD** | | **€ 15,684** | **€ 19,764** | **€ 18,034** |
| *of which, attributable to equity holders of the parent* | | € 15,658 | € 19,781 | € 18,020 |
| *of which, attributable to non-controlling interests* | | € 26 | € (17) | € 14 |

The accompanying notes are an integral part of the Consolidated Financial Statements.

**STELLANTIS N.V. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**(in € million)**

| | Note | At December 31, 2023 | 2022 |
|---|---|---|---|
| **Assets** | | | |
| Goodwill and intangible assets with indefinite useful lives | 9 | € 30,994 | € 31,738 |
| Other intangible assets | 10 | 20,625 | 19,006 |
| Property, plant and equipment | 11 | 37,687 | 36,205 |
| Equity method investments | 12 | 8,070 | 4,834 |
| Non-current financial assets | 13 | 3,269 | 710 |
| Other non-current assets and prepaid expenses | 16 | 7,694 | 6,723 |
| Deferred tax assets | 7 | 2,152 | 2,052 |
| Tax receivables | 16 | 117 | 112 |
| **Total Non-current assets** | | **110,608** | **101,380** |
| Inventories | 14 | 21,414 | 17,360 |
| Assets sold with a buy-back commitment | | 1,328 | 1,594 |
| Trade receivables | 16 | 6,426 | 4,928 |
| Tax receivables | 16 | 802 | 543 |
| Other current assets and prepaid expenses | 16 | 10,288 | 7,549 |
| Current financial assets | 13 | 6,830 | 4,323 |
| Cash and cash equivalents | 18 | 43,669 | 46,433 |
| Assets held for sale | 3 | 763 | 2,046 |
| **Total Current assets** | | **91,520** | **84,776** |
| **Total Assets** | | **€ 202,128** | **€ 186,156** |
| **Equity and liabilities** | | | |
| **Equity** | 27 | | |
| Equity attributable to owners of the parent | | 81,693 | 71,999 |
| Non-controlling interests | | 427 | 383 |
| **Total Equity** | | **82,120** | **72,382** |
| **Liabilities** | | | |
| Long-term debt | 22 | 20,001 | 19,469 |
| Other non-current financial liabilities | 17 | 21 | — |
| Other non-current liabilities | 23 | 8,065 | 8,129 |
| Non-current provisions | 21 | 7,744 | 8,460 |
| Employee benefits liabilities | 20 | 4,911 | 5,891 |
| Tax liabilities | | 542 | 668 |
| Deferred tax liabilities | 7 | 4,784 | 4,332 |
| **Total Non-current liabilities** | | **46,068** | **46,949** |
| Short-term debt and current portion of long-term debt | 22 | 9,462 | 7,684 |
| Current provisions | 21 | 13,724 | 11,311 |
| Employee benefit liabilities | 20 | 562 | 545 |
| Trade payables | | 33,008 | 31,726 |
| Tax liabilities | | 1,264 | 900 |
| Other liabilities | 23 | 15,570 | 14,528 |
| Other current financial liabilities | 17 | 18 | 18 |
| Liabilities held for sale | 3 | 332 | 113 |
| **Total Current liabilities** | | **73,940** | **66,825** |
| **Total Equity and liabilities** | | **€ 202,128** | **€ 186,156** |

The accompanying notes are an integral part of the Consolidated Financial Statements.

**STELLANTIS N.V. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**(in € million)**

| | Note | Years ended December 31, 2023 | 2022 | 2021 |
|---|---|---|---|---|
| **Consolidated profit from continuing operations** | | **€ 18,625** | **€ 16,779** | **€ 13,218** |
| Adjustments for non-cash items: | 30 | | | |
| depreciation and amortization | | 7,549 | 6,797 | 5,871 |
| (gains)/losses on disposals | | (195) | (192) | (121) |
| change in deferred taxes | | 701 | (711) | (654) |
| other non-cash items | | 720 | 391 | 99 |
| Change in provisions | | 2,460 | 1,906 | (1,152) |
| Result of equity method investments net of dividends received | 30 | (156) | (47) | (185) |
| Change in carrying amount of leased vehicles | | (1,747) | (483) | 358 |
| Changes in working capital | 15 | (5,472) | (4,481) | 1,212 |
| **Net cash from operating activities** | | **22,485** | **19,959** | **18,646** |
| Proceeds from disposal of shares in consolidated companies and of investments in non-consolidated companies | | 1,457 | 235 | 161 |
| Acquisitions of consolidated subsidiaries and equity method and other investments | | (3,885) | (666) | (726) |
| Cash and cash equivalents of FCA at the merger | | — | — | 22,514 |
| Proceeds from disposals of property, plant and equipment and intangible assets | | 533 | 545 | 295 |
| Investments in property, plant and equipment and intangible assets | | (10,193) | (8,615) | (8,687) |
| Change in amounts payable on property, plant and equipment and intangible assets | | 1,068 | (399) | (1,426) |
| Net change in receivables from financing activities | | (3,834) | (1,413) | (306) |
| Other changes | | (193) | (218) | (36) |
| Net cash from/(used in) investing activities - discontinued operations | | — | — | (3,115) |
| **Net cash from/(used in) investing activities** | | **(15,047)** | **(10,531)** | **8,674** |
| Distributions paid: | | | | |
| to Stellantis shareholders | | (4,208) | (3,353) | (4,204) |
| to non-controlling shareholders of subsidiaries | | — | (1) | — |
| Proceeds from issuance of shares | | 92 | 40 | 243 |
| (Purchases)/sales of treasury shares | | (2,434) | (923) | — |
| Changes in short-term debt and other financial assets and liabilities | | 328 | (400) | (846) |
| Changes in long-term debt | | (214) | (6,480) | 4,106 |
| Change in securities | | (2,754) | (2,069) | (610) |
| Other changes | | (10) | 19 | (55) |
| **Net cash from/(used in) financing activities** | | **(9,200)** | **(13,167)** | **(1,366)** |
| Effect of changes in exchange rates | | (836) | 608 | 764 |
| (Increase)/decrease in cash and cash equivalents included in asset held for sale | | (166) | (65) | 18 |
| **Increase/(decrease) in cash and cash equivalents** | | **(2,764)** | **(3,196)** | **26,736** |
| Net cash and cash equivalents at beginning of the period | | 46,433 | 49,629 | 22,893 |
| **Net cash and cash equivalents at end of the period** | 18 | **€ 43,669** | **€ 46,433** | **€ 49,629** |

The accompanying notes are an integral part of the Consolidated Financial Statements.

## STELLANTIS N.V. AND SUBSIDIARIES
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## (in € million)

| | Attributable to the Owners of the parent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital[1] | Treasury shares | Retained earnings and other reserves[1] | Cash flow hedge reserve | Remeasurement of the fair value of financial assets | Actuarial gains and losses on pension obligations plans | Effect of change in exchange rates | Cumulative share of OCI of equity method investees | Equity - Attributable to Owners of the parent | Non-controlling interests | Total Equity |
| **At January 1, 2021** | € 20 | € — | € 22,141 | € 74 | € — | € 271 | € (1,162) | € (51) | € 21,293 | € 2,580 | € 23,873 |
| Other comprehensive income | — | — | — | 95 | 6 | 1,759 | 2,000 | (40) | 3,820 | 6 | 3,826 |
| Net profit | — | — | 14,200 | — | — | — | — | — | 14,200 | 8 | 14,208 |
| **Total Other comprehensive income** | **—** | **—** | **14,200** | **95** | **6** | **1,759** | **2,000** | **(40)** | **18,020** | **14** | **18,034** |
| FCA - PSA merger | 11 | — | 19,826 | — | — | — | — | — | 19,837 | 59 | 19,896 |
| Faurecia loss of control and distribution | — | — | (2,883) | — | — | — | 118 | — | (2,765) | (2,457) | (5,222) |
| Distributions | — | — | (1,000) | — | — | — | — | — | (1,000) | — | (1,000) |
| Share-based compensation | — | — | 221 | — | — | — | — | — | 221 | — | 221 |
| Other changes[2] | — | — | 271 | 30 | — | — | — | — | 301 | 204 | 505 |
| **At December 31, 2021** | **31** | **—** | **52,776** | **199** | **6** | **2,030** | **956** | **(91)** | **55,907** | **400** | **56,307** |
| Other comprehensive income | — | — | — | (393) | 3 | 1,374 | 2,010 | (12) | 2,982 | 3 | 2,985 |
| Net profit | — | — | 16,799 | — | — | — | — | — | 16,799 | (20) | 16,779 |
| **Total Other comprehensive income** | **—** | **—** | **16,799** | **(393)** | **3** | **1,374** | **2,010** | **(12)** | **19,781** | **(17)** | **19,764** |
| Capital increase | 1 | — | 39 | — | — | — | — | — | 40 | — | 40 |
| (Purchases) sales of treasury shares[1] | — | (923) | — | — | — | — | — | — | (923) | — | (923) |
| Distributions | — | — | (3,353) | — | — | — | — | — | (3,353) | (1) | (3,354) |
| Share-based compensation | — | — | 163 | — | — | — | — | — | 163 | — | 163 |
| Other changes[2] | — | — | 359 | 25 | — | — | — | — | 384 | 1 | 385 |
| **At December 31, 2022** | **32** | **(923)** | **66,783** | **(169)** | **9** | **3,404** | **2,966** | **(103)** | **71,999** | **383** | **72,382** |
| Other comprehensive income | — | — | — | (665) | 57 | (187) | (1,924) | (219) | (2,938) | (3) | (2,941) |
| Net profit | — | — | 18,596 | — | — | — | — | — | 18,596 | 29 | 18,625 |
| **Total Other comprehensive income** | **—** | **—** | **18,596** | **(665)** | **57** | **(187)** | **(1,924)** | **(219)** | **15,658** | **26** | **15,684** |
| Capital increase | — | — | — | — | — | — | — | — | — | — | — |
| (Purchases) sales of treasury shares[1] | — | (2,434) | — | — | — | — | — | — | (2,434) | — | (2,434) |
| Cancellation of treasury shares[1] | (1) | 923 | (923) | — | — | — | — | — | (1) | — | (1) |
| Distributions | — | — | (4,208) | — | — | — | — | — | (4,208) | — | (4,208) |
| Share-based compensation | — | — | 295 | — | — | — | — | — | 295 | — | 295 |
| Other changes[2] | — | — | 383 | 1 | — | — | — | — | 384 | 18 | 402 |
| **At December 31, 2023** | **€ 31** | **€ (2,434)** | **€ 80,926** | **€ (833)** | **€ 66** | **€ 3,217** | **€ 1,042** | **€ (322)** | **€ 81,693** | **€ 427** | **€ 82,120** |

*(1) Refer to Note 27, Equity for additional information*
*(2) Includes:*
- *at December 31, 2021, the impact of the reduction in ownership of ARAMIS upon an IPO resulting in €178 million recognized as an increase in non-controlling interest and €121 million recognized as additional retained earnings. Refer to Note 27, Equity;*
- *deferred hedging gains transferred to inventory, net of tax of €1 million (€25 million at December 31, 2022 and €30 million at December 31, 2021); and*
- *the effect of hyperinflation for entities whose functional currency is the Turkish Lira, beginning from January 1, 2022, and the Argentine Peso, from July 1, 2018 of €323 million at December 31, 2023, €398 million at December 31, 2022 and €159 million at December 31, 2021.*

The accompanying notes are an integral part of the Consolidated Financial Statements.

**STELLANTIS N.V. AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

## 1. Principal activities

On January 16, 2021, Peugeot S.A. ("PSA") merged with and into Fiat Chrysler Automobiles N.V. ("FCA N.V."), with FCA N.V. as the surviving company in the merger (the "merger"). On January 17, 2021, the current members of the board of directors were appointed, the Stellantis articles of association became effective and the combined company was renamed Stellantis N.V. On this date, the Stellantis management and board of directors collectively obtained the power and ability to control the assets, liabilities and operations of both FCA and PSA. As such, under IFRS 3, *Business Combinations*, January 17, 2021 is the acquisition date for the business combination. Stellantis N.V. was established as a public limited liability company (*naamloze vennootschap*), organized in the Netherlands, as the parent of Stellantis with its principal executive offices located at Taurusavenue 1, 2132LS, Hoofddorp, the Netherlands.

In 2021, the merger was accounted for by Stellantis using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes. Based on the assessment of the indicators under IFRS 3 and consideration of all pertinent facts and circumstances, management determined that PSA was the acquirer for accounting purposes and as such, the merger was accounted for as a reverse acquisition. As a result, the financial statements of Stellantis N.V. represent the historical financial statements of PSA. Refer to Note 3, *Scope of consolidation*, for additional information.

Stellantis and its subsidiaries are engaged in the design, engineering, manufacturing, distribution and sale of automobiles and light commercial vehicles, engines, transmission systems, mobility services, metallurgical products and production systems. In addition, Stellantis is involved in certain other activities, including software and data businesses and financial services activities relating to dealer and customer financing.

Unless otherwise specified, the terms "we", "our", "us", the "Company" and "Stellantis" refer to Stellantis N.V., together with its consolidated subsidiaries, or any one or more of them, as the context may require. References to "FCA", "FCA N.V." and "FCA Group" mean Fiat Chrysler Automobiles N.V. or Fiat Chrysler Automobiles N.V. together with its consolidated subsidiaries, or any one or more of them, as the context may require. References to "PSA" and "Groupe PSA" mean Peugeot S.A. or Peugeot S.A. together with its consolidated subsidiaries, or any one or more of them, as the context may require. References to the "merger" refer to the merger between PSA and FCA completed on January 17, 2021 and resulting in the creation of Stellantis.

All references in this report to "Euro" and "€" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended. Stellantis financial information is presented in Euro. All references to "U.S. Dollars", "U.S. Dollar", "U.S.$" and "$" refer to the currency of the United States of America ("U.S.").

Stellantis has filed a list of subsidiaries and associated companies, prepared in accordance with Sections 379 and 414, Book 2, Dutch Civil Code, at the Dutch trade register of Amsterdam.

## 2. Basis of preparation

### Authorization of Consolidated Financial Statements and compliance with International Financial Reporting Standards

The Consolidated Financial Statements, together with the notes thereto, of Stellantis as of and for the year ended December 31, 2023 ("The Consolidated Financial Statements") were authorized for issuance by the Stellantis Board of Directors on February 22, 2024 and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as well as IFRS as adopted by the European Union. There is no effect on these consolidated financial statements resulting from differences between IFRS as issued by the IASB and IFRS as adopted by the European Union. The designation "IFRS" includes International Accounting Standards ("IAS") as well as all interpretations of the IFRS Interpretations Committee ("IFRIC").

## Basis of preparation

The Consolidated Financial Statements are prepared under the historical cost method, modified for the measurement of certain financial instruments as required, as well as on a going concern basis. In this respect, the Company's assessment is that no material uncertainties (as defined in IAS 1 - *Presentation of Financial Statements*) exist about its ability to continue as a going concern.

For the presentation of the Consolidated Income Statement, Stellantis uses a classification based on the function of expenses rather than based on their nature as it is considered more representative of the format used for internal reporting and management purposes and is consistent with international practice in the automotive sector.

Effective from January 1, 2023, the Share of the profit/(loss) of equity method investees is included within Operating income/(loss) and Profit/(loss) before tax, which was previously reported before Net profit/(loss) from continuing operations. The comparatives for the years ended December 31, 2022 and 2021, have been adjusted accordingly. This change was implemented as management believes these results are becoming increasingly relevant due to the number of partnerships Stellantis has recently engaged in, and will continue to engage in in the future, around electrification and other areas critical to the future of mobility.

## Climate change

As the automotive industry accelerates change to avert climate and ecological threats, Stellantis' Dare Forward 2030 strategic plan implements a pathway consistent with science-based recommendations to achieve this critical target. With aggressive and clear targets, the plan sets out deep emissions cuts to slash $CO_2$ in half by 2030, benchmarking our 2021 metrics, and achieve carbon net zero by 2038 with single digit percentage compensation of the remaining emissions.

The potential impact of climate change and carbon net zero commitments are considered in the following areas: Note 2, *Use of estimates*, Note 3, *Scope of consolidation*, Note 7, *Tax expense/(benefit),* Note 10, *Other intangible assets,* Note 11, *Property, plant and equipment,* Note 22, *Debt* and Note 26, *Guarantees granted, commitments and contingent liabilities*.

There was no impact on the reported amounts in the financial statements as a result of this review.

## Material accounting policies

### Basis of consolidation

#### *Subsidiaries*

Subsidiaries are entities over which the Company has control. Control is achieved when the Company has power over the investee, when it was exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are consolidated on a line by line basis from the date which control is achieved by the Company. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Company recognizes a non-controlling interest in the acquiree on a transaction-by-transaction basis, either at fair value or at the non-controlling interest's share of the recognized amounts of the acquiree's identifiable net assets. Net profit or loss and each component of Other comprehensive income/(loss) are attributed to Equity attributable to owners of the parent and to Non-controlling interests. Total comprehensive income/(loss) of subsidiaries is attributed to Equity attributable to the owners of the parent and to the non-controlling interest even if this results in a deficit balance in Non-controlling interests.

Changes in the Company's ownership interests in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of Equity attributable to owners of the parent and Non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in Equity attributable to the owners of the parent.

Subsidiaries are deconsolidated from the date on which control ceases. When the Company ceases to have control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts, derecognizes the carrying amount of non-controlling interests in the former subsidiary if any and recognizes the fair value of any consideration received from the transaction. Any gain or loss is recognized in the Consolidated Income Statement. Any retained interest in the former subsidiary is then remeasured to its fair value.

All intra-group balances and transactions, and any unrealized gains and losses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements.

***Interests in Joint Ventures and Associates***

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing the control.

An associate is an entity over which the Company has significant influence. Significant influence is where the Company has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.

Joint ventures and associates are accounted for using the equity method of accounting from the date joint control or significant influence is obtained. On acquisition, any excess of the investment over the share of the net fair value of the investee's identifiable assets and liabilities is recognized as goodwill and is included in the carrying amount of the investment. Any excess of the Company’s share of the net fair value of the investee’s identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Company’s share of the investee’s profit/(loss) in the acquisition period.

Under the equity method, investments are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit/(loss) and other comprehensive income/(loss) of the investee. The Company’s share of the investee’s profit/(loss) is recognized in the Consolidated Income Statement. Distributions received from an investee reduce the carrying amount of the investment. Post-acquisition movements in Other comprehensive income/(loss) are recognized in Other comprehensive income/(loss) with a corresponding adjustment to the carrying amount of the investment.

Unrealized gains arising on transactions between the Company and its joint ventures and associates are eliminated to the extent of the Company’s interest in the joint venture or associate. Unrealized losses are also eliminated unless the transaction provided evidence of an impairment of the asset transferred.

When the Company’s share of the losses of a joint venture or associate exceeds its interest in that joint venture or associate, the Company discontinues recognizing its share of further losses. Additional losses are provided for and a liability is recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

The Company discontinues the use of the equity method from the date the investment ceases to be an associate or a joint venture, or when it is classified as held for sale.

***Interests in Joint Operations***

A joint operation is a type of joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company recognizes its related interest in the joint operation including: (i) its assets, including its share of any assets held jointly, (ii) its liabilities, including its share of any liabilities incurred jointly, (iii) its revenue from the sale of its share of the output arising from the joint operation, (iv) its share of the revenue from the sale of the output by the joint operation and (v) its expenses, including its share of any expenses incurred jointly.

***Assets held for sale, Assets held for distribution and Discontinued Operations***

Pursuant to IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such an asset or disposal group, and the sale is highly probable, with the sale expected to be completed within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented separately in the Consolidated Statement of Financial Position. Non-current assets and disposal groups are not classified as held for sale within the comparative period presented for the Consolidated Statement of Financial Position.

A discontinued operation is a component of the Company that either has been disposed of or is classified as held for sale and (i) represents either a separate major line of business or a geographical area of operations, (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or (iii) is a subsidiary acquired exclusively with a view to resell and the disposal will result in the loss of control.

Classification as a discontinued operation occurs upon disposal or, if earlier, when the asset or disposal group meets the criteria to be classified as held for sale. When the asset or disposal group is classified as a discontinued operation, the comparative information is reclassified within the Consolidated Income Statement and the Consolidated Statement of Cash Flows as if the asset or disposal group had been discontinued from the start of the earliest comparative period presented. In addition, when an asset or disposal group is classified as held for sale, depreciation and amortization cease.

The classification, presentation and measurement requirements of IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations* outlined above also apply to an asset or disposal group that is classified as held for distribution to owners, whereby there must be commitment to the distribution, the asset or disposal group must be available for immediate distribution and the distribution must be highly probable.

***Foreign currency***

The functional currency of the Company’s entities is the currency used in their respective primary economic environments. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the date of the Consolidated Statement of Financial Position. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those initially recorded, are recognized in the Consolidated Income Statement.

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the closing rates as at the date of the Consolidated Statement of Financial Position. Income and expenses are translated into Euro on a monthly basis at the average exchange rate for each month. Translation differences arising from the application of this method are classified within Other comprehensive income/(loss) until the disposal of the subsidiary.

Average exchange rates for the period are used in preparing the Consolidated Statement of Cash Flows to translate the cash flows of foreign subsidiaries.

The principal exchange rates used to translate other currencies into Euro were as follows:

| | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|
| | Average | At December 31 | Average | At December 31 | Average | At December 31 |
| U.S. Dollar (USD) | 1.081 | 1.105 | 1.054 | 1.067 | 1.183 | 1.133 |
| Argentine Peso (ARS)[(1)] | n.a. | 893.404 | n.a. | 188.915 | n.a. | 116.360 |
| Brazilian Real (BRL) | 5.401 | 5.350 | 5.441 | 5.568 | 6.377 | 6.320 |
| Canadian Dollar (CAD) | 1.460 | 1.464 | 1.370 | 1.444 | 1.483 | 1.439 |
| Swiss Franc (CHF) | 0.972 | 0.926 | 1.005 | 0.985 | 1.082 | 1.033 |
| Chinese Renminbi (CNY) | 7.657 | 7.851 | 7.079 | 7.358 | 7.633 | 7.195 |
| Turkish Lira (TRY)[(2)] | n.a. | 32.603 | n.a. | 19.953 | n.a. | 15.100 |
| Pound Sterling (GBP) | 0.870 | 0.869 | 0.853 | 0.887 | 0.860 | 0.840 |
| Mexican Peso (MXN) | 19.193 | 18.723 | 21.203 | 20.856 | 23.989 | 23.144 |
| Polish Zloty (PLN) | 4.544 | 4.348 | 4.686 | 4.690 | 4.566 | 4.599 |
| Japanese Yen (JPY) | 151.854 | 156.330 | 137.931 | 140.660 | 129.848 | 130.380 |

*n.a. = not applicable*

*(1) From July 1, 2018, Argentina's economy was considered to be hyperinflationary. Transactions after July 1, 2018 for entities with the Argentine Peso as the functional currency were translated using the spot rate at the end of the period. The price indices used are published by the Insituto Nacional de Estadistica y Censos de la Republica Argentina*

*(2) From April 1, 2022, Turkey's economy was considered to be hyperinflationary. Transactions after January 1, 2022 for entities with the Turkish Lira as the functional currency were translated using the spot rate at the end of the period. The price indices used are published by the Turkish Statistical Institute*

## Intangible assets

### *Goodwill*

Goodwill represents the excess of the fair value of consideration paid in a business combination over the fair value of net tangible and identifiable intangible assets acquired. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicated that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### *Intangible assets with indefinite useful lives*

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, or more frequently if events or changes in circumstances indicated that the asset may be impaired.

### *Development expenditures*

Development expenditures for vehicle production and related components, engines and production systems are recognized as an asset if all of the following conditions within IAS 38 – *Intangible assets* are met: (i) development expenditures can be measured reliably, (ii) technical feasibility of the product, projected volumes and pricing support the view that the development expenditure will generate future economic benefits and (iii) the intention to complete the intangible asset as well as the availability of adequate technical, financial and other resources for this purpose. Capitalized development expenditures include all costs that could be directly attributed to the development process. All other development expenditures are expensed as incurred.

Capitalized development expenditures are amortized on a straight-line basis from when the related asset is available for use, generally from the beginning of production, over the expected life cycle of the models (generally 5-7 years) or propulsion systems (generally 10-12 years) developed.

Refer to Note 2, *Basis of preparation - Recoverability of non-current assets with definite useful lives* for additional information on the effects of climate change.

***Other internally developed or purchased intangible assets, excluding development expenditures***

The portion of development expenditures relating to software for internal use that corresponds to directly attributable internal or external costs necessary to create the software or improve its performance is recognized as an intangible asset when it is probable that these costs will generate future economic benefits. Other software acquisition and developments costs are expensed as incurred.

Other intangible assets (consisting principally of patents) are amortized on a straight line basis over the estimated useful life, not to exceed twenty years.

**Property, plant and equipment**

***Cost***

Property, plant and equipment is initially recognized at cost and includes the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increased the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is expensed to the Consolidated Income Statement.

***Depreciation***

During the years ended December 31, 2023, 2022 and 2021, assets depreciated on a straight-line basis over their estimated useful lives as follows:

| | Years |
|---|---|
| Buildings | 33 - 40 |
| Plant, machinery and equipment | 2 - 25 |
| Other assets | 2 - 34 |

***Borrowing Costs***

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant or equipment or an intangible asset that is deemed to be a qualifying asset as defined in IAS 23 - *Borrowing Costs* are capitalized. Only assets with a construction period of 12 months or longer are considered. The amount of borrowing costs eligible for capitalization corresponds to the actual borrowing costs incurred during the period, less any investment income on the temporary investment of any borrowed funds not yet used. The amount of borrowing costs capitalized in the years ended December 31, 2023 and 2022 was €262 million and €189 million, respectively.

***Leases***

***As a Lessee***

At the inception of a contract, the Company assesses whether the contract has, or contains, a lease. A contract has, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

*Right-of-use asset*

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located if required by the lease, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use asset is determined based on the nature of the asset, taking into consideration the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain corresponding remeasurements of the lease liability.

*Lease liability*

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate is not be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate is determined considering macro-economic factors such as the risk free rate based on the relevant currency and term, as well as the Company specific factors contributing to the Company’s credit spread, including the impact of security. The Company primarily uses the incremental borrowing rate as the discount rate for its lease liabilities.

Lease payments used to measure the lease liability include the following, if appropriate:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate applicable as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- if reasonably certain to exercise, the exercise price under a purchase option, or lease payments in an optional renewal period; and
- penalties for early termination of a lease unless the Company was reasonably certain not to terminate early.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it would exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in *Property, plant and equipment* and lease liabilities in *Long-term debt* and *Short-term debt and current portion of long-term debt* in the Consolidated Statement of Financial Position.

The Company elects to not recognize right-of-use assets and lease liabilities for short-term leases and low-value leases for all classes of leased assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

***As a Lessor***

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If the risks and rewards are substantially transferred, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

**Impairment of long-lived assets**

Annually, or more frequently if facts or circumstances indicate otherwise, the Company assesses whether there is any indication that its finite-lived intangible assets (including capitalized development expenditures) and its property, plant and equipment may be impaired.

If indicators of impairment are present, an impairment test is performed, comparing the carrying amount of the asset to its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. In the event that the carrying amount is in excess of the recoverable amount, an impairment is recorded to reduce the value of the asset to its recoverable amount. The recoverable amount is determined for the individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of the cash-generating unit (“CGU”) to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In assessing the value in use of an asset or CGU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

When an impairment loss for assets, other than goodwill, no longer exists or has decreased, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in the Consolidated Income Statement. Refer to the section *Use of estimates* below for additional information.

**Financial assets and liabilities**

Financial assets primarily includes trade receivables, receivables from financing activities, investments in other companies, derivative financial instruments, cash and cash equivalents, and other financial securities that do not satisfy the requirements for being classified as cash equivalents.

Financial liabilities primarily consists of debt, derivative financial instruments, trade payables and other liabilities.

Receivables from dealer financing activities are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a component of the portfolio of the Company's financial services companies. These receivables are interest bearing with the exception of an initial, limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary according to market and payment terms, which generally range from two to twelve months.

In addition, the Company generates receivables from financing activities related to installment sales contracts and promissory notes originated through its automobile dealer relationships or directly with consumers. The Company utilizes warehouse credit facilities with financial institutions to fund originations. When sufficient volume is originated, the Company will complete an on-balance sheet securitization and issue term notes, thereby freeing up capacity in the warehouse credit facilities.

In our securitizations, we transfer loans to securitization trusts ("Trusts"), which issue one or more classes of asset-backed securities. These asset-backed securities are then sold to investors. These Trusts are included in our consolidated financial statements, but they are separate legal entities. The assets held by these Trusts are legally owned by them and are not available to the Company's creditors or creditors of our other Trusts. When the securitized assets are transferred to a Trust, we make certain representations and warranties regarding the securitized assets. These representations and warranties relate to specific aspects of the securitized assets, such as origination, obligors, accuracy, and security interest, but not the underlying performance of the securitized asset. If a breach were to occur related to one or more of these representations that materially affects the noteholders' interest, we would be obligated to repurchase the securitized assets.

The transfers of assets in the Company's securitization transactions do not qualify for derecognition. The Company accounts for all securitization transactions as if they were secured financing and therefore the assets, liabilities, and related activity of these transactions are consolidated in the financial statements. As the securitized receivables amortize, finance charge collections are passed through to the investors at a specified rate for the life of the securitization and an interest in collections exceeding the specified rate is retained by the Company. The majority of these securitization transactions are within Stellantis Financial Services U.S.

***Classification and measurement***

The classification of a financial asset is dependent on the Company's business model for managing such financial assets and their contractual cash flows. The Company considers whether the contractual cash flows represent solely payments of principal and interest that are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified and measured at fair value through profit or loss ("FVPL").

| Financial asset cash flow business model | Initial measurement[(1)] | Measurement category[(3)] |
|---|---|---|
| Solely to collect the contractual cash flows (Held to Collect) | Fair Value including transaction costs | Amortized Cost[(2)] |
| Collect both the contractual cash flows and generate cash flows arising from the sale of assets (Held to Collect and Sell) | Fair Value including transaction costs | Fair value through other comprehensive income ("FVOCI") |
| Generate cash flows primarily from the sale of assets (Held to Sell) | Fair Value | FVPL |

*(1) Trade receivables without a significant financing component, as defined by IFRS 15, are initially measured at the transaction price*
*(2) Receivables with maturities of over one year, which bear no interest or have an interest rate significantly lower than market rates were discounted using market rates*
*(3) On initial recognition, the Company could irrevocably designate a financial asset at FVPL that otherwise met the requirements to be measured at amortized cost or at FVOCI if doing so eliminated or significantly reduced an accounting mismatch that would otherwise arise*

Factors considered by the Company in determining the business model for a group of financial assets include:

- past experience on how the cash flows for these assets were collected;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales activity expectations;
- how the asset's performance is evaluated and reported to key management personnel; and
- how risks are assessed and managed and how management is compensated.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Cash and cash equivalents included cash at banks, units in money market funds and other money market securities, commercial paper and certificate of deposits that are readily convertible into cash, with original maturities of three months or less at the date of purchase. Cash and cash equivalents are subject to an insignificant risk of changes in value and consist of balances across various primary national and international banks and of money market instruments. Money market funds consist of investments in high quality, short-term, diversified financial instruments that can generally be liquidated on demand and are measured at FVPL. Cash at banks and Other cash equivalents are measured at amortized cost.

Investments in other companies are measured at fair value. 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 may be measured at cost as an estimate of fair value, as permitted by IFRS 9 - *Financial Instruments* ("IFRS 9"). The Company may irrevocably elect to present subsequent changes in the investment's fair value in Other comprehensive income ("OCI") upon the initial recognition of an equity investment that is not held to sell. This election is made on an investment-by-investment basis. Generally, any dividends from these investments are recognized in Other income from investments within Result from investments when the Company's right to receive payment is established. Other net gains and losses are recognized in OCI and will not be reclassified to the Consolidated Income Statement in subsequent periods. Impairment losses (and the reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value in OCI.

***Impairment of financial assets***

The Company's credit risk differs in relation to the type of activity. In particular, receivables from financing activities, such as dealer and retail financing that are carried out through the Company's financial services companies, are exposed both to the direct risk of default and the deterioration of the creditworthiness of the counterparty, whereas trade receivables arising from the sale of vehicles and spare parts, are mostly exposed to the direct risk of counterparty default. These risks are mitigated by different kinds of securities received and the fact that collection exposure is spread across a large number of counterparties.

The IFRS 9 impairment requirements are based on a forward-looking expected credit loss ("ECL") model. ECL is a probability-weighted estimate of the present value of cash shortfalls.

The calculation of the amount of ECL is based on the risk of default by the counterparty, which is determined by taking into account the information available at the end of each reporting period as to the counterparty's solvency, the fair value of any guarantees and the Company's historical experience. The Company considers a financial asset to be in default when: (i) the borrower is unlikely to pay its obligations in full and without consideration of compensating guarantees or collateral (if any exist); or (ii) the financial asset is more than 90 days past due.

The Company applies two impairment models for financial assets as set out in IFRS 9: the simplified approach and the general approach. The table below indicates the impairment model used for each of the Company's financial asset categories. Impairment losses on financial assets are recognized in the Consolidated Income Statement within the corresponding line items, based on the classification of the counterparty.

| Financial asset | IFRS 9 impairment model |
| --- | --- |
| Trade receivables | Simplified approach |
| Receivables from financing activities | General approach |
| Other receivables | General approach |

In order to test for impairment, individually significant receivables and receivables for which collectability is at risk are assessed individually, while all other receivables are grouped into homogeneous risk categories based on shared risk characteristics such as instrument type, industry or geographical location of the counterparty.

The simplified approach for determining the lifetime ECL allowance is performed in two steps:

- All trade receivables that are in default, as defined above, are individually assessed for impairment; and
- A general reserve is recognized for all other trade receivables (including those not past due) based on historical loss rates.

The Company applies the general approach as determined by IFRS 9 by assessing at each reporting date whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The Company considers receivables to have experienced a significant increase in credit risk when certain quantitative or qualitative indicators have been met or the borrower was more than 30 days past due on its contractual payments.

The "three-stages" for determining and measuring the impairment based on changes in credit quality since initial recognition are summarized below:

| Stage | Description | Time period for measurement of ECL |
|---|---|---|
| Stage 1 | A financial instrument that is not credit-impaired on initial recognition | 12-month ECL |
| Stage 2 | A financial instrument with a significant increase in credit risk since initial recognition | Lifetime ECL |
| Stage 3 | A financial instrument that is credit-impaired or has defaulted | Lifetime ECL |

Considering forward-looking economic information, ECL is determined by projecting the probability of default, exposure at default and loss given default for each future contractual period and for each individual exposure or collective portfolio. The discount rate used in the ECL calculation is the stated effective interest rate or an approximation thereof. Each reporting period, the assumptions underlying the ECL calculation are reviewed and updated as necessary. Since adoption, there have been no significant changes in estimation techniques or significant assumptions that led to material changes in the ECL allowance.

The gross carrying amount of a financial asset is written-off to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determined that a debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities.

***Derivative financial instruments***

Derivative financial instruments are used for economic hedging purposes in order to reduce currency, interest rate and market price risks (primarily related to commodities). In accordance with IFRS 9*,* derivative financial instruments are recognized when we become a party to the contractual provisions of the instrument and, upon initial recognition, are measured at fair value. Subsequent to initial recognition, all derivative financial instruments are measured at fair value. Furthermore, derivative financial instruments qualify for hedge accounting when (i) there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge at inception of the hedge and (ii) the hedge is expected to be effective. If the hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, this ratio must then be rebalanced. Rebalancing consists in adjusting either the designated quantities of the hedged item or the hedging instrument of an already existing hedging relationship.

When derivative financial instruments qualify for hedge accounting, the following accounting treatments apply:

- *Fair value hedges* - where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability attributable to a particular risk that could affect the Consolidated Income Statement, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the Consolidated Income Statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the Consolidated Income Statement.

- *Cash flow hedges* - where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect the Consolidated Income Statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in Other comprehensive income/(loss). When the hedged forecasted transaction results in the recognition of a non-financial asset, the gains and losses previously deferred in Other comprehensive income/(loss) are reclassified and included in the initial measurement of the cost of the non-financial asset. The effective portion of any gain or loss is recognized in the Consolidated Income Statement at the same time as the economic effect arising from the hedged item that affects the Consolidated Income Statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the Consolidated Income Statement immediately.

  When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains and is recognized in the Consolidated Income Statement at the same time as the underlying transaction occurred. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income/(loss) is recognized in the Consolidated Income Statement immediately.

- *Hedges of a net investment* - if a derivative financial instrument is designated as a hedging instrument for a net investment in a foreign operation, the effective portion of the gain or loss on the derivative financial instrument is recognized in Other comprehensive income/(loss). The cumulative gain or loss is reclassified from Other comprehensive income/(loss) to the Consolidated Income Statement upon disposal of the foreign operation.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure the hedge relationships meet the effectiveness requirements (including the existence of an economic relationship between the hedged item and hedging instrument). The Company enters into hedge relationships where the critical terms of the hedging instrument match closely or exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. In the event there was a hedge relationship where the critical terms of the hedged item do not match closely or perfectly with the critical terms of the hedging instrument, the Company would perform a quantitative assessment to assess effectiveness.

Ineffectiveness is measured by comparing the cumulative changes in fair value of the hedging instrument and cumulative change in fair value of the hedged item arising from the designated risk. The primary potential sources of hedge ineffectiveness are mismatches in timing or the critical terms of the hedged item and the hedging instrument.

The hedge ratio is the relationship between the quantity of the derivative and the hedged item. The Company's derivatives have the same underlying quantity as the hedged items, therefore the hedge ratio is expected to be one for one.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the Consolidated Income Statement.

Refer to Note 17, *Derivative financial and operating assets and liabilities*, for additional information on fair value measurements.

**Transfers of financial assets**

The Company derecognizes financial assets when the contractual rights to the cash flows arising from the asset are no longer held or if it transfers substantially all the risks and rewards of ownership of the financial asset. On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the Consolidated Income Statement.

The Company transfers certain of its financial, trade and tax receivables, mainly through factoring transactions. Factoring transactions may be either with recourse or without recourse. Certain transfers include deferred payment clauses requiring first loss cover (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), whereby the transferor has priority participation in the losses, or requires a significant exposure to the variability of cash flows arising from the transferred receivables to be retained. These types of transactions do not meet the requirements of IFRS 9 for the derecognition of the assets since the risks and rewards connected with ownership of the financial asset are not substantially transferred, and accordingly the Company continues to recognize these receivables within the Consolidated Statement of Financial Position and recognizes a financial liability for the same amount under Asset-backed financing, which is included within Debt. These types of receivables are classified as held-to-collect, since the business model is consistent with the Company's continuing recognition of the receivables.

**Inventories**

Raw materials, semi-finished products and finished goods inventories are stated at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis. The measurement of Inventories includes the direct cost of materials and labor as well as indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of production systems construction contracts is based on the stage of completion, which is determined as the proportion of cost incurred at the balance sheet date over the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are recorded in the Consolidated Income Statement in the period in which they are identified.

**Employee benefits**

***Defined contribution plans***

Costs arising from defined contribution plans are expensed as incurred.

***Defined benefit plans***

The Company's net obligations are determined separately for each defined benefit plan by estimating the present value of future benefits that employees have earned and deducting the fair value of any plan assets. The present value of defined benefit obligations is measured using actuarial techniques and actuarial assumptions that are unbiased, mutually compatible and attribute benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.

When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of defined benefit cost are recognized as follows:

- Service cost is recognized in the Consolidated Income Statement by function and is presented within the relevant line items (Cost of revenues, Selling, general and other costs, and Research and development costs);

- Net interest expense on the defined benefit liability/(asset) is recognized in the Consolidated Income Statement within Net financial expenses and is determined by multiplying the net liability/(asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year; and

- Remeasurement components of the net obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the Consolidated Income Statement) and any change in the effect of the asset ceiling are recognized immediately in Other comprehensive income/(loss). These remeasurement components are not reclassified to the Consolidated Income Statement in a subsequent period.

Past service costs arising from plan amendments and curtailments and gains and losses on the settlement of a plan are recognized immediately in the Consolidated Income Statement.

***Other long-term employee benefits***

The Company's obligations represent the present value of future benefits that employees have earned in return for their service. The effects of remeasuring other long-term employee benefits to the present value of future benefits are recognized within the Consolidated Income Statement in the period in which they arise.

**Share-based compensation**

The Company has several compensation plans that provide for the granting of share-based compensation to certain employees and directors. Share-based compensation plans are accounted for in accordance with IFRS 2 -*Share-based Payment*, which requires the recognition of share-based compensation expense based on fair value.

For equity-settled transactions, the cost is determined by the fair value at the date when the grant is determined with reference to the grant-date share price and, where applicable, using a Monte Carlo simulation model. Refer to Note 19, *Share-based compensation,* for additional information.

Share-based compensation expense is recognized within *Selling, general and other costs* within the Consolidated Income Statement, together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled ("vesting period"). The cumulative expense is recognized for equity-settled transactions at each reporting date using the graded vesting method and reflected the Company's best estimate of the number of equity instruments that will ultimately vest. The expense, or credit, in the Consolidated Income Statement for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there were also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards included a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. Any incremental expense between the original grant and the modified grant, measured at the date of modification, is recognized over the modified vesting terms. Where an award is cancelled by the entity or by the counterparty, any unrecognized element of the fair value of the award is expensed immediately through the Consolidated Income Statement.

For cash-settled transactions, a liability is recognized for the fair value measured initially and at each reporting date up to and including the settlement date. The fair value is expensed over the period until the vesting date, with recognition of a corresponding liability. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

**Revenue recognition**

Revenue is recognized when control of the Company's vehicles, services or parts has been transferred and the Company's performance obligations to its customers have been satisfied. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. The timing of when the Company transfers the goods or services to the customer could differ from the timing of the customer's payment. The Company recognizes a contract liability when it invoices an amount to a customer prior to the transfer of the goods or services provided. When the Company gives its customers the right to return eligible goods, the Company estimates the expected returns based on an analysis of historical experiences. Sales, value added and other taxes that the Company collects on behalf of others concurrently with revenue generating activities are excluded from revenue and are recognized within the Other liabilities and the Tax liabilities line items in the Consolidated Statement of Financial Position. Incidental items that are immaterial in the context of the contract are recognized as expense.

The Company also enters into contracts with multiple performance obligations. For these contracts, the Company allocates revenue from the transaction price to the distinct goods and services in the contract on a relative standalone selling price basis. To the extent that the Company sells the good or service separately in the same market, the standalone selling price is the observable price at which the Company sold the good or service separately. For all other goods or services, the Company estimates the standalone selling price using a cost-plus-margin approach.

***Shipments of vehicles and sales of other goods***

The Company has determined that its customers from the sale of vehicles and service parts are generally dealers, distributors, fleet customers or retail customers. Transfer of control, and therefore revenue recognition, generally corresponds to the date when the vehicles or service parts are made available to the customer, or when the vehicles or service parts are released to the carrier responsible for transporting them to the customer. This is also the point at which invoices are issued, with payment for vehicles typically due immediately and payment for service parts typically due in the following month. For component part sales, revenue recognition is consistent with that of service parts. In the case of service parts sold that are expected to be used for repairs under warranty, no revenue is recognized upon shipment. The Company also sells tooling, with control transferring at the point in time when the customer accepts the tooling.

The cost of incentives, if any, is estimated at the inception of a contract at the expected amount that will ultimately be paid and is recognized as a reduction to revenue at the time of the sale. If a vehicle contract transaction has multiple performance obligations, the cost of incentives is allocated entirely to the vehicle as the intent of the incentives is to encourage sales of vehicles. If the estimate of the incentive changes following the sale to the customer, the change in estimate is recognized as an adjustment to revenue in the period of the change. Refer to the *Use of estimates - Sales incentives* for more information on these programs.

New vehicles sales with residual value guarantees provided by the Company are recognized as revenue when control of the vehicle transfers to the customer, except in situations where the Company issues a put option for which there is a significant economic incentive to exercise, as discussed below. Upon recognition of the vehicle revenue, the Company established a liability equal to the estimated amount of any residual value guarantee.

The Company also sells vehicles where, the contract includes a put option whereby the customer may require the Company to repurchase the vehicles. For these types of arrangements, the Company assesses whether a significant economic incentive exists for the customer to exercise its put option. If the Company determines that a significant economic incentive does not exist for the customer to exercise its put option, then revenue is recognized when control of the vehicle transferred to the fleet customer and a liability is recognized equal to the estimated amount of the residual value guarantee if any. If the Company determines that a significant economic incentive exists, then the arrangement is accounted for similarly to a repurchase obligation, as described in *Lease installments from assets sold with buy-back commitments*.

***Other services provided***

Other revenues from services provided are primarily comprised of maintenance plans, extended warranties, and connectivity services, and are recognized over the contract period in proportion to the costs expected to be incurred based on the Company's historical experience. These services are either included in the selling price of the vehicle or separately priced. Revenue for services is allocated based on the estimated stand-alone selling price. Costs associated with these services are deferred and are subsequently amortized to expense consistent with how the related revenue is recognized. The Company had €254 million of deferred costs related to these services at December 31, 2023 (€236 million at December 31, 2022) and recognized €98 million of amortization expense during the year ended December 31, 2023 (€91 million and €58 million during the year ended December 31, 2022 and 2021, respectively).

***Contract revenues***

Revenue from construction contracts, which is comprised of industrial automation systems, included within "Other activities", is recognized as revenue over the contract period in proportion to the costs expected to be incurred based on the Company's historical experience. A loss is recognized if the sum of the expected costs for services under the contract exceeds the transaction price.

***Lease installments from assets sold with buy-back commitments***

Vehicle sales to customers can include a repurchase obligation, whereby the Company is required to repurchase the vehicles at a given point in time. The Company accounts for such sales as an operating lease. Upon the transfer of vehicles to the customer, the Company records a liability equal to the proceeds received within Other liabilities in the Consolidated Statement of Financial Position. The difference between the proceeds received and the guaranteed repurchase amount is recognized as revenue over the contractual term on a straight-line basis. The cost of the vehicle is recorded within Assets sold with a buy-back commitment if the contract term is 12 months or less, and recorded in Property, plant and equipment if the contract term is greater than 12 months. The difference between the cost of the vehicle and the estimated residual value is recognized within Cost of revenues in the Consolidated Income Statement over the contractual term.

***Interest income of financial services activities***

Interest income, which is primarily generated from the Company by providing dealer and retail financing, is recognized using the effective interest method.

**Cost of revenues**

Cost of revenues comprises expenses incurred in the manufacturing and distribution of vehicles and parts. Historically the most significant element is the cost of materials and components and the remaining costs included labor (consisting of direct and indirect wages), transportation costs, depreciation of property, plant and equipment and amortization of other intangible assets relating to production. In addition, expenses which are directly attributable to the consolidated financial services companies, including interest expense related to their financing as a whole and provisions for risks and write-downs of assets, are recorded within Cost of revenues (€563 million, €289 million and €68 million for the years ended December 31, 2023, 2022 and 2021, respectively). Cost of revenues also included €82 million, €31 million and €227 million related to the decrease in value for assets sold with buy-back commitments for the years ended December 31, 2023, 2022 and 2021, respectively. In addition, estimated costs related to product warranty and recall campaigns were recorded within Cost of revenues (refer to the section *Use of estimates* below for further information).

**Government Grants**

Government grants are recognized in the Consolidated Financial Statements when there is reasonable assurance of the Company's compliance with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the same periods as the related costs which they are intended to offset.

Government grants are recognized as a reduction in the cost of the corresponding assets.

A below-market rate of interest loan provided by a government or governmental authority is treated as a government grant. The government grant is measured as the difference between the initial carrying amount of the loans (their fair values, including transaction costs) and the proceeds received.

**Taxes**

Income taxes include all taxes which are based on the taxable profits of the Company. Current and deferred taxes are recognized as a benefit or expense and are included in the Consolidated Income Statement for the period, except for tax arising from (i) a transaction or event which is recognized, in the same or a different period, either in Other comprehensive income/(loss) or directly in Equity, or (ii) a business combination.

Deferred taxes are accounted for under the full liability method. Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax assets are recognized for all deductible temporary differences to the extent that it was probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax assets arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affected neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Company operates that are expected to apply to the period when the asset is realized or liability is settled.

The Company recognizes deferred tax liabilities associated with the existence of a subsidiary's undistributed profits when it is probable that this temporary difference will reverse in the foreseeable future, except when it is able to control the timing of the reversal of the temporary difference. The Company recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized. The Company monitors unrecognized deferred tax assets at each reporting date and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Refer to *Use of estimates - Recoverability of deferred tax assets* for additional detail.

Current income taxes and deferred taxes are offset when they relate to the same taxation jurisdiction and there is a legally enforceable right of offset. Other taxes not based on income, such as property taxes and capital taxes, are included within Cost of revenue, Selling, general and other costs and Research and development costs.

Refer to Note 7**,** *Tax expense/(benefit)*, for additional information on tax expense and deferred tax assets.

**Fair Value Measurement**

Fair value for measurement and disclosure purposes is determined as the consideration that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their own economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In estimating fair value, the Company use market-observable data to the extent it is available. When market-observable data is not available, the Company use valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

IFRS 13 - *Fair Value Measurement* establishes a hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1 inputs include quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company can access at the measurement date. Level 1 primarily consists of financial instruments such as certain held to collect and sell and held to sell securities;

- Level 2 inputs include those which are directly or indirectly observable as of the measurement date. Level 2 instruments include commercial paper and non-exchange-traded derivatives such as over-the-counter currency and commodity forwards, swaps and option contracts, which are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for similar instruments in active markets, quoted prices for identical or similar inputs not in active markets, and observable inputs; and

- Level 3 inputs are unobservable from objective sources in the market and reflect management judgment about the assumptions market participants would use in pricing the instruments. Instruments in this category include non-exchange-traded derivatives such as certain over-the-counter commodity option and swap contracts that are complex or with non-standard clauses.

Refer to Note 24, *Fair value measurement*, for additional information on fair value measurements.

**Use of estimates**

The Consolidated Financial Statements are prepared in accordance with IFRS which requires the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosure of contingent assets and liabilities and the amounts of income and expenses recognized. The estimates and associated assumptions are based on management's best judgment of elements that were known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant.

Estimates and underlying assumptions are reviewed by the Company periodically and when circumstances require. Actual results could differ from the estimates, which would require adjustment accordingly. The effects of any changes in estimates are recognized in the Consolidated Income Statement in the period in which the adjustment is made, or in future periods.

Items requiring estimates for which there is a risk that a material difference could arise in the future in respect of the carrying amounts of assets and liabilities are discussed below.

***Employee Benefits***

The Company provides post-employment benefits for certain of its active employees and retirees, which vary according to the legal, fiscal and economic conditions of each country in which the Company operates and changes periodically. The plans are classified by the Company on the basis of the type of benefit provided as follows: pension benefits, health care and life insurance plans and other post-employment benefits.

The Company provides certain post-employment benefits, such as pension or health care benefits, to their employees under defined contribution plans whereby the Company pays contributions to public or private plans on a legally mandatory, contractual, or voluntary basis. The Company recognizes the cost for defined contribution plans as incurred and classifies this by function within Cost of revenues, Selling, general and other costs, and Research and development costs in the Consolidated Income Statement.

*Pension plans*

The Company sponsored both non-contributory and contributory defined benefit pension plans primarily in the U.S., Canada, the UK and Germany, the majority of which were funded. Non-contributory pension plans cover certain hourly and salaried employees and the benefits are based on a fixed rate for each year of service. Additionally, contributory benefits are provided to certain salaried employees under the salaried employees' retirement plans.

The Company's defined benefit pension plans are accounted for on an actuarial basis, which requires the use of estimates and assumptions to determine the net liability or net asset. The Company estimates the present value of the projected future payments to all participants by taking into consideration parameters of a financial nature such as discount rates, the rate of salary increases and the likelihood of potential future events estimated by using demographic assumptions, which may have an effect on the amount and timing of future payments, such as mortality, dismissal and retirement rates, which are developed to reflect actual and projected plan experience. Mortality rates are developed using Stellantis plan-specific populations where appropriate as well as recent mortality information published by recognized experts in this field such as the U.S. Society of Actuaries and the Canadian Institute of Actuaries and other data where appropriate to reflect actual and projected plan experience. Comparable country specific sources and methods are used for all other countries. The expected amount and timing of contributions is based on an assessment of minimum funding requirements. From time to time, contributions are made beyond those that are legally required.

Plan obligations and costs are based on existing retirement plan provisions. Assumptions regarding any potential future changes to benefit provisions beyond those to which the Company is presently committed are not made. Significant differences in actual experience or significant changes in the following key assumption may affect the pension obligations and pension expense:

- *Discount rates*. The Company's discount rates are based on yields of high-quality (AA-rated) fixed income investments for which the timing and amounts of maturities match the timing and amounts of the projected benefit payments.

The effects of actual results differing from assumptions and of amended assumptions are included in Other comprehensive income/(loss). The weighted average discount rates used to determine the defined benefit obligation for the defined benefit plans were 5.17 percent and 5.14 percent at December 31, 2023 and 2022, respectively.

At December 31, 2023, the effect on the defined benefit obligation of a decrease or increase in the discount rate, holding all other assumptions constant, is as follows:

| | **Effect on pension benefit obligation increase/ (decrease) in Net liability** | **Germany and France** | **UK** | **US and Canada** | **Other** |
|---|---|---|---|---|---|
| | | | (€ million) | | |
| 25 basis point decrease in discount rate | 584 | 100 | 44 | 434 | 6 |
| 25 basis point increase in discount rate | (559) | (95) | (42) | (416) | (6) |

Refer to Note 20, *Employee benefits liabilities,* for additional information on the Company's pension plans.

*Other post-employment benefits*

The Company provides health care, legal, severance, indemnity life insurance benefits and other post-retirement benefits to certain hourly and salaried employees. Upon retirement, these employees may become eligible for a continuation of certain benefits. Benefits and eligibility rules may be modified periodically.

These other post-employment benefits (“OPEB”) are accounted for on an actuarial basis, which requires the selection of various assumptions. The estimation of the Company’s obligations, costs and liabilities associated with OPEB requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events estimated by using demographic assumptions, which may have an effect on the amount and timing of future payments, such as mortality, dismissal and retirement rates, which are developed to reflect actual and projected plan experience, as well as legal requirements for retirement in respective countries. Mortality rates are developed using plan-specific populations, recent mortality information published by recognized experts in this field and other data where appropriate to reflect actual and projected plan experience.

Plan obligations and costs are based on existing plan provisions. Assumptions regarding any potential future changes to benefit provisions beyond those to which the Company are presently committed are not made.

Significant differences in actual experience or significant changes in the following key assumptions may affect the OPEB obligation and expense:

- *Discount rates*. Stellantis’ discount rates are based on yields of high-quality (AA-rated) fixed income investments for which the timing and amounts of maturities matched the timing and amounts of the projected benefit payments.

- *Health care cost trends*. The Company’s health care cost trend assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends.

At December 31, 2023, the effect of a decrease or increase in the key assumptions affecting the health care and life insurance plans, holding all other assumptions constant, is shown below:

| | **Effect on health care, life insurance and OPEB obligation** |
|---|---|
| | **(€ million)** |
| 25 basis point decrease in discount rate | 68 |
| 25 basis point increase in discount rate | (66) |
| 100 basis point decrease in health care cost trend rate | (16) |
| 100 basis point increase in health care cost trend rate | 17 |

Refer to Note 20, *Employee benefits liabilities,* for additional information on the Company’s OPEB liabilities.

***Recoverability of non-current assets with definite useful lives***

Non-current assets with definite useful lives include property, plant and equipment, intangible assets and assets held for sale. Intangible assets with definite useful lives mainly consist of capitalized development expenditures primarily related to the North America and Enlarged Europe segments. The Company periodically reviews the carrying amount of non-current assets with definite useful lives when events or circumstances indicate that an asset may be impaired. The Medium-Term Plan (“MTP”) used to perform the impairment testing covers the period from 2024 to 2026. The recoverability of non-current assets with definite useful lives is based on the estimated future cash flows, using the Company’s MTP of the Cash Generating Units (“CGUs”) to which the assets relate to. The lowest level of asset groups that generate largely independent cash flows is the vehicle platform level, which is considered the CGU for impairment testing. Goodwill is allocated only to the operating segment. As such, the operating segments are the CGU for impairment testing for Goodwill and Intangible assets with indefinite useful lives.

The global automotive industry is experiencing significant change due to increased focus on climate change resulting in evolving regulatory requirements for fuel efficiency, driving electrification as well as changes in fuel efficiency, greenhouse gas emissions and other tailpipe emissions. This is in addition to technological changes, such as electrification and autonomous driving. The Company has announced significant investments in electrification and software which are reflected in the MTP. However, its business plans could change in response to these evolving requirements and technological changes or in relation to any future business plans or strategies developed as part of partnerships and collaborations. As the Company continues to assess the potential impacts of these evolving requirements, technological changes or future plans and strategies, and of operationalizing and implementing the strategic targets set out in the MTP, including reallocation of our resources, the recoverability of certain of the Company's assets or CGUs may be impacted in future periods. For example, product development strategies may be affected by regulatory changes as well as changes in the expected costs of implementing electrification, including the cost of batteries. As relevant circumstances change, the Company expects to adjust its product plans which may result in changes to the expected use of certain of the Company's vehicle platforms and propulsion systems.

These uncertainties may result in either impairments of, or reductions to the expected useful lives of, platforms and propulsion systems, or both. Any change in recoverability would be accounted for at the time such change to the business plan occurs. For the years ended December 31, 2023, 2022 and 2021, the impairment tests performed compared the carrying amount of the assets included in the respective CGUs to their value-in-use. The value-in-use of the CGUs is determined using a discounted cash flow methodology based on estimated pre-tax future cash flows attributable to the CGUs and a pre-tax discount rate reflecting a current market assessment of the time value of money and the risks specific to the CGUs.

During the year ended December 31, 2023, impairment losses of €201 million were recognized, mainly related to impairment of research and development assets in China and India & Asia Pacific, and to impairment of certain platform assets in Enlarged Europe.

During the year ended December 31, 2022, impairment losses of €237 million were recognized, mainly related to Enlarged Europe, primarily in Russia with €43 million related to inventories, €47 million related to tax assets and €47 million related to other assets.

During the year ended December 31, 2021, impairment losses of €309 million were recognized, primarily in relation to the impairment of certain vehicle platforms in the Enlarged Europe segment. These vehicle platforms were legacy platforms on which there are a limited number of models. The impairments are generated mainly as a result of the projections reflected in the MTP used to perform the impairment testing, in which these platforms had reduced volumes and profitability. The impairment loss of €309 million mainly relate to Property, plant and equipment of €137 million and €151 million of capitalized development expenditures.

***Recoverability of Goodwill and Intangible assets with indefinite useful lives***

In accordance with IAS 36 - *Impairment of Assets*, Goodwill and intangible assets with indefinite useful lives are not amortized and are tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired.

Goodwill and intangible assets with indefinite useful lives are allocated to operating segments or to CGUs within the operating segments or other CGUs which represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. The impairment test is performed by comparing the carrying amount (which mainly comprises property, plant and equipment, goodwill, brands, capitalized development expenditures, working capital and reserves) and the recoverable amount of each CGU or group of CGUs to which Goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value-in-use. The balance of Goodwill and intangible assets with indefinite useful lives recognized by the Company primarily relate to the merger with FCA. Goodwill from the merger with FCA is allocated to the North America, South America, Maserati, India and Asia Pacific and Enlarged Europe operating segments. All other Goodwill balances relate primarily to Enlarged Europe, Other activities and to a lesser extent China.

The MTP is used as a basis to perform the Company's annual impairment test for Goodwill and intangible assets with indefinite useful lives.

- The estimate of the recoverable amount for purposes of performing the annual impairment test for each of the operating segments is determined using value-in-use and was based on the following assumptions:
    - The expected future cash flows covering the period from October 1, 2023 through December 31, 2026. These expected cash flows reflect the current expectations regarding economic conditions and market trends as well as the Company's initiatives for the period covered by the projections. These cash flows relate to the respective CGUs in their current condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flow are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and segment, brand and model share for the respective operating segment over the period considered.
    - The expected future cash flows include a normalized terminal period to estimate the future result beyond the time period explicitly considered which incorporated a long-term growth rate assumption of 2.0 percent to 2.2 percent. The growth rate per region is determined by reference to the risk free rate and the rate of inflation considered in the regional discount rate. The long-term AOI margins are set considering the Company's long-term projections for each of the CGUs.
- The estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU that are not reflected in the estimated future cash flows.
- Pre-tax cash flows are discounted using a pre-tax discount rate which reflects the current market assessment of the time value of money for the period being considered, and the risks specific to those cash flows under consideration. The pre-tax Weighted Average Cost of Capital ("WACC") discount rate applied ranged from 11.3 percent to 25.8 percent.

The values estimated as described above are determined to be in excess of the carrying amount for each operating segment or other CGUs to which Goodwill is allocated. As such, no impairment charges were recognized for Goodwill and Intangible assets with indefinite useful lives for the year ended December 31, 2023. No impairment charges were recognized for Goodwill and Intangible assets with indefinite useful lives for the year ended December 31, 2021 and 2022.

***Recoverability of deferred tax assets***

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. The recoverability of deferred tax assets is dependent on the Company's ability to generate sufficient future taxable income in the period in which it is assumed that the deductible temporary differences reverse and tax losses carried forward can be utilized. In making this assessment, the Company considers future taxable income arising based on the most recent business plan. Moreover, the Company estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these deferred tax assets could be recovered. The estimates and assumptions used in the assessment are subject to uncertainty especially related to the Company's future performance as compared to the business plan. Therefore, changes in current estimates due to unanticipated events could have a significant impact on the Consolidated Financial Statements. Refer to Note 7, *Tax expense/ (benefit)* for additional information.

***Sales incentives***

The Company records the estimated cost of sales incentive programs offered to dealers and consumers as a reduction to revenue at the time of sale to the dealer. This estimated cost represents the incentive programs offered to dealers and consumers, as well as the expected modifications to these programs in order to facilitate sales of the dealer inventory. Subsequent adjustments to sales incentive programs related to vehicles previously sold to dealers are recognized as an adjustment to Net revenues in the period the adjustment is determinable.

The Company uses price discounts to adjust vehicle pricing in response to a number of market and product factors, including pricing actions and incentives offered by competitors, economic conditions, the amount of excess industry production capacity, the intensity of market competition, consumer demand for the product and the desire to support promotional campaigns. The Company may offer a variety of sales incentive programs at any given point in time, including cash offers to dealers and consumers and subvention programs offered to customers, or lease subsidies, which reduce the retail customer's monthly lease payment or cash due at the inception of the financing arrangement, or both. Sales incentive programs are generally brand, model and region specific for a defined period of time.

Multiple factors are used in estimating the future incentive expense by vehicle line, including the current incentive programs in the market, planned promotional programs and the normal incentive escalation incurred as the model year ages. The estimated incentive rates are reviewed monthly and changes to planned rates are adjusted accordingly, thereby impacting revenues. As there are a multitude of inputs affecting the calculation of the estimate for sales incentives, an increase or decrease of any of these variables could have a significant effect on Net revenues.

***Product warranties, recall campaigns and product liabilities***

The Company establishes reserves for product warranties at the time the related sale is recognized. The Company issues various types of product warranties under which the performance of products delivered is generally guaranteed for a certain period or term. The accrual for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage, recall actions and buyback commitments. The estimated future costs of these actions are principally based on assumptions regarding the lifetime warranty costs of each vehicle line and each model year of that vehicle line, as well as historical claims experience for the Company's vehicles. In addition, the number and magnitude of additional service actions expected to be approved and policies related to additional service actions are taken into consideration. Due to the uncertainty and potential volatility of these estimated factors, changes in the assumptions used could materially affect the results of operations.

The Company periodically initiates voluntary service and recall actions to address various customer satisfaction as well as safety and emissions issues related to vehicles sold. Included in the reserve is the estimated cost of these service and recall actions. The Company accrues estimated costs for recalls when they are probable of occurring and a reliable estimate of the costs can be made.

Estimates of the future costs of these actions are subject to numerous uncertainties, including the enactment of new laws and regulations, the number of vehicles affected by a service or recall action and the nature of the corrective action. It is reasonably possible that the ultimate cost of these service and recall actions may require the Company to make expenditures in excess of (or less than) established reserves over an extended period of time and in a range of amounts that cannot be reasonably estimated. The estimate of warranty and additional service and recall action obligations is periodically reviewed during the year. Experience has shown that initial data for any given model year can be volatile; therefore, the Company's process relies upon long-term historical averages until sufficient data is available. As actual experience becomes available, it is used to modify the historical averages to ensure that the forecast is within the range of likely outcomes. Resulting accruals are then compared with current spending rates to ensure that the balances are adequate to meet expected future obligations.

In addition, the Company makes provisions for estimated product liability costs arising from property damage and personal injuries including wrongful death, and potential exemplary or punitive damages alleged to be the result of product defects. By nature, these costs can be infrequent, difficult to predict and have the potential to vary significantly in amount. The valuation of the reserve is actuarially determined on an annual basis based on, among other factors, the number of vehicles sold and product liability claims incurred. Costs associated with these provisions are recorded in the Consolidated Income Statement and any subsequent adjustments are recorded in the period in which the adjustment is determined.

### *Litigation*

Various legal proceedings, claims and governmental investigations are pending against the Company on a wide range of topics, including vehicle safety, emissions and fuel economy, competition, tax and securities matters, alleged violations of law, labor, dealer, supplier and other contractual relationships, intellectual property rights, product warranties and environmental matters. Some of these proceedings allege defects in specific component parts or systems (including airbags, seats, seat belts, brakes, ball joints, transmissions, engines and fuel systems), in various vehicle models or allege general design defects relating to vehicle handling and stability, sudden unintended movement or crashworthiness. These proceedings seek recovery for damage to property, personal injuries or wrongful death and in some cases include a claim for exemplary or punitive damages. Adverse decisions in one or more of these proceedings could require the Company to pay substantial damages, or undertake service actions, recall campaigns or other costly actions.

Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Moreover, the cases and claims against the Company are often derived from complex legal issues that are subject to differing degrees of uncertainty, including the facts and circumstances of each particular case, the manner in which the applicable law is likely to be interpreted and applied and the jurisdiction and the different laws involved. A provision is established in connection with pending or threatened litigation if it is probable there would be an outflow of funds and when the amount can be reasonably estimated. If an outflow of funds becomes probable, but the amount cannot be estimated, the matter is disclosed in the notes to the Consolidated Financial Statements. Since these provisions represent estimates, the resolution of some of these matters could require the Company to make payments in excess of the amounts accrued or may require the Company to make payments in an amount or range of amounts that could not be reasonably estimated.

The Company monitors the status of pending legal proceedings and consults with experts on legal and tax matters on a regular basis. As such, the provisions for the Company's legal proceedings and litigation may vary as a result of future developments in pending matters.

### New standards and amendments effective January 1, 2023

The following amendments and interpretations, which were effective from January 1, 2023, were adopted by the Company. The adoption of these amendments did not have a material impact on the Consolidated Financial Statements.

- IFRS 17 - Insurance Contracts, was issued by the IASB in 2017, as a replacement for IFRS 4 – Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The overall objective of IFRS 17 is to provide an accounting model resulting in more consistent accounting and presentation of the impacts of insurance contracts by reporting entities.

  The IFRS 17 measurement model requires that insurance contracts are remeasured in each reporting period. The following components are used to measure the insurance contracts:

  - discounted probability-weighted cash flows;
  - an explicit risk adjustment; and
  - a contractual service margin representing the unearned profit of the contract which is released to the income statement as revenue over the coverage period.

  In addition, IFRS 17 provides for an optional, simplified premium allocation approach for the liability for remaining coverage for contracts with a duration of 12 months of less.

  IFRS 17 was adopted by the Company effective January 1, 2023. The adoption of IFRS 17 did not have a material impact on the Consolidated Financial Statements. While the Company does issue insurance and reinsurance contracts through certain financial services subsidiaries, the assets and liabilities of these operations are not considered to be material to warrant separate disclosure in the Consolidated Statement of Financial Position.

The insurance contract liabilities are presented within Current and Non-current provisions, while the insurance contract assets are presented within Current financial assets in the Consolidated Statement of Financial Position.

- In February 2021, the IASB issued amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Change in Accounting Estimates and Errors. The amendments to IAS 1 require companies to disclose their material accounting policies rather than their significant accounting policies, including providing guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments to IAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

- In May 2021, the IASB issued targeted amendments to IAS 12, the IFRS Standard on income taxes, to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. IAS 12 Income Taxes specifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

- In May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 to provide relief to entities impacted by the Base Erosion and Profit Sharing Pillar Two model rules. The amendments aim to avoid diverse interpretations of IAS 12 Income Taxes developing in practice, and to improve the information provided to users of financial statements before and after Pillar Two legislation comes into effect. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. The amendments also include disclosure requirements to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception was effective immediately upon issuance of the amendment, while the disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

**New standards and amendments not yet effective**

The following new standards and amendments were issued by the IASB. We will comply with the relevant guidance no later than their respective effective dates:

- In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1), which affects the requirements in IAS 1 for the presentation of liabilities, including clarifying one of the criteria for classifying a liability as non-current. In October 2022, the IASB issued an amendment to further clarify that covenants of loan arrangements, which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity’s reporting date. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier adoption permitted. We do not expect a material impact on our Consolidated Financial Statements or disclosures upon adoption of the amendment.

- In September 2022, the IASB issued a narrow-scope amendment to IFRS 16 - Leases, which adds to the requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. We are currently evaluating the impact of adoption.

- In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, addressing the presentation of liabilities and the associated cash flows arising out of supplier finance arrangements. The disclosure requirements in the amendments enhance the current requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. We are currently evaluating the impact of adoption.

- In August 2023, the IASB issued amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates that will require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier adoption permitted. We are currently evaluating the impact of adoption.

## 3. Scope of consolidation

The following table sets forth a list of the principal subsidiaries of the Company, which are grouped by reportable segments, as well as listing of companies within Other activities.

| Name | Country | Percentage Interest Held |
|---|---|---|
| **North America** | | |
| FCA US LLC | USA | 100.00 |
| FCA Canada Inc. | Canada | 100.00 |
| Stellantis Mexico, S.A. de C.V. | Mexico | 100.00 |
| **South America** | | |
| FCA Fiat Chrysler Automoveis Brasil Ltda. | Brazil | 100.00 |
| FCA Automobiles Argentina S.A. | Argentina | 100.00 |
| Peugeot Citroën Argentina S.A. | Argentina | 99.96 |
| **Enlarged Europe** | | |
| Stellantis Europe S.p.A. | Italy | 100.00 |
| Automobiles Peugeot | France | 100.00 |
| Automobiles Citroën | France | 100.00 |
| Opel Automobile GmbH | Germany | 100.00 |
| Groupe PSA Italia S.p.A. | Italy | 100.00 |
| Stellantis & You France S.A.S. | France | 100.00 |
| Stellantis Auto S.A.S. | France | 100.00 |
| FCA Germany GmbH | Germany | 100.00 |
| Stellantis España, S.L. | Spain | 99.99 |
| Vauxhall Motors Limited | United Kingdom | 100.00 |
| FCA France S.A.S. | France | 100.00 |
| Peugeot Motor Company PLC | United Kingdom | 100.00 |
| Stellantis & You UK Limited | United Kingdom | 100.00 |
| Peugeot Deutschland GmbH | Germany | 100.00 |
| Stellantis & You Italia S.p.A. | Italy | 100.00 |
| Stellantis Nederland B.V. | Netherlands | 100.00 |
| Citroën Deutschland GmbH | Germany | 100.00 |
| Citroën UK Ltd | United Kingdom | 100.00 |
| FCA Poland S.p.z.o.o. | Poland | 100.00 |

| | | |
|---|---|---|
| **Middle East & Africa** | | |
| Stellantis Middle East FZE | United Arab Emirates | 100.00 |
| Stellantis Otomotiv Pazarlama Anonim Sirketi | Turkey | 100.00 |
| **China and India & Asia Pacific** | | |
| Stellantis Japan Ltd. | Japan | 100.00 |
| Fiat India Automobiles Private Limited | India | 50.00 |
| **Maserati** | | |
| Maserati S.p.A. | Italy | 100.00 |
| Maserati (China) Cars Trading Co., Ltd. | People's Rep.of China | 100.00 |
| Maserati North America Inc. | USA | 100.00 |
| **Financial Services** | | |
| Stellantis Financial Services Europe S.A. | France | 100.00 |
| Stellantis Automotive Finance Co. Ltd. | People's Rep.of China | 100.00 |
| Stellantis Financial Services US Corp. | USA | 100.00 |
| Banco Stellantis S.A. | Brazil | 100.00 |
| Fidis S.p.A. | Italy | 100.00 |
| **Holdings & Other Companies** | | |
| FCA North America Holdings LLC | USA | 100.00 |
| GIE PSA Trésorerie | France | 100.00 |
| Fiat Chrysler Finance North America, Inc. | USA | 100.00 |
| FCA US Insurance Company | USA | 100.00 |
| Fiat Chrysler Finance S.p.A. | Italy | 100.00 |
| Stellantis International S.A. | Switzerland | 100.00 |

Local regulation allows for exemption from local statutory requirements according to sec. 264 of the German Commercial Code and the Company has applied such exemption for the following legal entities: Citroën Deutschland GmbH, Stellantis Germany GmbH, Peugeot Deutschland GmbH, Opel Group Warehousing GmbH, FCA Germany GmbH, Share Now GmbH, Stellantis & You Deutschland GmbH, Opel Eisenach GmbH and Free2Move Germany GmbH.

**Acquisitions**

In December 2022, Stellantis acquired 100 percent of aiMotive, an artificial intelligence company specializing in autonomous driving. This acquisition enhances Stellantis’ artificial intelligence and autonomous driving core technology, expands its global talent pool, and boosts the mid-term development of the Stellantis AutoDrive platform which is part of the Dare Forward 2030 strategic plan. The total consideration was €240 million, paid in cash at closing. As of December 31, 2022, the preliminary purchase price allocation was not completed due to the proximity of the acquisition date to the year end. The net assets acquired amounted to €11 million resulting in a preliminary goodwill of €229 million. During the twelve months ended December 31, 2023, the goodwill has been revised to €172 million. The revised net assets acquired are €67 million, reflecting the recognition of additional intangible assets in relation to the technology acquired. aiMotive is included within Other activities. The following table shows the assets and liabilities acquired. The amounts reported are final.

| (€ million) | | At December 22, 2022 |
|---|---|---|
| Goodwill | € | 172 |
| Other intangible assets | | 87 |
| Other assets | | 13 |
| **Total assets** | **€** | **272** |
| **Total equity** | **€** | **239** |
| Long-term debt and Short term debt and current portion of long-term debt | | 21 |
| Other liabilities | | 12 |
| **Total equity and liabilities** | **€** | **272** |

In line with our Dare Forward 2030 goals of embracing breakthrough ideas to offer innovative, clean mobility, in January 2023, Stellantis announced an expansion of its partnership with Archer Aviation Inc. This included manufacturing assistance services in both technology and personnel to manufacture an electric vertical take-off and landing aircraft. In addition, the January 2023 agreements contain commitments for Stellantis to provide funding up to €138 million ($150 million) in equity capital of which €89 million ($95 million) was invested by Stellantis as of December 31, 2023. The remaining funding is contingent on certain milestone achievements and can be drawn by Archer at its discretion once the applicable milestones have been met. Archer issued equity warrants to Stellantis of 15 million Archer shares at an exercise price of $0.01 per share which vest at specific dates between 2024 and 2026. At December 31, 2023, Stellantis owned 10.1 percent of the Archer share capital and controlled 4.5 percent of Archer voting rights. In accordance with IAS 28 - *Investments in associates and joint ventures*, significant influence is demonstrated by a combination of factors, including board representation, the funding commitments referenced above and Archer's reliance on Stellantis` manufacturing expertise. As a result, we have accounted for Archer as an associate under the equity method from January 2023 and is reported in Other activities. During the year ended December 31, 2023, Stellantis increased its shareholding in Archer through open market stock purchases and capital injections of €103 million.

In December 2021, Stellantis announced the creation of SiliconAuto, a joint venture with Foxconn for the design, development and production of semiconductors, a key component for automotive vehicles. Consideration of €70 million for a 50 percent share was paid in June 2023. This is accounted for as an equity method investment and is reported in Other activities.

Within the South America segment, we announced in February 2023, an investment into 360 Energy S.A., a green energy company, currently producing renewable energy through solar panels, which will provide Stellantis preferential rights to purchase energy at discounted prices as part of our climate-related commitments. Total consideration of €93 million ($100 million) representing a 49.5 percent interest was paid. This is accounted for as an associate under equity method investment.

In December 2022, Stellantis announced its intention to acquire a substantial stake in Symbio, a hydrogen fuel cell company which will contribute to the Company's Dare Forward 2030 goal of expansion in this technology. The binding agreement was signed in July 2023 for a 33.3 percent interest with Forvia and Michelin as equal shareholders. Consideration of €300 million was paid, which includes a shareholder loan of €58 million. This is accounted for as an equity method investment as a joint venture and is reported in the Enlarged Europe segment.

In July 2023, Stellantis entered into an agreement with other automakers to establish Ionna, which will develop a new, high-speed charging infrastructure for battery electric passenger vehicles in the U.S. and Canada. The Company is committed to pay up to €199 million ($220 million) in equity capital contributions over the term of the agreement, providing a 16.7 percent equity in the newly formed legal entity. In November 2023, Stellantis paid an initial capital contribution of €6 million ($6 million) and the arrangement is accounted for as an equity method investment and is reported under the North America segment.

In July 2023, Stellantis paid €393 million as a contribution of capital to NextStar Energy Inc. for 49 percent of its equity. NextStar Energy Inc. is a joint venture with LG Energy Solution Ltd for the production of batteries in Canada which is accounted for as an equity method investment and is reported in North America segment.

In November 2023, Stellantis paid €1.4 billion for an equity investment representing approximately 21 percent equity in Zhejiang Leapmotor Technology Co. Ltd, a Chinese new energy vehicle OEM. The investment is accounted for as an equity method investment and reported in China and India & Asia Pacific segment. In addition, a joint venture, called Leapmotor International, will be created in 2024 with ownership by Stellantis of 51 percent and by Leapmotor of 49 percent, subject to regulatory approvals. Stellantis will control and consolidate the joint venture. The joint venture will have exclusive rights for export and sale, as well as manufacturing of Leapmotor products outside of Greater China.

**Disposals**

In December 2021, Stellantis announced the reorganization of its leasing activities in Europe with the intention to create a European multi-brand operational leasing company with CACF, (with each of Stellantis and CACF holding a 50 percent interest) that would result from the combination of the leasing activities of Leasys and the activities of Free2Move Lease ("F2ML"), a business unit created within the former Groupe PSA and which aims to develop the B2B long-term leasing activity. In addition, the joint ventures with BNP Paribas Personal Finance ("BNPP PF") and Group Santander Consumer Finance ("SCF") were reorganized so the joint ventures with BNPP PF operate the financing activities in Germany, Austria and in the UK and joint ventures with SCF operating financing activities in France, Italy, Spain, Belgium, Poland, the Netherlands and through a commercial agreement with SCF in Portugal. The joint ventures' financing activities covers all Stellantis brands. The binding agreements governing this reorganization were signed on March 31, 2022 between Stellantis and each of BNP Paribas Personal Finance, Crédit Agricole Consumer Finance and Santander Consumer Finance.

As a result of the reorganization described above, in December 2022, Leasys was transferred from FCA Bank to LeaseCo, a joint venture held 50 percent by both Stellantis and CACF. LeaseCo was established as the new multi-brand operational leasing company then renamed to Leasys SAS, and includes the lease brand, Free2move. At December 31, 2022, the equity investment in FCA Bank met the criteria to be classified as held for sale under IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. At December 31, 2022, our investment in FCA Bank was written down to approximately €1,700 million, with the loss of €133 million recognized within Share of the profit/(loss) of equity method investees on the Consolidated Income Statement.

In April 2023, Stellantis completed the sale of the 50 percent interest held in FCA Bank to CACF for net consideration of €1,581 million of which €1,566 million related to industrial activities and €15 million related to financial services. An additional consideration of €68 million was subsequently received as earn-out. The total net consideration is comprised of €1,090 million cash and a credit linked note issued by FCA Bank with fair value at inception of €906 million and a residual amount of €559 million at December 31, 2023 after partial repayment. On disposal of the holding in FCA Bank, Stellantis recorded a loss on disposal of €38 million, which was reported in the Consolidated Income Statement in Gains/(losses) of disposal on investments. Also in April 2023 and in relation to the transfer of leasing activities to LeaseCo, payments of €38 million and €64 million were made to SCF and CACF, respectively, for compensation related to loss of future earnings and transfer of risks associated with the lease businesses transferred. These amounts were recognized in our Consolidated Income Statement in Selling, general and other costs.

In April 2023, Stellantis completed the disposal of Teksid's cast iron production legal entities in Mexico and the U.S. to Cummins Inc. Consideration of €136 million was received and a gain on sale of €34 million was reported in the Consolidated Income Statement in Gains/(losses) of disposal on investments. This was previously reported within Other activities.

As of December 31, 2023, Stellantis has concluded it no longer has joint control of either DPCA or DPCS, and as a result accounts for its interest as a financial asset under IFRS 9.

As of December 31, 2023, Stellantis has concluded it has lost control of its entities in Russia as it no longer has power over these entities. As a result, the entities have been deconsolidated and Stellantis recognized a loss of €144 million in Gains/(losses) on disposals of investments, primarily consisting of cash and cash equivalents and other assets of €125 million, trade payables and other liabilities of €93 million and cumulative translation adjustments in Other comprehensive income of €(112) million.

During the year ended December 31, 2023, there were various minor business disposals with assets of €127 million and liabilities of €34 million.

**Held for sale**

At December 31, 2023, there were various businesses which met the criteria under IFRS 5 to be classified as held for sale with assets of €763 million and liabilities of €332 million of which €656 million of assets and €332 million of liabilities relates to Stellantis Otomotiv Pazarlama Anonim Sirketi.

As of December 31, 2022, the equity investment in FCA Bank met the criteria to be classified as held for sale under IFRS 5, Non-current Assets Held for Sale and Discontinued Operations which was disposed of in 2023. Refer to Note 3, *Scope of consolidation: disposals* for additional information.

**GAC-Stellantis JV**

In January 2022, Stellantis announced a plan to increase its shareholding in GAC-Stellantis JV from 50 percent to 75 percent. Due to lack of progress in the previously announced plan for Stellantis to take a majority share in GAC-Stellantis JV, Stellantis is cooperating with GAC Group in an orderly termination of the joint venture. Stellantis will focus on distributing imported vehicles for the Jeep brand in China through an asset-light approach. As a result, Stellantis fully impaired the equity method investment in GAC-Stellantis JV of €126 million in the six months ended June 30, 2022. In addition, impairments were recognized for the loans granted to GAC-Stellantis JV of €106 million, €48 million related to trade receivables, as well as, €16 million primarily related to capitalized development expenditures. These amounts are recognized in Results from equity method investments. The GAC-Stellantis JV filed for bankruptcy and the filing was accepted by the local court in November 2022. The bankruptcy administrator was appointed in March 2023. The first creditors' meeting took place in July 2023.

**Merger of Groupe PSA and FCA**

***Timeline of the merger and business combination date***

On December 17, 2019, FCA and PSA entered into a combination agreement providing for the combination of FCA and PSA through a cross-border merger, with FCA as the surviving legal entity in the merger ("Stellantis").

On September 14, 2020, FCA and PSA agreed to amend the combination agreement. According to the combination agreement amendment, the FCA Extraordinary Dividend, to be paid to former FCA shareholders was reduced to €2.9 billion, with PSA's 46 percent stake in Faurecia planned to be distributed to all Stellantis shareholders promptly after closing following approval of the Stellantis board and shareholders.

On January 4, 2021, PSA and FCA held their respective extraordinary general shareholder meetings in order to, among other matters, approve the merger transaction. The respective shareholder meetings approved the merger. Following the respective shareholder approvals and receipt of the final regulatory clearances, FCA and PSA completed the legal merger. The conditions agreed to as part of the regulatory clearance will not have a material impact on the cash flows or financial positions for Stellantis.

On January 17, 2021, the board of directors was appointed, the Stellantis articles of association became effective and the combined company was renamed Stellantis. On this date, the Stellantis management and board of directors collectively obtained the power and the ability to control the assets, liabilities and operations of both FCA and PSA. As such, under IFRS 3, January 17, 2021 is the acquisition date for the business combination (see the following paragraph "Accounting for the merger and Identification of the accounting acquirer" for further details on the accounting for the transaction).

On January 29, 2021, the approximately €2.9 billion extraordinary dividend was paid to holders of FCA common shares of record as of the close of business on Friday, January 15, 2021.

On March 22, 2021, the distribution by Stellantis to the holders of its common shares was completed of 53,130,574 ordinary shares of Faurecia and €302 million which are the proceeds received by PSA in November 2020 from the sale of ordinary shares of Faurecia, both net of shares and cash retained to serve the General Motors ("GM") Warrants.

***Primary reasons for the business combination***

The following are the primary reasons for the merger:

- A New Industry Leader with resilience. The merger created a global automaker and mobility provider, with a balanced and profitable global presence with a portfolio covering all key vehicle segments;

- Greater Geographic Balance. The merger added scale and substantial geographic balance through leveraging FCA's strength in North America and Latin America with PSA's position in Europe, as well as creating opportunities to reshape the strategy in other geographic regions, primarily China;

- Stronger Platform for Innovation. The combined group is expected to be able to leverage its capabilities in new energy vehicles, sustainable mobility, autonomous driving and connectivity; and

- Synergies. The merger synergies are planned to be achieved in the following four areas: technology, platforms and products, purchasing, selling, general and administrative expenses (SG&A) and all other functions, such as logistics, supply chain, quality and after-market operations.

***Accounting for the merger and identification of the accounting acquirer***

The merger has been accounted for by Stellantis using the acquisition method of accounting in accordance with IFRS 3, which requires the identification of the acquirer and the acquiree for accounting purposes. Based on the assessment of the indicators under IFRS 3 and consideration of all pertinent facts and circumstances, management determined that PSA was the acquirer for accounting purposes and as such, the merger has been accounted for as a reverse acquisition. In identifying PSA as the acquiring entity, notwithstanding that the merger was effected through an issuance of FCA shares, the most significant indicators were (i) the composition of the combined group's board, which is composed of eleven directors, six of whom were to be nominated by PSA, PSA shareholders or PSA employees, or were current PSA executives, (ii) the combined group's first CEO, who was vested with the full authority to individually represent the combined group, and was the president of the PSA Managing Board prior to the merger, and (iii) the payment of a premium by pre-merger shareholders of PSA.

***Computation of the consideration transferred***

PSA shareholders received 1.742 FCA common shares for each PSA ordinary share held immediately prior to the merger as consideration in connection with the merger, which represented 1,545,220,196 shares. However, as required by IFRS 3, the consideration transferred is calculated as if PSA, as the accounting acquirer, issued shares to the shareholders of the accounting acquiree, FCA. The value of the consideration transferred has been measured based on the closing price of PSA's shares of €21.85 per share on January 15, 2021, which was the final share price of PSA prior to the acquisition date. The number of PSA shares that PSA is deemed to issue to FCA shareholders under reverse acquisition accounting provides the former FCA shareholders with the same ownership in the combined group as obtained in the merger. Based on the number of shares of FCA and PSA that are issued and outstanding as of January 16, 2021, the respective percentages of ownership of PSA and the former FCA shareholders are as follows:

| | Number of shares issued and outstanding as of January 16, 2021 | Exchange ratio | Adjusted number of shares on completion (i.e. Stellantis shares) | | Exchange ratio | Deemed number of shares for consideration transferred calculation | |
|---|---|---|---|---|---|---|---|
| | (a) | (b) | (c) = (a)*(b) | | (d) | (e) = (c)/(d) | |
| PSA | 887,038,000 [(1)] | 1.742 | 1,545,220,196 | 49.53 % | 1.742 | 887,038,000 | 49.53 % |
| FCA | 1,574,714,499 [(2)] | 1 | 1,574,714,499 | 50.47 % | 1.742 | 903,969,288 | 50.47 % |
| Total | | | **3,119,934,695** | | | **1,791,007,288** | |

*(1) Number of shares as of January 16, 2021, net of 7,790,213 treasury shares*
*(2) The number of shares as of January 16, 2021 includes 7,195,225 shares that vested during 2020 in connection with FCA's Equity Incentive Plan*

In addition to the above, in line with the guidance in IFRS 2 - Share-based payment and IFRS 3 - Business combinations, included within consideration transferred is a portion of the fair value of the share-based awards to former FCA employees. As a result of the merger, each outstanding FCA Performance Share Units ("PSU") award and each outstanding FCA Restricted Stock Units ("RSU") award has been replaced by Stellantis RSU awards, which will continue to be governed by the same terms and conditions, including service-based vesting terms. Both the FCA PSU Adjusted EBIT and PSU Total Shareholder Return ("TSR") awards were deemed to be satisfied at target upon conversion to Stellantis RSU awards. The portion of the fair value of the share-based payment awards that is included in the consideration transferred has been determined by multiplying the fair value of the original FCA awards as of January 16, 2021 by the portion of the requisite service period that elapsed prior to the merger divided by the total service period.

The computation of the consideration transferred under reverse acquisition accounting is summarized as follows:

| | | | |
|---|---|---|---|
| Number of shares of PSA deemed to be issued to FCA shareholders under reverse acquisition accounting | Number of shares | | 903,969,288 |
| Market price of PSA shares as of January 15, 2021 | € | € | 21.85 |
| **Fair value of common shares deemed to be issued to FCA shareholders as of January 15, 2021** | **€ million** | | **19,752** |
| Additional consideration for share-based compensation | € million | | 85 |
| **Consideration transferred** | **€ million** | **€** | **19,837** |

***Calculation of Goodwill***

Goodwill arising from the acquisition was determined as follows:

| (€ million) | **At the acquisition date (January 17, 2021)** |
|---|---|
| Consideration transferred | 19,837 |
| Add: minority interests | 59 |
| Less: fair value of FCA's Net assets acquired | 8,390 |
| **Goodwill** | **11,506** |

Goodwill recognized on the acquisition relates to the expected growth, synergies, know-how and the value of FCA's workforce, which cannot be separately recognized as an intangible asset. This goodwill has been allocated to the Company's operating segments and is not expected to be deductible for tax purposes.

***Purchase Accounting***

The IFRS 3 acquisition method of accounting applies the fair value concepts defined in IFRS 13 - *Fair Value Measurement* ("IFRS 13") and requires, among other things, the assets acquired and the liabilities assumed in a business combination to be recognized by the acquirer at their fair values as of the acquisition date, with certain exceptions. As a result, the acquisition method of accounting has been applied and the assets and liabilities of FCA have been recorded at their respective fair values, with limited exceptions as permitted by IFRS 3. The excess of the consideration transferred over the fair value of FCA's assets acquired and liabilities assumed has been recorded as goodwill. PSA's assets and liabilities together with PSA's operations will continue to be recorded at their pre-merger historical carrying values for all periods presented in the consolidated financial statements of Stellantis. Following the completion of the merger, the earnings of the combined group reflect the impacts of purchase accounting adjustments, including changes in amortization and depreciation expense for acquired assets.

The identifiable assets acquired and identifiable liabilities assumed of FCA, as detailed below, have been measured at their acquisition date (January 17, 2021) fair value, with limited exceptions as permitted by IFRS 3. The fair values assigned to the assets acquired and liabilities assumed are final.

| (€ million) | | At the acquisition date (January 17, 2021) |
|---|---|---|
| **Assets** | | |
| Intangible assets with indefinite useful lives | € | 12,797 |
| Other intangible assets | | 8,256 |
| Property, plant and equipment | | 20,667 |
| Equity method investments | | 2,637 |
| Non-current financial assets | | 320 |
| Other non-current assets | | 3,833 |
| **Total Non-current assets** | | **48,510** |
| Inventories | | 9,333 |
| Assets sold with a buy-back commitment | | 812 |
| Trade receivables | | 1,970 |
| Other current assets and prepaid expenses | | 4,408 |
| Current financial assets | | 502 |
| Cash and cash equivalents | | 22,514 |
| **Total Current assets** | | **39,539** |
| **Total Assets** | **€** | **88,049** |
| | | |
| **Liabilities** | | |
| Long-term debt | € | 18,362 |
| Other non-current financial liabilities | | 269 |
| Other non-current liabilities | | 5,386 |
| Non-current provisions | | 5,452 |
| Employee benefits liabilities | | 8,181 |
| **Total Non-current liabilities** | | **37,650** |
| Short-term debt and current portion of long-term debt | | 4,052 |
| Current provisions | | 7,540 |
| Employee benefits liabilities | | 595 |
| Trade payables | | 20,302 |
| Other current financial liabilities | | 159 |
| Other current liabilities | | 9,361 |
| **Total Current liabilities** | | **42,009** |
| **Total Liabilities** | | **79,659** |
| **Net assets acquired** | **€** | **8,390** |

*Intangible assets*

The fair value of brands (Jeep, Ram, Dodge, Fiat, Maserati, Alfa Romeo and Mopar) was determined through an income approach based on the relief from royalty method, which requires an estimate of future expected cash flows. The useful life associated with the brands is determined to be indefinite.

For capitalized development expenditures, fair values have been assessed according to a multi-criteria approach based on relief from royalty method and an excess-earning method. The fair value for the Dealer network has been assessed using the replacement cost method.

*Property, plant and equipment*

The fair value of property, plant and equipment was determined primarily through the replacement cost method, which requires an estimation of the physical, functional and economic obsolescence of the related assets. A market approach, which requires the comparison of the subject assets to transactions involving comparable assets, was applied to determine the preliminary fair value of land. The fair value of certain assets was determined through an income approach.

*Equity method investments*

The fair value of equity method investments was determined based on quoted market prices, where available, or through a combination of the dividend discount model, the trading multiples method and the regression analysis method.

*Deferred taxes*

Deferred tax assets and liabilities were calculated on the fair values using the statutory tax rates applicable in the relevant jurisdictions where the related temporary differences are expected to reverse in future periods. Recognized deferred tax assets were limited to the amount of deferred tax liabilities and taxable profits expected in the foreseeable future. The tax impacts which are directly linked to the merger and migration of Stellantis N.V. tax residency from the UK to the Netherlands have been reflected in goodwill.

*Inventories*

The fair value of work-in-process and finished goods Inventories was determined as the estimated selling prices, less the sum of (i) the cost to complete work-in-process, (ii) the cost of disposal, (iii) a reasonable profit allowance for the selling effort, (iv) an implied brand royalty charge and (v) holding costs. The book value of certain precious metals has been adjusted to reflect their respective fair values using market prices as of the merger date. The book value of all other raw materials, which are measured at the lower of cost and net realizable value and which have a high turnover, are considered to approximate fair value.

*Financial liabilities*

Fair value of financial liabilities were based on quoted market prices for listed debt and based on discounted cash flow models for debt that is not listed.

The acquired lease liability was measured using the present value of the remaining lease payments at the acquisition date. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the terms of certain leases relative to market terms.

*Employee benefits*

The present value of defined benefit obligations has been measured using actuarial techniques and actuarial assumptions by using the Projected Unit Credit Method. Plan assets have been measured at fair value.

*Trade receivables and Receivables from financing activities*

Included within the identifiable assets acquired were trade receivables with a fair value of €1,970 million and gross contractual amount of €2,181 million, of which €211 million was not expected to be collected. Included within the identifiable assets acquired were receivables from financing activities with a fair value of €1,888 million and gross contractual amount of €1,903 million, of which €15 million was not expected to be collected.

*Contingent liabilities*

As a result of the acquisition an incremental contingent liability of €163 million has been recognized for the potentially higher CAFE penalty base rate on vehicle shipments prior to the merger date. Refer to Note 26, *Guarantees granted, commitments and contingent liabilities* for additional information.

Although the specific timing of any outflow is uncertain, as a result of the acquisition, we have also recognized €141 million of contingent liabilities related to various matters, which are primarily related to indirect tax matters in Brazil.

*Pro forma impact on revenues and net profit*

From the acquisition date to December 31, 2021, the acquired business of FCA contributed revenues of approximately €100 billion and net profit of approximately €9 billion to the Company. If the acquisition had occurred on January 1, 2021, the Company's consolidated revenues and consolidated net profit after tax for the year ended December 31, 2021 would have been €152 billion and €14 billion respectively.

***Faurecia distribution and deconsolidation***

Following agreement between FCA and PSA, PSA announced on October 29, 2020 the sale of approximately 9.7 million ordinary shares of Faurecia, representing approximately 7 percent of Faurecia's outstanding share capital, with proceeds of approximately €308 million. This sale was recorded as a transaction with non-controlling interests. According to the combination agreement amendment, PSA's 39.34 percent stake in Faurecia as well as the proceeds from the 7 percent sale were intended to be distributed to all Stellantis shareholders promptly after the closing of the merger. At December 31, 2020, Faurecia continued to be consolidated within continuing operations of PSA's consolidated financial statements, as PSA concluded that Faurecia was not readily available for distribution until the merger was approved by PSA and FCA shareholders.

On January 12, 2021, PSA (i) converted the manner in which it held its remaining Faurecia ordinary shares resulting in the loss of the double voting rights attached to such Faurecia ordinary shares and (ii) caused its representatives on the board of directors of Faurecia to resign effective January 11, 2021. As a result of its loss of control over Faurecia on January 12, 2021, PSA discontinued the consolidation of Faurecia, recognizing a gain of €515 million after tax, with Faurecia being reported retrospectively as a discontinued operation in 2021 until Faurecia was distributed by Stellantis in March 2021. The remaining 39.34 percent investment in Faurecia has been accounted for as an investment in a non-consolidated entity measured at fair value under IFRS 9. During the year ended December 31, 2021, a gain of €475 million after tax was recognized up to the distribution.

On January 25, 2021, the extraordinary general meeting of shareholders ("EGM") was convened, in order to approve the distribution by Stellantis to the holders of its common shares of up to 54,297,006 ordinary shares of Faurecia and up to €308 million which are the proceeds received by PSA in November 2020 from the sale of ordinary shares of Faurecia. The EGM was held on March 8, 2021 and the distribution occurred on March 22, 2021 resulting in 53,130,574 ordinary shares of Faurecia and €302 million in cash distributed.

The operating results of Faurecia during the period from January 1, 2021 to its deconsolidation on January 11, 2021 were not material and the loss of control was treated as having taken place on January 1, 2021.

## 4. Net revenues

Net revenues were as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Revenues from: | | | |
| Shipments of vehicles and sales of other goods | € 183,230 | € 173,718 | € 144,559 |
| Other services provided | 4,018 | 3,786 | 3,112 |
| Construction contract revenues | 709 | 779 | 602 |
| Lease installments from assets sold with a buy-back commitment | 896 | 849 | 994 |
| Interest income of financial services activities | 691 | 460 | 152 |
| **Total Net revenues** | **€ 189,544** | **€ 179,592** | **€ 149,419** |

Net revenues by geographical area were as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Net revenues in: | | | |
| North America[1] | € 88,466 | € 87,283 | € 68,885 |
| France | 18,079 | 16,365 | 15,421 |
| Brazil | 13,742 | 11,363 | 7,607 |
| Italy | 11,790 | 10,840 | 10,065 |
| Germany | 10,467 | 9,046 | 7,891 |
| United Kingdom | 8,380 | 7,348 | 6,106 |
| Turkey | 6,187 | 3,110 | 2,294 |
| Spain | 5,147 | 5,307 | 4,428 |
| Belgium | 2,533 | 2,552 | 2,214 |
| Netherlands | 1,577 | 1,376 | 1,192 |
| Argentina | 1,524 | 2,735 | 1,961 |
| Japan | 1,377 | 1,152 | 1,174 |
| Portugal | 1,335 | 1,138 | 917 |
| Poland | 1,204 | 1,230 | 1,273 |
| China | 1,141 | 1,811 | 2,013 |
| Algeria | 1,079 | 277 | 192 |
| Switzerland | 930 | 763 | 1,160 |
| Austria | 812 | 801 | 1,085 |
| Other countries | 13,774 | 15,095 | 13,541 |
| **Total Net revenues** | **€ 189,544** | **€ 179,592** | **€ 149,419** |

*(1) Refers to the geographical area and not our North America reporting segment*

Net revenues attributed by segment for the years ended December 31, 2023, 2022 and 2021 were as follows:

| **2023** | **North America** | **Enlarged Europe** | **Middle East & Africa** | **South America** | **China and India & Asia Pacific** | **Maserati** | **Other activities** | **Total** |
|---|---|---|---|---|---|---|---|---|
| | | | | (€ million) | | | | |
| Revenues from: | | | | | | | | |
| Shipments of vehicles and sales of other goods | € 85,238 | € 63,961 | € 10,487 | € 15,638 | € 3,463 | € 2,276 | € 2,167 | € 183,230 |
| Other services provided | 1,260 | 1,587 | 73 | 510 | 63 | 59 | 466 | 4,018 |
| Construction contract revenues | — | — | — | — | — | — | 709 | 709 |
| **Revenues from goods and services** | **86,498** | **65,548** | **10,560** | **16,148** | **3,526** | **2,335** | **3,342** | **187,957** |
| | | | | | | | | |
| Lease installments from assets sold with a buy-back commitment | — | 896 | — | — | — | — | — | 896 |
| Interest income from financial services activities | — | — | — | — | — | — | 691 | 691 |
| **Total Net revenues** | **€ 86,498** | **€ 66,444** | **€ 10,560** | **€ 16,148** | **€ 3,526** | **€ 2,335** | **€ 4,033** | **€ 189,544** |

| 2022 | North America | Enlarged Europe | Middle East & Africa | South America | China and India & Asia Pacific | Maserati | Other activities | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | (€ million) | | | | |
| Revenues from: | | | | | | | | |
| Shipments of vehicles and sales of other goods | € 84,239 | € 60,769 | € 6,399 | € 15,178 | € 4,455 | € 2,271 | € 407 | € 173,718 |
| Other services provided | 1,234 | 1,609 | 54 | 462 | 45 | 51 | 331 | 3,786 |
| Construction contract revenues | — | — | — | — | — | — | 779 | 779 |
| **Revenues from goods and services** | **85,473** | **62,378** | **6,453** | **15,640** | **4,500** | **2,322** | **1,517** | **178,283** |
| Lease installments from assets sold with a buy-back commitment | 1 | 848 | — | — | — | — | — | 849 |
| Interest income from financial services activities | — | — | — | — | — | — | 460 | 460 |
| **Total Net revenues** | **€ 85,474** | **€ 63,226** | **€ 6,453** | **€ 15,640** | **€ 4,500** | **€ 2,322** | **€ 1,977** | **€ 179,592** |

| 2021 | North America | Enlarged Europe | Middle East & Africa | South America | China and India & Asia Pacific | Maserati | Other activities | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | (€ million) | | | | |
| Revenues from: | | | | | | | | |
| Shipments of vehicles and sales of other goods | € 66,618 | € 56,315 | € 5,088 | € 10,191 | € 3,868 | € 1,962 | € 517 | € 144,559 |
| Other services provided | 1,072 | 1,309 | 77 | 283 | 56 | 40 | 275 | 3,112 |
| Construction contract revenues | — | — | — | — | — | — | 602 | 602 |
| **Revenues from goods and services** | **67,690** | **57,624** | **5,165** | **10,474** | **3,924** | **2,002** | **1,394** | **148,273** |
| Lease installments from assets sold with a buy-back commitment | 16 | 978 | — | — | — | — | — | 994 |
| Interest income from financial services activities | — | — | — | — | — | — | 152 | 152 |
| **Total Net revenues** | **€ 67,706** | **€ 58,602** | **€ 5,165** | **€ 10,474** | **€ 3,924** | **€ 2,002** | **€ 1,546** | **€ 149,419** |

The Company recognized a net decrease in Net revenues of €119 million during the year ended December 31, 2023 (net decrease of €524 million and €921 million during the years ended December 31, 2022 and 2021, respectively) from performance obligations satisfied in the prior year. This was primarily due to changes in the estimated cost of sales incentive programs occurring after the Company had transferred control of vehicles.

## 5. Research and development costs

Research and development costs were as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Research and development expenditures expensed | € 3,300 | € 3,233 | € 2,761 |
| Amortization of capitalized development expenditures | 2,193 | 1,889 | 1,575 |
| Impairment and write-off of capitalized development expenditures | 126 | 78 | 151 |
| **Total Research and development costs** | **€ 5,619** | **€ 5,200** | **€ 4,487** |

Refer to Note 2, *Basis of preparation - Use of estimates - Recoverability of non-current assets with definite useful lives* for additional information on the impairment and write-off of capitalized development expenditures during the years ended December 31, 2023, 2022 and 2021.

Refer to Note 10, *Other intangible assets,* for additional information on capitalized development expenditures.

## 6. Net financial expenses/(income)

The following table summarizes the Company's financial income and expenses, included within Net financial expenses:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| **Interest income and other financial income** | **€ 2,678** | **€ 1,066** | **€ 188** |
| **Financial expenses:** | | | |
| Interest expense and other financial expenses: | 1,064 | 959 | 545 |
| *Interest expense on notes* | *386* | *281* | *182* |
| *Interest expense on borrowings from bank* | *59* | *105* | *77* |
| *Other interest cost and financial expenses* | *619* | *573* | *286* |
| Interest on lease liabilities | 63 | 63 | 56 |
| Write-down of financial assets | 128 | 14 | 10 |
| Net interest expense/(income) on employee benefits provisions | 203 | 163 | 169 |
| **Total Financial expenses** | **1,458** | **1,199** | **780** |
| Net expenses from derivative financial instruments and exchange rate differences | 1,178 | 635 | 142 |
| **Total Financial expenses and Net expenses from derivative financial instruments and exchange rate differences** | **2,636** | **1,834** | **922** |
| **Net Financial expenses/(income)** | **€ (42)** | **€ 768** | **€ 734** |

During the year ended December 31, 2023 there was €42 million net financial income as compared to €768 million net financial expense in the same period in 2022, primarily reflecting the improved yield on investments which is driven by the increase in interest rates and is partially offset by increased foreign exchange losses on cash denominated in Argentine Peso, the write-down of the investment in supply chain finance funds for €132 million (Refer to Note 13, *Financial assets* for additional information) and the cost of newly issued bonds.

Net financial expenses/(income) for the year ended December 31, 2023, include €215 million losses (€198 million and €68 million losses for the years ended December 31, 2022 and 2021, respectively) on the net monetary position of entities whose functional currency is the currency of hyperinflationary economies, relating to Argentine Peso and Turkish Lira.

## 7. Tax expense/(benefit)

The following table summarizes Tax expense:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Current tax expense | € 3,405 | € 3,565 | € 2,294 |
| Deferred tax expense/(benefit) | 559 | (840) | (342) |
| Tax expense/(benefit) relating to prior periods[1] | (171) | 4 | (41) |
| **Total Tax expense/(benefit)** | **€ 3,793** | **€ 2,729** | **€ 1,911** |

*(1) Tax expense/(benefit) relating to prior periods includes €173 million deferred tax expense, €161 million deferred tax expense and €297 million deferred tax benefit for 2023, 2022 and 2021, respectively, primarily related to U.S. provision to return adjustments for prior year tax positions*

*Effective tax rate reconciliation*

The applicable tax rate used to determine theoretical income taxes is the statutory rate of the jurisdiction in which the Company is tax resident during each reported period. From 2021, as a result of the merger, Stellantis N.V. is tax resident in the Netherlands. The reconciliation between the theoretical income tax and actual tax is calculated on the basis of the Netherlands corporate income tax rate of 25.8 percent in 2023 and 2022 and 25.0 percent in 2021, as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Profit/(loss) before tax | € 22,418 | € 19,508 | € 15,129 |
| Income tax rate | 25.8% | 25.8% | 25.0% |
| **Theoretical income taxes** | € 5,784 | € 5,033 | € 3,782 |
| Tax effect on: | | | |
| Differences between foreign tax rates and the theoretical applicable tax rate and tax holidays | (407) | (495) | 178 |
| Recognition and utilization of previously unrecognized deferred tax assets | (740) | (1,153) | (1,954) |
| Deferred tax assets not recognized and write-downs | — | 47 | 598 |
| Permanent differences | (470) | (406) | (656) |
| Tax credits | (299) | (221) | (85) |
| Tax rate changes | — | — | 53 |
| Withholding tax | 44 | 21 | 63 |
| Other differences | (119) | (97) | (68) |
| **Total Tax expense** | **€ 3,793** | **€ 2,729** | **€ 1,911** |
| *Effective tax rate* | *16.9%* | *14.0%* | *12.6%* |

The increase in the effective tax rate to 16.9 percent in 2023 from 14.0 percent in 2022 is primarily related to a lower tax benefit for net recognition of Deferred tax assets, primarily in Enlarged Europe.

*Net deferred tax position*

The Company recognizes the net amount as either Deferred tax assets or Deferred tax liabilities, to the extent deferred taxes may be offset. Amounts recognized were as follows:

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| Deferred tax assets[(1)] | € 2,152 | € 2,052 |
| Deferred tax liabilities[(1)] | (4,784) | (4,332) |
| **Total Net deferred tax assets/(liabilities)** | **€ (2,632)** | **€ (2,280)** |

*(1) Deferred tax assets and Deferred tax liabilities include the impacts of (i) Unrecognized deferred tax assets on temporary differences; (ii) Deferred tax assets arising from tax loss carry-forwards; and (iii) Unrecognized deferred tax assets on tax loss carry-forwards, which are reflected separately below in the Changes in deferred tax position by nature summary*

The increase in Net deferred tax liabilities was mainly due to a decrease in Net deferred tax assets in Enlarged Europe, partially offset by a decrease in net deferred tax liabilities in North America. See Note 2, *Basis of preparation - Use of estimates - Recoverability of deferred tax assets* for additional information.

*Changes in deferred tax position by nature*

The significant components of Deferred tax assets and liabilities and their changes during the years ended December 31, 2023 and 2022 were as follows:

| | At January 1, 2023 | Recognized in Consolidated Income Statement | Recognized in Equity | Transferred to Assets/ (Liabilities) Held for Sale | Translation differences and Other | At December 31, 2023 |
|---|---|---|---|---|---|---|
| | (€ million) | | | | | |
| Deferred tax liabilities arising on: | | | | | | |
| Accelerated depreciation | € (2,775) | € (315) | € — | € — | € (12) | € (3,102) |
| Capitalized development assets | (4,296) | 332 | — | — | 43 | (3,921) |
| Other Intangible assets and Intangible assets with indefinite useful lives | (3,964) | (12) | — | — | 107 | (3,869) |
| Right-of-use assets | (331) | 29 | — | — | 26 | (276) |
| Provision for employee benefits | (1,086) | (4) | (23) | — | 35 | (1,078) |
| Other | (1,488) | 48 | 235 | (26) | 186 | (1,045) |
| **Total deferred tax liabilities** | **€ (13,941)** | **€ 78** | **€ 212** | **€ (26)** | **€ 385** | **€ (13,291)** |
| Deferred tax assets arising on: | | | | | | |
| Provisions | 4,852 | (304) | (37) | — | (43) | 4,468 |
| Provision for employee benefits | 2,183 | (208) | 6 | — | (28) | 1,953 |
| Lease liabilities | 373 | (8) | 2 | — | (31) | 336 |
| Impairment of tangible and intangible assets | 1,269 | (376) | (1) | — | (15) | 877 |
| Inventories | 375 | 62 | 5 | — | 2 | 444 |
| Allowances for doubtful accounts | 58 | 10 | (1) | — | (8) | 59 |
| Provision for buy back | 169 | 1 | — | — | (17) | 153 |
| Other | 2,589 | (156) | 172 | — | 377 | 2,982 |
| **Total deferred tax assets** | **€ 11,868** | **€ (979)** | **€ 146** | **€ —** | **€ 237** | **€ 11,272** |
| Unrecognized deferred tax assets on temporary differences[1] | (3,183) | 311 | 11 | — | (516) | (3,377) |
| Deferred tax assets arising on tax loss carry-forwards | 9,506 | (402) | — | — | (35) | 9,069 |
| Unrecognized deferred tax assets on tax loss carry-forwards | (6,531) | 260 | — | — | (34) | (6,305) |
| **Total Net deferred tax assets/ (liabilities)** | **€ (2,280)** | **€ (732)** | **€ 369** | **€ (26)** | **€ 37** | **€ (2,632)** |

*(1) Unrecognized deferred tax assets on temporary differences reported in the Changes in deferred tax position by nature summary include Allowance for Corporate Equity in Italy of €1,298 million in 2023 (€1,215 million in 2022) and Advanced Corporate Tax in the United Kingdom of €26 million in 2023 (€26 million in 2022)*

| | At January 1, 2022 | | Recognized in Consolidated Income Statement | | Recognized in Equity | | Transferred to Assets/ (Liabilities) Held for Sale | | Translation differences and Other | | At December 31, 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (€ million) | | | | | | | | | | | |
| Deferred tax liabilities arising on: | | | | | | | | | | | | |
| Accelerated depreciation | € | (2,662) | € | 19 | € | — | € | — | € | (133) | € | (2,775) |
| Capitalized development assets | | (4,313) | | 116 | | — | | — | | (99) | | (4,296) |
| Other Intangible assets and Intangible assets with indefinite useful lives | | (3,733) | | (44) | | — | | — | | (187) | | (3,964) |
| Right-of-use assets | | (397) | | 82 | | — | | — | | (16) | | (331) |
| Provision for employee benefits | | (591) | | — | | (477) | | — | | (18) | | (1,086) |
| Other | | (1,398) | | (219) | | 162 | | — | | (33) | | (1,488) |
| **Total deferred tax liabilities** | **€** | **(13,094)** | **€** | **(46)** | **€** | **(315)** | **€** | **—** | **€** | **(486)** | **€** | **(13,941)** |
| Deferred tax assets arising on: | | | | | | | | | | | | |
| Provisions | | 4,510 | | 211 | | 1 | | (10) | | 140 | | 4,852 |
| Provision for employee benefits | | 2,325 | | (342) | | 12 | | — | | 188 | | 2,183 |
| Lease liabilities | | 413 | | (60) | | — | | — | | 20 | | 373 |
| Impairment of tangible and intangible assets | | 1,590 | | (319) | | — | | — | | (2) | | 1,269 |
| Inventories | | 250 | | 129 | | — | | (2) | | (2) | | 375 |
| Provision for buy-back | | 131 | | 42 | | — | | — | | (4) | | 169 |
| Allowances for doubtful accounts | | 115 | | (66) | | — | | (1) | | 10 | | 58 |
| Other | | 2,635 | | (178) | | 25 | | — | | 107 | | 2,589 |
| **Total deferred tax assets** | **€** | **11,969** | **€** | **(583)** | **€** | **38** | **€** | **(13)** | **€** | **457** | **€** | **11,868** |
| Unrecognized deferred tax assets on temporary differences | | (3,462) | | 466 | | (26) | | 9 | | (170) | | (3,183) |
| Deferred tax assets arising on tax loss carry-forwards | | 8,803 | | 469 | | — | | 2 | | 232 | | 9,506 |
| Unrecognized deferred tax assets on tax loss carry-forwards | | (6,663) | | 373 | | — | | (3) | | (238) | | (6,531) |
| **Total Net deferred tax assets / (liabilities)** | **€** | **(2,447)** | **€** | **680** | **€** | **(303)** | **€** | **(5)** | **€** | **(205)** | **€** | **(2,280)** |

In accordance with IAS 12 - Income Taxes, deferred taxes are calculated for all temporary differences between the tax base of assets and liabilities and their carrying amount. Deferred tax liabilities are systematically recognized, while deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit is available against which the deductible temporary differences could be utilized. A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries and equity method investments for the variance between their tax and accounting value, except to the extent that both of the following conditions are satisfied: (i) Stellantis is able to control the timing of the reversal of the temporary difference; (ii) it is probable that the temporary difference will not reverse in the foreseeable future.

At December 31, 2023, the aggregate amount of temporary differences relating to investments in subsidiaries and interests in joint ventures for which deferred tax liabilities are not recognized is approximately €379 million.

As of December 31, 2023, the Company had total Deferred tax assets on deductible temporary differences of €11,272 million (€11,868 million at December 31, 2022), of which €3,377 million was not recognized (€3,183 million at December 31, 2022). As of December 31, 2023, the Company also had Deferred tax assets on tax loss carry-forwards of €9,069 million (€9,506 million at December 31, 2022), of which €6,305 million was not recognized (€6,531 million at December 31, 2022).

*Tax loss carry-forwards*

Recognition of deferred tax assets related to tax loss carry-forwards were tested for realizability based on forecasted future taxable income using estimates consistent with the main assumptions of the MTP. Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, were recognized to the extent that it was probable that future profits would be available against which they could be utilized. The realization of these deferred tax assets was sensitive to the assumptions and judgments used in the determination of the taxable income in the future, as well as Stellantis' ability to implement tax planning strategies, as necessary. While Stellantis has not yet recognized all deferred tax assets in all jurisdictions, it is possible the Company's assessment of realizability could change, resulting in the recognition of additional deferred tax assets in the Company's Consolidated Statement of Financial Position and the related income tax benefit in the Company's Consolidated Income Statement. Refer to Note 2, *Basis of preparation - Use of estimates - Recoverability of deferred tax assets* for additional information.

| | Tax loss carry-forward (after application of the current tax rate) | Recognized deferred tax assets on tax loss carry-forward | Unrecognized deferred tax assets on tax loss carry-forwards (after application of the current tax rate) |
|---|---|---|---|
| | | At December 31, 2023 | |
| | | (€ million) | |
| **Tax Groups:** | | | |
| France | € 1,663 | € (1,645) | € 18 |
| Germany | 120 | (120) | — |
| Spain | 561 | (63) | 498 |
| Italy | 3,499 | (605) | 2,894 |
| **Other Jurisdictions:** | | | |
| Brazil | 2,411 | — | 2,411 |
| Others | 815 | (331) | 484 |
| **Total** | **€ 9,069** | **€ (2,764)** | **€ 6,305** |

| | Tax loss carry-forward (after application of the current tax rate) | Recognized deferred tax assets on tax loss carry-forward | Unrecognized deferred tax assets on tax loss carry-forwards (after application of the current tax rate) |
|---|---|---|---|
| | | At December 31, 2022 | |
| | | (€ million) | |
| **Tax Groups:** | | | |
| France | € 2,066 | € (2,050) | € 16 |
| Germany | 249 | (249) | — |
| Spain | 597 | (53) | 544 |
| Italy | 3,640 | (486) | 3,154 |
| **Other Jurisdictions:** | | | |
| Brazil | 2,252 | — | 2,252 |
| Others | 702 | (136) | 566 |
| **Total** | **€ 9,506** | **€ (2,975)** | **€ 6,531** |

At the end of December 2023 and December 2022, the Company had total tax-effected tax loss carry-forwards of €9.1 billion and €9.5 billion, respectively, of which €6.3 billion and €6.5 billion were not recognized, respectively. Tax loss carry-forwards in France, Germany, Italy, Spain, and Brazil do not expire. Tax loss carry-forwards relating to the French, German, Spanish and Italian tax groups are available within each tax group for offsetting against net deferred tax liabilities (subject to limitations provided under local tax law) and are recognized in the Consolidated Statement of Financial Position. In February 2022, the French tax authorities preliminarily agreed that upon merger, the French permanent establishment of Stellantis N.V., along with the companies within the former French consolidated tax group, succeeded to approximately €9.0 billion of French tax loss carry-forwards existing as of December 31, 2020.

*Pillar Two*

The OECD Pillar Two agreement aims to ensure that multinational corporations pay a minimum effective tax rate of 15 percent on a jurisdictional basis and many countries have initiated domestic legislative procedures to enact these global minimum tax rules. In December 2023, the Netherlands enacted Pillar Two legislation that is effective from January 1, 2024. As the Netherlands is the jurisdiction of Stellantis NV, the Company's ultimate parent, the Dutch Pillar Two rules are effective for the Company's financial year beginning January 1, 2024. Other jurisdictions in which we operate have enacted local Pillar Two legislation effective from January 1, 2024. As there was no Pillar Two legislation in effect as of the reporting date, we do not have any current tax liability for the year ended December 31, 2023.

We are in the process of assessing the impact of the Dutch Pillar Two legislation and other local country legislation on our operations as the rules become effective. Our assessment includes analyzing whether jurisdictions in which we operate have a Pillar Two effective tax rate below 15 percent and analyzing jurisdictions where we receive tax incentives to assess whether these rules may result in an offset of all or a portion of the tax incentives in the form of a Pillar Two tax.

In addition to reviewing the enacted Pillar Two legislation, the Company is reviewing the Tax Reform Bill that was enacted by the Brazilian Congress in December 2023 which potentially impacts the taxability of incentives we receive in Brazil and which creates complexity and uncertainty in quantifying the Pillar Two impact of our operations in Brazil.

Specifically, in December 2023, the Brazilian Congress enacted the Tax Reform Bill and incorporated it within the Brazilian Constitution. Within the scope of the Brazil Tax Reform Bill, the Northeast Automotive Regime (tax incentive granted to the Pernambuco Plant) was extended for an additional cycle, starting in 2026 with a gradual phase-out until 2032 (during this cycle a 20 percent year-over-year reduction will be applied from 2029 until its full elimination in December 2032). Also in December 2023, the Brazilian Congress Enacted the Government Grants Taxation Act, with mandatory application starting in 2024. This Act will result in taxation of the tax incentives granted to the Stellantis plants in Brazil but may be subject to challenge in the Brazilian courts. Regulations to clarify the operation of the new laws are expected to be enacted during 2024.

Due to the complexity of the Pillar Two rules and the uncertainty in their application, the quantitative impact of the rules is not reasonably estimable at this time. The Company continues to progress on its Pillar Two assessment and expects to complete the assessment in the first half of 2024.

The Company applies the mandatory temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 issued in May 2023.

## 8. Other information by nature

Personnel costs for the continuing operations of the Company for the years ended December 31, 2023, 2022 and 2021 amounted to €19.1 billion, €18.2 billion and €17.1 billion, respectively, and included costs that were capitalized mainly in connection with product development activities.

For the years ended December 31, 2023, 2022 and 2021, the continuing operations of the Company had an average number of employees of 271,292, 282,926 and 292,434, respectively.

***Amounts relating to IFRS 16 recognized in Profit before taxes***

Amounts recognized within Profit before taxes were as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Depreciation of right-of-use assets | € 607 | € 555 | € 529 |
| Interest expense on lease liabilities | 63 | 63 | 56 |
| Variable lease payments not included in the measurement of lease liabilities | 3 | 5 | 5 |
| Income from sub-leasing right-of-use assets | (109) | (108) | (95) |
| Expenses relating to short-term leases and to leases of low-value assets | 111 | 107 | 137 |
| Gains arising from sale and leaseback transactions | (155) | (119) | (22) |
| **Total expense recognized in Net profit from continuing operations** | **€ 520** | **€ 503** | **€ 610** |

## 9. Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives at December 31, 2023 and 2022 are summarized below:

| | Goodwill | | | | | |
|---|---|---|---|---|---|---|
| | **Gross amount** | **Accumulated impairment losses** | **Total Goodwill** | **Brands** | **Other** | **Total Goodwill and intangible assets with indefinite useful lives** |
| | | | (€ million) | | | |
| **At January 1, 2022** | **€ 14,415** | **€ (40)** | **€ 14,375** | **€ 15,527** | **€ 19** | **€ 29,921** |
| Additions | 356 | — | 356 | — | — | 356 |
| Disposal | (21) | — | (21) | — | — | (21) |
| Translation differences and Other | 795 | 2 | 797 | 685 | — | 1,482 |
| **At December 31, 2022** | **15,545** | **(38)** | **15,507** | **16,212** | **19** | **31,738** |
| Additions(1) | 66 | — | 66 | — | 5 | 71 |
| Disposals | (12) | — | (12) | — | — | (12) |
| Translation differences and Other | (388) | — | (388) | (416) | 1 | (803) |
| **At December 31, 2023** | **€ 15,211** | **€ (38)** | **€ 15,173** | **€ 15,796** | **€ 25** | **€ 30,994** |

*(1) Relates to minor acquisitions*

Translation differences in 2023 primarily related to foreign currency translation of U.S. Dollar to the Euro.

Brands, comprised of Jeep, Ram, Dodge, Mopar, Opel/Vauxhall, Fiat, Alfa Romeo and Maserati are allocated to North America, Enlarged Europe and Maserati segments. These rights are protected legally through registration with government agencies and through their continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they were classified as intangible assets with indefinite useful lives and were therefore not amortized but instead tested annually for impairment.

For the purpose of impairment testing, the carrying value of Brands is tested jointly with the goodwill allocated to the North America, Enlarged Europe and Maserati segments.

There were no impairment charges recognized in respect of Goodwill and intangible assets with indefinite lives during the years ended December 31, 2023, 2022 and 2021, respectively. Refer to Note 2, *Basis of preparation - Use of estimates* for discussion of the assumptions and judgments relating to goodwill impairment testing.

The following table summarizes the allocation of Goodwill and Brands between the Company's reportable segments:

| | At December 31, 2023 | | At December 31, 2022 | |
|---|---|---|---|---|
| (€ million) | **Goodwill** | **Brands** | **Goodwill** | **Brands** |
| North America | € 10,412 | € 11,795 | € 10,790 | € 12,220 |
| Enlarged Europe | 1,899 | 2,876 | 2,092 | 3,021 |
| Middle East & Africa | — | — | — | — |
| South America | 1,550 | — | 1,461 | — |
| China and India & Asia Pacific | 170 | — | 185 | — |
| Maserati | 514 | 972 | 514 | 971 |
| Other activities | 628 | 153 | 465 | — |
| **Total** | **€ 15,173** | **€ 15,796** | **€ 15,507** | **€ 16,212** |

## 10. Other intangible assets

| | Capitalized development expenditures | Patents, concessions and licenses | Other intangible assets | Total |
|---|---|---|---|---|
| | | (€ million) | | |
| **Gross carrying amount at January 1, 2022** | € **28,965** | € 802 | € **3,814** | € **33,581** |
| Additions | 3,589 | 88 | 535 | 4,212 |
| Divestitures | (54) | (6) | (225) | (285) |
| Change in scope of consolidation | — | 31 | 11 | 42 |
| Translation differences and other changes | 481 | 1 | 164 | 646 |
| **At December 31, 2022** | **32,981** | **916** | **4,299** | **38,196** |
| Additions | 4,352 | 98 | 270 | 4,720 |
| Divestitures | (49) | (13) | (334) | (396) |
| Change in scope of consolidation | 5 | 6 | 29 | 40 |
| Translation differences and other changes | (503) | — | (26) | (529) |
| **At December 31, 2023** | **36,786** | **1,007** | **4,238** | **42,031** |
| **Accumulated amortization and impairment losses at January 1, 2022** | **15,320** | **459** | **1,167** | **16,946** |
| Amortization | 1,893 | 95 | 166 | 2,154 |
| Impairment losses and asset write-offs(1) | 67 | — | 6 | 73 |
| Divestitures | (57) | (3) | (10) | (70) |
| Change in scope of consolidation | — | (1) | 1 | — |
| Translation differences and other changes | 54 | 1 | 32 | 87 |
| **At December 31, 2022** | **17,277** | **551** | **1,362** | **19,190** |
| Amortization | 2,193 | 92 | 200 | 2,485 |
| Impairment losses and asset write-offs | 122 | — | — | 122 |
| Divestitures | (38) | (11) | (3) | (52) |
| Change in scope of consolidation | 5 | 5 | 17 | 27 |
| Translation differences and other changes | (348) | (3) | (15) | (366) |
| **At December 31, 2023** | **19,211** | **634** | **1,561** | **21,406** |
| **Carrying amount at December 31, 2022** | € **15,704** | € **365** | € **2,937** | € **19,006** |
| **Carrying amount at December 31, 2023** | € **17,575** | € **373** | € **2,677** | € **20,625** |

*(1) The €67 million reported for the year ended December 31, 2022 includes €10 million impairment and write-off of Capitalized development expenditure relating to Equity method investments which are reported in Share of the profit/(loss) of equity method investees within the Consolidated Income Statement*

Capitalized development expenditures included both internal and external costs that were directly attributable to the internal product development process, primarily consisting of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and propulsion system programs.

In 2023, €122 million of impairment losses and asset write-offs were recognized, refer to Note 2, *Basis of preparation - Use of estimates - Recoverability of non-current assets with definite useful lives* for additional information on the impairment losses and asset write-offs recognized.

In 2022, €73 million of impairment losses and asset write-offs were recognized.

At December 31, 2023, translation differences primarily related to strengthening of the Euro compared to the U.S. Dollar. At December 31, 2022, translation differences primarily related to the appreciation of the U.S. Dollar and Brazilian Real to Euro.

Amortization of capitalized development expenditures was recognized within Research and development costs within the Consolidated Income Statement, as described in Note 5, *Research and development costs*. Amortization of patents, concessions, licenses and other intangibles are recognized within Cost of revenues and Selling, general and other costs.

At December 31, 2023 and 2022, the Company had contractual commitments for the purchase of intangible assets amounting to €133 million and €141 million, respectively.

## 11. Property, plant and equipment

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property under IAS 40 - *Investment Property*. The Company leases assets including land, buildings, plant machinery and equipment, and other assets.

| | Land | Buildings | Plant, machinery and equipment | Other assets[(1)] | Advances and tangible assets in progress | Total |
|---|---|---|---|---|---|---|
| | | | (€ million) | | | |
| **Gross carrying amount at January 1, 2022** | **€ 1,651** | **€ 10,232** | **€ 45,548** | **€ 6,074** | **€ 3,944** | **€ 67,449** |
| Additions | — | 322 | 3,133 | 367 | 1,017 | 4,839 |
| Divestitures and disposals | (39) | (491) | (1,018) | (280) | (67) | (1,895) |
| Change in the scope of consolidation | 7 | (6) | (10) | 60 | 1 | 52 |
| Translation differences | 43 | 242 | 862 | 19 | 188 | 1,354 |
| Transfer to Assets held for sale | (104) | (168) | (158) | (7) | (18) | (455) |
| Other changes | (9) | 129 | 1,334 | 423 | (1,402) | 475 |
| **At December 31, 2022** | **1,549** | **10,260** | **49,691** | **6,656** | **3,663** | **71,819** |
| Additions | 30 | 368 | 1,693 | 2,123 | 3,481 | 7,695 |
| Divestitures and disposals | (65) | (505) | (1,496) | (292) | — | (2,358) |
| Change in the scope of consolidation | (6) | 25 | 66 | (5) | 13 | 93 |
| Translation differences | (16) | (120) | (521) | (67) | (75) | (799) |
| Transfer to Assets held for sale | (40) | (36) | (5) | — | — | (81) |
| Other changes | (4) | 123 | 1,299 | 30 | (1,540) | (92) |
| **At December 31, 2023** | **1,448** | **10,115** | **50,727** | **8,445** | **5,542** | **76,277** |
| **Accumulated depreciation and impairment losses at January 1, 2022** | **17** | **4,169** | **26,520** | **1,231** | **24** | **31,961** |
| Depreciation | 3 | 583 | 3,633 | 434 | — | 4,653 |
| Divestitures and disposal | (1) | (250) | (1,012) | (154) | — | (1,417) |
| Impairment losses and asset write-offs | 9 | 37 | — | — | — | 46 |
| Change in the scope of consolidation | 2 | (2) | 15 | 24 | — | 39 |
| Translation differences | — | 26 | 150 | (3) | 3 | 176 |
| Transfer to Assets held for sale | — | (84) | (112) | (4) | — | (200) |
| Other changes | 2 | 11 | 158 | 185 | — | 356 |
| **At December 31, 2022** | **32** | **4,490** | **29,352** | **1,713** | **27** | **35,614** |
| Depreciation | 4 | 543 | 3,989 | 601 | — | 5,137 |
| Divestitures and disposals | (6) | (397) | (1,418) | (214) | — | (2,035) |
| Impairment losses and asset write-offs | 4 | (5) | 58 | 1 | — | 58 |
| Change in the scope of consolidation | 1 | — | 35 | — | — | 36 |
| Translation differences | (1) | (30) | (252) | (28) | (1) | (312) |
| Transfer to Assets held for sale | — | (4) | (5) | — | — | (9) |
| Other changes | (2) | 46 | 49 | 9 | (1) | 101 |
| **At December 31, 2023** | **32** | **4,643** | **31,808** | **2,082** | **25** | **38,590** |
| **Carrying amount at December 31, 2022** | **€ 1,517** | **€ 5,770** | **€ 20,339** | **€ 4,943** | **€ 3,636** | **€ 36,205** |
| **Carrying amount at December 31, 2023** | **€ 1,416** | **€ 5,472** | **€ 18,919** | **€ 6,363** | **€ 5,517** | **€ 37,687** |

*(1) Other assets includes vehicles sold with a buy-back commitments for which the divestitures are reported on a net basis within the changes of gross carrying amount*

Property, plant and equipment included owned property, plant and equipment of €35,903 million at December 31, 2023 (€34,244 million at December 31, 2022) and right-of-use assets of €1,784 million at December 31, 2023 (€1,961 million at December 31, 2022).

Changes in Right-of-use assets are as follows:

| | Land | Buildings | Plant, machinery and equipment | Other assets | Total |
|---|---|---|---|---|---|
| | | | (€ million) | | |
| **Balance at January 1, 2022** | **€ 22** | **€ 1,734** | **€ 349** | **€ 221** | **€ 2,326** |
| Depreciation | (3) | (269) | (126) | (157) | (555) |
| Additions | — | 124 | 46 | 208 | 378 |
| Divestitures | (2) | (196) | (7) | (7) | (212) |
| Change in the scope of consolidation | 4 | (11) | (3) | — | (10) |
| Translation differences | 1 | 59 | 11 | 9 | 80 |
| Other | 1 | (40) | (5) | (2) | (46) |
| **Balance at December 31, 2022** | **23** | **1,401** | **265** | **272** | **1,961** |
| Depreciation | (4) | (248) | (114) | (241) | (607) |
| Additions | 17 | 200 | 12 | 269 | 498 |
| Divestitures | (4) | (52) | (6) | (4) | (66) |
| Change in the scope of consolidation | — | 15 | — | — | 15 |
| Translation differences | — | (24) | (2) | (8) | (34) |
| Other | 1 | 17 | (2) | 1 | 17 |
| **Balance at December 31, 2023** | **€ 33** | **€ 1,309** | **€ 153** | **€ 289** | **€ 1,784** |

For the year ended December 31, 2023, the Company recognized a total of €58 million of impairment losses and asset write-offs. Refer to Note 2, *Basis of preparation - Use of estimates - Recoverability of non-current assets with definite useful lives,* for additional information on the impairment losses and asset write-offs recognized.

For the year ended December 31, 2022, the Company recognized a total of €46 million of impairment losses and asset write-offs.

These impairment charges were recognized within Cost of revenues in the Consolidated Income Statement for the years ended December 31, 2023, and 2022.

In 2023, translation differences of €(487) million primarily reflected the devaluation of the U.S. Dollar partially mitigated by the appreciation of the Brazilian Real to the Euro. In 2022, translation differences of €1,178 million primarily reflected the appreciation of U.S. Dollar and Brazilian Real to the Euro.

At December 31, 2023 and 2022, the carrying amounts of Property, plant and equipment of the Company (excluding the Right-of-Use assets described above) reported as pledged as security for debt and other commitments, was €840 million and €1,400 million, respectively.

At December 31, 2023 and 2022, the Company had contractual commitments for the purchase of Property, plant and equipment amounting to €3,085 million and €1,960 million, respectively.

## 12. Investments accounted for using the equity method

The following table summarizes Investments accounted for using the equity method:

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| Joint ventures | € 6,013 | € 4,561 |
| Associates | 2,006 | 195 |
| Other | 51 | 78 |
| **Total Investments accounted for using the equity method** | **€ 8,070** | **€ 4,834** |

The Company's ownership percentages and the carrying value of investments in joint ventures and associates accounted for under the equity method were as follows:

| | Ownership percentage | | Investment balance | |
|---|---|---|---|---|
| | At December 31, | | At December 31, | |
| | 2023 | 2022 | 2023 | 2022 |
| | Ownership percentage | | (€ million) | |
| Finance companies in partnership with SCF | 50.0% | 50.0% | € 1,977 | € 2,092 |
| Finance companies in partnership with BNPP PF | 50.0% | 50.0% | 1,096 | 718 |
| Tofas-Turk Otomobil Fabrikasi A.S. | 37.9% | 37.9% | 1,037 | 932 |
| StarPlus Energy LLC | 49.0% | 49.0% | 558 | 141 |
| NextStar Energy Inc[(1)] | 49.0% | —% | 397 | — |
| Leasys SAS | 50.0% | 50.0% | 339 | 323 |
| Symbio[(1)] | 33.3% | —% | 230 | — |
| Automotive Cells Company SE (“ACC”) | 33.3% | 33.3% | 155 | 177 |
| Others | | | 224 | 178 |
| **Total joint ventures** | | | **€ 6,013** | **€ 4,561** |
| | | | | |
| Zhejiang Leapmotor Technology Co., Ltd.[(1)] | 21.3% | —% | 1,409 | — |
| Archer Aviation Inc[(1)] | 10.1% | —% | 112 | — |
| Punch Powertrain PSA E-Transmission N.V. | 56.0% | 39.0% | 172 | 117 |
| Nordex S.A. | 50.0% | —% | 142 | — |
| 360 Energy S.A.[(1)] | 49.5% | —% | 105 | — |
| Others | | | 66 | 78 |
| **Total associates** | | | **€ 2,006** | **€ 195** |
| **Total joint ventures and associates** | | | **€ 8,019** | **€ 4,756** |

*(1) Refer to Note 3, Scope of consolidation for additional information*

There were €27 million, €158 million and €103 million of unrecognized losses relating to investments in joint ventures for the years ended December 31, 2023, 2022 and 2021, respectively.

In December 2021, Stellantis announced the reorganization of its leasing activities in Europe with the intention to create a European multi-brand operational leasing company with CACF. In December 2022, Leasys was transferred from FCA Bank to LeaseCo, a joint venture held 50 percent by both Stellantis and CACF. LeaseCo was established as the new multi-brand operational leasing company then renamed to Leasys SAS, and includes the lease brand, Free2move. Refer to Note 3, *Scope of consolidation* for additional information.

There are two partnerships with SCF, which covers the financing activities of all Stellantis brands in the following countries: joint ventures in France, Italy, Spain, Belgium, Poland, the Netherlands and through a commercial agreement with SCF in Portugal. The joint ventures with BNPP PF operate the financing activities in Germany, Austria and in the UK.

The joint ventures with SCF are deemed to be material and the following tables include summarized financial information relating to the finance companies in partnership with SCF:

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| Financial assets | € 34,499 | € 33,616 |
| *Of which: Cash and cash equivalents* | *3,452* | *2,527* |
| Other assets | 1,583 | 1,600 |
| Financial liabilities | 29,382 | 28,558 |
| Other liabilities | 2,746 | 2,474 |
| Total Equity | 3,954 | 4,184 |
| | | |
| **Carrying amount of interest** | | |
| Company's share of net assets | 1,977 | 2,092 |
| **Carrying amount of interest** | **€ 1,977** | **€ 2,092** |

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | (€ million) | | |
| Interest and similar income | € 3,303 | € 2,592 | € 2,300 |
| Interest and similar expenses | (2,084) | (1,258) | (997) |
| Income tax expense | (239) | (219) | (210) |
| Profit from continuing operations | 628 | 690 | 673 |
| Net profit | 628 | 690 | 673 |
| | | | |
| Net profit attributable to owners of the parent (A) | 314 | 345 | 336 |
| Other comprehensive income/(loss) attributable to owners of the parent (B) | 3 | (8) | 15 |
| Total Comprehensive income attributable to owners of the parent (A+B) | € 317 | € 337 | € 351 |
| **Company's share of net profit** | **€ 314** | **€ 345** | **€ 336** |

Tofas, the Company's joint venture with Koç Holding, is registered with the Turkish Capital Market Board and listed on the İstanbul Stock Exchange. At December 31, 2023, the market value of the Company's interest in Tofas was €1,219 million (€1,572 million at December 31, 2022).

Zhejiang Leapmotor Technology Co., Ltd is listed on the Hong Kong Stock Exchange. At December 31, 2023, the market value of the Company's interest in Leapmotor was €1,176 million.

Archer Aviation Inc is listed on NYSE. At December 31, 2023, the market value of the Company's interest in Archer was €173 million.

The Company's proportionate share of the earnings of its joint ventures, associates and interests in unconsolidated subsidiaries accounted for using the equity method is included within Share of the profit/(loss) of equity method investees in the Consolidated Income Statement. The following table summarizes the share of profits of equity method investees included within Share of the profit/(loss) of equity method investees:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Joint Ventures | € 547 | € 286 | € 737 |
| Associates | (50) | 13 | 22 |
| Other | (6) | (35) | (22) |
| **Total Share of the profit/(loss) of equity method investees** | **€ 491** | **€ 264** | **€ 737** |

***Immaterial Joint Ventures and Associates***

The aggregate amounts recognized for the Company's share in all individually immaterial joint ventures and associates accounted for using the equity method were as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| **Joint ventures:** | | | |
| Profit/(loss) from continuing operations | € 233 | € (152) | € 168 |
| **Net profit/(loss)** | **233** | **(152)** | **168** |
| Other comprehensive loss | (265) | (47) | (72) |
| **Total Other comprehensive (loss)/income** | **€ (32)** | **€ (199)** | **€ 96** |
| | | | |
| **Associates:** | | | |
| Income/(loss) from continuing operations | € (50) | € 13 | € 22 |
| **Net income/(loss)** | **(50)** | **13** | **22** |
| Other comprehensive income | (11) | — | 13 |
| **Total Other comprehensive income** | **€ (61)** | **€ 13** | **€ 35** |

## 13. Financial assets

Financial assets consisted of the following:

| | | At December 31, | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2023 | | | 2022 | | |
| | Note | Current | Non-current | Total | Current | Non-current | Total |
| | | | | (€ million) | | | |
| Derivative financial assets | 17 | € 17 | € 23 | € 40 | € 13 | € 21 | € 34 |
| Financial securities measured at fair value through other comprehensive income | 24 | 59 | 356 | 415 | 96 | 62 | 158 |
| Financial securities measured at fair value through profit or loss | 24 | 1,013 | 911 | 1,924 | 573 | 367 | 940 |
| Financial securities measured at amortized cost | | 3,667 | 1,764 | 5,431 | 3,171 | 52 | 3,223 |
| Financial receivables | | 2,023 | 158 | 2,181 | 469 | 158 | 627 |
| Collateral deposits[1] | 24 | 51 | 57 | 108 | 1 | 50 | 51 |
| **Total financial assets** | | **€ 6,830** | **€ 3,269** | **€ 10,099** | **€ 4,323** | **€ 710** | **€ 5,033** |

*(1) Collateral deposits are held in connection with derivative transactions and debt obligations*

The increase of €5.1 billion in financial assets was mainly due to (i) a €2.2 billion increase in financial securities measured at amortized cost primarily attributable to the investment in marketable debt securities by our central treasury companies (ii) a €1.6 billion increase in financial receivables mainly due to the sale of receivables, for which the consideration has not yet been settled as of the balance sheet date (iii) a €1.0 billion increase in financial securities measured at fair value through profit or loss mainly due to the outstanding nominal amount of €0.6 billion for a credit linked note issued by FCA Bank and delivered to Stellantis upon completion of the disposal of FCA Bank (Refer to Note 2, *Scope of consolidation - Disposals* for additional information) and (iv) a €0.3 billion increase in Financial securities measured at fair value through other comprehensive income which includes the acquisition of a 19.3 percent equity stake in McEwen Copper for €0.3 billion.

During the year ended December 31, 2021, Credit Suisse Asset Management suspended redemptions and subscriptions of certain supply chain finance funds, which the Company holds a position in, and approved the commencement of the liquidation process of the funds. The Company received cash proceeds of approximately 67 percent of its investment during 2021, with no further material proceeds received during the years ended December 31, 2022 and 2023. As a result of information received during the year ended December 31, 2023, we believe that the uncertainty surrounding recovery of the remaining balance has increased, and therefore we have impaired the remaining balance of €132 million. This was previously reported within Financial securities measured at amortized cost and has now been recognized within Net financial expenses/(income) in the Consolidated Income Statement.

## 14. Inventories

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| Finished goods and goods for resale | € 12,064 | € 8,304 |
| Work-in-progress, raw materials and manufacturing supplies | 9,136 | 8,781 |
| Amount due from customers for contract work | 214 | 275 |
| **Total Inventories** | **€ 21,414** | **€ 17,360** |

The increase in total inventories in 2023 compared to 2022 is mostly driven by new vehicles reflecting a stabilization following a 2020-2022 period characterized by significant supply constraints and additional raw materials inventories to secure production.

The amount of inventory write-downs recognized primarily within Cost of revenues during the years ended December 31, 2023, 2022 and 2021 was €505 million, €397 million and €479 million, respectively. These mainly relate to finished goods.

The Construction contracts, net asset/(liability) related to the design and production of industrial automation systems and related products and is summarized as follows:

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| Aggregate amount of costs incurred and recognized profits (less recognized losses) to date | € 766 | € 826 |
| Less: Progress billings | 659 | 662 |
| **Construction contracts, net asset/(liability)** | **€ 107** | **€ 164** |
| Construction contract assets | 214 | 275 |
| Less: Construction contract liabilities (Note 23) | 107 | 111 |
| **Construction contracts, net asset/(liability)** | **€ 107** | **€ 164** |

Changes in the Company's construction contracts, net asset/(liability) for the year ended December 31, 2023, were as follows:

| | At January 1, 2023 | Advances received from customers | Amounts recognized within revenue | At December 31, 2023 |
|---|---|---|---|---|
| | (€ million) | | | |
| Construction contracts, net asset/(liability) | **€ 164** | € (766) | € 709 | **€ 107** |

At December 31, 2023, the entire amount of Construction contracts, net asset/(liability) was expected to be recognized as revenue in the following 12 months.

## 15. Working capital

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | (€ million) | | |
| (Increase)/decrease in inventories | € (4,388) | € (5,606) | € 2,201 |
| (Increase)/decrease in trade receivables | (2,249) | (1,986) | 246 |
| Increase/(decrease) in trade payables | 1,058 | 4,165 | (1,273) |
| Other changes | 107 | (1,054) | 38 |
| **Total change in working capital** | **€ (5,472)** | **€ (4,481)** | **€ 1,212** |

The change in working capital in 2023 of €5,472 million includes (i) an increase of €4,388 million in inventories mostly driven by new vehicles reflecting a stabilization following a 2020-2022 period characterized by significant supply constraints and additional raw materials inventories to secure production, (ii) an increase of €2,249 million in trade receivables mainly reflecting the ongoing plan of factoring reduction, partially offset by (iii) an increase of €1,058 million in trade payables, primarily reflecting inventories increase and (iv) an increase of €107 million in other payables net of other receivables.

## 16. Trade receivables, other assets, prepaid expenses and tax receivables

Other assets and prepaid expenses consisted of the following:

| | At December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| | (€ million) | | | | | |
| Receivables from financing activities | € 4,487 | € 4,507 | € 8,994 | € 2,153 | € 2,553 | € 4,706 |
| Other receivables | 4,311 | 1,628 | 5,939 | 3,506 | 1,730 | 5,236 |
| Defined benefit plan assets (Note 20) | 24 | 886 | 910 | — | 1,844 | 1,844 |
| Derivative operating assets | 157 | 51 | 208 | 587 | 286 | 873 |
| Prepaid expenses and other | 1,309 | 622 | 1,931 | 1,303 | 310 | 1,613 |
| **Total other assets and prepaid expenses** | **€ 10,288** | **€ 7,694** | **€ 17,982** | **€ 7,549** | **€ 6,723** | **€ 14,272** |

The following table summarizes Receivables from financing activities, Other receivables, Derivative operating assets and Tax receivables by due date:

| | At December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | 2022 | | | | |
| | Total due within one year (current) | Due between one and five years | Due beyond five years | Total due after one year (non-current) | Total | Total due within one year (current) | Due between one and five years | Due beyond five years | Total due after one year (non-current) | Total |
| | (€ million) | | | | | | | | | |
| Receivables from financing activities | € 4,487 | € 3,273 | € 1,234 | € 4,507 | € 8,994 | € 2,153 | € 1,918 | € 635 | € 2,553 | € 4,706 |
| Other receivables | 4,311 | 1,498 | 130 | 1,628 | 5,939 | 3,506 | 1,614 | 116 | 1,730 | 5,236 |
| Derivative operating assets | 157 | 51 | — | 51 | 208 | 587 | 286 | — | 286 | 873 |
| **Total** | **€ 8,955** | **€ 4,822** | **€ 1,364** | **€ 6,186** | **€ 15,141** | **€ 6,246** | **€ 3,818** | **€ 751** | **€ 4,569** | **€ 10,815** |
| | | | | | | | | | | |
| **Tax receivables** | **€ 802** | **€ 84** | **€ 33** | **€ 117** | **€ 919** | **€ 543** | **€ 79** | **€ 33** | **€ 112** | **€ 655** |

### *Trade receivables*

Trade receivables are shown net of an ECL allowance, calculated using the simplified approach. Changes in the allowance for trade receivables were as follows:

| | At January 1, 2023 | Provision | Use and other changes | Transferred to Assets held for sale | At December 31, 2023 |
|---|---|---|---|---|---|
| | (€ million) | | | | |
| ECL allowance - Trade receivables | **€ 562** | € 219 | € (230) | € — | **€ 551** |

Trade receivables of an immaterial amount were written off during the year ended December 31, 2023, and are still subject to enforcement activities.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

| | At December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Current and less than 90 days past due | 90 days or more past due | Total | Current and less than 90 days past due | 90 days or more past due | Total |
| | (€ million) | | | | | |
| Gross amount | € 5,964 | € 964 | € 6,928 | € 4,820 | € 669 | € 5,489 |
| ECL allowance | (88) | (463) | (551) | (178) | (384) | (562) |
| **Carrying amount** | **€ 5,876** | **€ 501** | **€ 6,377** | **€ 4,642** | **€ 285** | **€ 4,927** |

In addition to the amounts above, a further €49 million at December 31, 2023 (€1 million at December 31, 2022) of trade receivables were measured at FVPL. Refer to Note 24, *Fair value measurement* for additional information.

***Receivables from financing activities***

Receivables from financing activities mainly relate to the business of financial services companies fully consolidated by the Company and are summarized as follows:

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| Dealer financing | € 2,305 | € 1,644 |
| Retail financing | 5,505 | 2,475 |
| Finance leases | 133 | 7 |
| Other | 1,051 | 580 |
| **Total Receivables from financing activities** | **€ 8,994** | **€ 4,706** |

The €4.3 billion increase in Receivables from financing activities for the year ended December 31, 2023 is primarily due to the increase in retail financing of €3.0 billion and in dealer financing of €0.7 billion driven by the growth of Stellantis Financial Services U.S. Other receivables from financing increased by €0.5 billion mainly attributable to loans extended to our joint ventures, primarily in financial services.

Receivables from financing activities are shown net of an ECL allowance. Changes in the allowance for receivables from financing activities were as follows:

| | At January 1, 2023 | Provision | Use and other changes | Transferred to Assets held for sale | At December 31, 2023 |
|---|---|---|---|---|---|
| | | | (€ million) | | |
| ECL allowance - Receivables from financing activities | **€ 172** | € 185 | € (162) | € — | **€ 195** |

Receivables from financing activities of an immaterial amount were written off during the year ended December 31, 2023, and are still subject to enforcement activities.

The following table provides information about the exposure to credit risk and ECLs for receivables from financing activities:

| | At December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | (€ million) | | | | | | | |
| Gross amount | € 8,841 | € 117 | € 114 | € 9,072 | € 4,492 | € 69 | € 58 | € 4,619 |
| ECL allowance | (149) | (23) | (23) | (195) | (138) | (22) | (12) | (172) |
| **Carrying amount** | **€ 8,692** | **€ 94** | **€ 91** | **€ 8,877** | **€ 4,354** | **€ 47** | **€ 46** | **€ 4,447** |

In addition to the amounts above, a further €117 million at December 31, 2023 (€259 million at December 31, 2022) of receivables from financing activities were measured at FVPL. Refer to Note 24, *Fair value measurement*.

***Other receivables***

At December 31, 2023, Other receivables primarily consisted of tax receivables for VAT and other indirect taxes of €4,504 million (€3,545 million at December 31, 2022).

During 2017, the Brazilian Supreme Court ruled that the state value added tax should be excluded from the basis for calculating a federal tax on revenue. The Brazilian government appealed this decision, and in May 2021, the Brazilian Supreme Court rendered a final and definitive decision confirming the 2017 decision. Certain of Stellantis' companies in Brazil had previously filed individual lawsuits on this matter.

During the year ended December 31, 2021, as a result of the Supreme Court ruling, the previously recognized provision of €166 million related to PSA was no longer considered probable and was reversed. Also during the year ended December 31, 2021, other receivables of €113 million of which €87 million were recognized within Net revenues and €26 million within Net financial results for previously paid amounts that became virtually certain.

During the year ended December 31, 2022, deposits of €144 million were released and received. The remaining amount of approximately €76 million was recorded within Other receivables.

In July 2023, the Brazilian court issued a final favorable decision and a definitive ruling in the lawsuit filed by Stellantis challenging the calculation of federal taxes on revenue for previously paid taxes and recognizing its right to recover tax payments made between 2002-2004 for an amount of €51 million.

***Transfer of financial assets***

At December 31, 2023, the Company had receivables due after that date, which had been transferred without recourse and which were derecognized in accordance with IFRS 9 – Financial Instruments, amounting to €16,991 million (€13,935 million at December 31, 2022), of which 75 percent (66 percent at December 31, 2022), was mainly due from the sales network, transferred to financing companies in partnership with Santander, BNP Paribas and Crédit Agricole.

At December 31, 2023 and 2022, the carrying amount of transferred financial assets not derecognized and the related liabilities were as follows:

| | At December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Trade receivables | Receivables from financing activities | Total | Trade receivables | Receivables from financing activities | Total |
| | (€ million) | | | | | |
| Carrying amount of assets transferred and not derecognized | € 58 | € 9 | **€ 67** | € 119 | € 9 | **€ 128** |
| Carrying amount of the related liabilities (Note 22) | € 58 | € 9 | € 67 | € 119 | € 9 | € 128 |

## 17. Derivative financial and operating assets and liabilities

The following table summarizes the fair value of the Company's derivative financial instruments:

| | At December 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| | Positive fair value | Negative fair value | Positive fair value | Negative fair value |
| | (€ million) | | | |
| Fair value hedges: | | | | |
| Interest rate risk - interest rate swaps | € 26 | € (1) | € — | € — |
| Interest rate and currency risk - combined interest rate and currency swaps | — | — | — | — |
| Currency risk - forward contracts, currency swaps and currency options | — | — | 25 | (22) |
| Commodity price risk – commodity swaps and commodity options | — | — | — | — |
| **Total Fair value hedges** | **26** | **(1)** | **25** | **(22)** |
| Cash flow hedges: | | | | |
| Interest rate risk - interest rate swaps | — | (28) | 19 | — |
| Currency risks - forward contracts, currency swaps and currency options | 111 | (331) | 423 | (266) |
| Commodity price risk – commodity swaps and commodity options | 36 | (681) | 406 | (637) |
| **Total Cash flow hedges** | **147** | **(1,040)** | **848** | **(903)** |
| Net investment hedges: | | | | |
| Currency risks - forward contracts, currency swaps and currency options | — | — | — | — |
| **Total Net investment hedges** | — | — | — | — |
| **Derivatives for trading** | **75** | **(43)** | **34** | **(25)** |
| **Total Fair value of derivative financial assets/(liabilities)** | **€ 248** | **€ (1,084)** | **€ 907** | **€ (950)** |
| Financial derivative assets/(liabilities) - current | € 17 | € (18) | € 13 | € (18) |
| Financial derivative assets/(liabilities) - non-current | € 23 | € (21) | € 21 | € — |
| Derivative operating assets/(liabilities) - current | € 157 | € (746) | € 587 | € (708) |
| Derivative operating assets/(liabilities) - non-current | € 51 | € (299) | € 286 | € (224) |

Derivatives used in financing activities are reported in the financial assets/liabilities, while derivatives used in operating activities are reported in Other assets/liabilities.

The following table summarizes the outstanding notional amounts of the Company's derivative financial instruments by due date:

| | At December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| | Due within one year | Due between one and five years | Due beyond five years | Total | Due within one year | Due between one and five years | Due beyond five years | Total |
| | (€ million) | | | | | | | |
| Currency risk management | € 21,424 | € 6,263 | € — | € 27,687 | € 22,142 | € 5,831 | € — | € 27,973 |
| Interest rate risk management | 42 | 6,680 | — | 6,722 | 220 | 830 | — | 1,050 |
| Interest rate and currency risk management | 37 | 28 | — | 65 | 14 | 101 | — | 115 |
| Commodity price risk management | 2,809 | 2,196 | — | 5,005 | 3,291 | 3,252 | — | 6,543 |
| **Total Notional amount** | **€ 24,312** | **€ 15,167** | **€ —** | **€ 39,479** | **€ 25,667** | **€ 10,014** | **€ —** | **€ 35,681** |

***Fair value hedges***

The net gains and losses arising from the valuation of outstanding currency derivatives and interest rate derivatives (for managing currency risk) were recognized in accordance with fair value hedge accounting and the net gains and losses arising from the respective hedged items are summarized as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | (€ million) | | |
| Currency and interest rate risk | | | |
| Change in ineffective portion | € (1) | € (34) | € (16) |
| Interest rate risk | | | |
| Change in ineffective portion | — | — | — |
| **Net gains/(losses)** | **€ (1)** | **€ (34)** | **€ (16)** |

Ineffectiveness portion is recognized in Net financial expenses.

At December 31, 2023, the Company has outstanding interest rate derivatives classified as fair value hedges; in particular, interest rate swaps that manages interest rate risk of certain bonds issued in Europe and in North America, with a nominal amount of €3.3 billion. The accumulated amount of fair value hedge adjustment on the hedged item is negative and equal to €28 million which offsets the equivalent positive effect related to the change in value of the hedging derivatives.

***Cash flow hedges***

Amounts recognized in the Consolidated Income Statement mainly related to currency risk management and commodity price risk management and, to a lesser extent, cash flows that were exposed to interest rate risk.

The Company's policy for managing currency risk and commodity price risk normally required hedging of projected future flows from trading activities which will occur within the following twenty-four and thirty-six months respectively. The hedging effect arising from this was recorded in the Cash flow hedge reserve within Other comprehensive (loss)/income and would be subsequently recognized in the Consolidated Income Statement, primarily during the following years, in particular, two years for currency risk and three years for commodity price risk.

For the year ended December 31, 2023 net gains of €4 million related to ineffectiveness were recognized in the Consolidated Income Statement (net losses €6 million for the year ended December 31, 2022 and net gains €2 million for the year ended December 31, 2021).

The Company reclassified gains/(losses) arising on Cash flow hedges, net of the tax effect, from Other comprehensive income and Inventories to the Consolidated Income Statement as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Currency risk | | | |
| (Increase)/decrease in Cost of revenues | € (101) | € (111) | € (82) |
| Net financial income/(expenses) | — | — | (86) |
| Result from investments | 7 | (10) | 20 |
| Interest rate risk | | | |
| (Increase)/decrease in Cost of revenues | — | — | — |
| Result from investments | 44 | (59) | (6) |
| Net financial income/(expenses) | — | — | 2 |
| Commodity price risk | | | |
| (Increase)/decrease in Cost of revenues | (435) | 464 | 18 |
| Ineffectiveness and discontinued hedges | 4 | (6) | 2 |
| Tax expense | 77 | (99) | 5 |
| **Total recognized in the Consolidated Income Statement** | **€ (404)** | **€ 179** | **€ (127)** |

***Net investment hedges***

In order to manage the Company’s foreign currency risk related to its investments, the Company enters into hedges of a net investment in a foreign operation, in particular foreign currency swaps, forward contracts and currency options. For the year ended December 31, 2023, losses of €12 million (gains of €100 million for the year ended December 31, 2022 and nil for the year ended December 31, 2021) related to the hedges of a net investment in foreign operation were recognized in the Consolidated Statement of Other Comprehensive Income within Exchange differences on translating foreign operations differences. There was no ineffectiveness for the year ended December 31, 2023.

***Derivatives for trading***

At December 31, 2023, 2022 and 2021, Derivatives for trading primarily consisted of derivative contracts entered into for hedging purposes which did not qualify for hedge accounting.

Information on the Company's risk management strategy and additional information on its hedging activities is provided in Note 31, *Qualitative and quantitative information on financial risks.*

## 18. Cash and cash equivalents

Cash and cash equivalents consisted of the following:

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| Cash at banks | € 8,981 | € 9,836 |
| Money market securities measured at FVTPL | 17,691 | 20,870 |
| Other cash equivalents | 16,997 | 15,727 |
| **Total Cash and cash equivalents** | **€ 43,669** | **€ 46,433** |

Cash and cash equivalents held in certain foreign countries (primarily in Argentina, €470 million and €910 million at December 31, 2023 and 2022, respectively) were subject to local exchange control regulations providing restrictions on the amount of cash that can leave the country. In addition, a certain amount of cash and cash equivalents was held related to our entities in Russia (€121 million at December 31, 2022). Certain specific uses of these resources may be restricted by the trade and financial sanctions adopted by various governments around the world and the counter-sanctions imposed by the Russian government.

Cash and cash equivalents include €210 million at December 31, 2023 (€107 million at December 31, 2022) held in bank deposits which are restricted to the operations related to securitization programs and warehouse credit facilities of Stellantis Financial Services U.S. These deposits are primarily used for the collection of the loan installments from customers and the payment of debt and service costs and to the originator Stellantis Financial Services U.S. itself, according to the programs and facilities regulation. Refer to Note 22, *Debt* for additional information on securitization programs and warehouse credit facilities.

## 19. Share-based compensation

### 2023-2025 Long-Term Incentive Plan

At the Annual General Meeting ("AGM") of Shareholders in April 2021, shareholders approved the Company's framework equity incentive plan under which the 2023-2025 Long-Term Incentive Plan ("2023-2025 LTIP") operates.

In June 2023, the Company granted a total of approximately 8.4 million PSU and approximately 2.2 million RSU awards to eligible employees under the 2023-2025 LTIP.

In October 2023, the Company granted a total of approximately 0.4 million PSU and approximately 0.5 million RSU awards, to eligible employees under the 2023-2025 LTIP.

The PSU awards, which represent the right to receive Stellantis common shares, have certain performance targets which are settled independently of each other. Of the total PSU awards, 30 percent are expected to vest based on certain market performance conditions ("PSU TSR awards") covering a three year performance period from January 1, 2023 to December 31, 2025, with a payout scale ranging from 0 percent to 200 percent. Of the total PSU awards, 40 percent are expected to vest based on the Company's targets for the achievement of certain adjusted operating income levels ("PSU AOI"), covering a three year period from January 1, 2023 to December 31, 2025, with a payout scale ranging from 0 percent to 200 percent. The remaining 30 percent of the PSU awards are expected to vest based on the achievement of certain vehicle nameplate electrification targets ("PSU Electrification"), covering a three-year period from January 1, 2023 to December 31, 2025, with a payout scale ranging from 0 percent to 100 percent. Accordingly, the total number of shares that are expected to be issued could vary from the original award of approximately 9.4 million units. If the performance goals for the respective periods are met, the PSU awards are expected to vest in one tranche in the second quarter of 2026.

The RSU awards ("2023 RSU awards"), which represent the right to receive Stellantis common shares, cover a three year performance period from May 1, 2023 to May 1, 2026 and are expected to vest in the second quarter of 2026.

In October 2023, the Company granted a total of approximately 0.4 million Performance Restricted Share Units ("PRSU"). The PRSU awards, which represent the right to receive Stellantis common shares, will be determined based upon the application of the Software Achievement Multiplier which would result in the eligible employee receiving at least 25% to at most 125%, of the original number of units granted to vest. Each grant covers a three-year performance period with one-third of the units expected to vest on October 1, 2024, 2025, 2026, respectively. The Software Achievement multiplier is reset for each year of the three-year performance period and is based on the annual software internal metric.

The fair values of the PSU Electrification, PSU AOI and PRSU and the RSU awards were measured using the Stellantis share price on the grant date, adjusted for expected dividends at a constant yield as these PSU and RSU awards do not have the right to receive ordinary dividends prior to vesting. The fair value of the PSU TSR awards were calculated using a Monte Carlo Simulation.

*2022-2024 Long-Term Incentive Plan*

At the General Meeting of Shareholders in April 2021, shareholders approved the Company's framework equity incentive plan under which the 2022-2024 Long-Term Incentive Plan ("2022-2024 LTIP") operates.

In July and September 2022, the Company granted a total of approximately 8.8 million PSU and approximately 4.3 million RSU awards to eligible employees under the 2022-2024 LTIP.

In December 2022, the Company granted 0.6 million PSU and 0.6 million RSU additional awards.

The PSU awards, which represent the right to receive Stellantis common shares, have certain performance targets which are settled independently of each other. Of the total PSU awards, 40 percent are expected to vest based on certain market performance conditions ("PSU TSR awards") covering a three year performance period from the grant date to December 31, 2024, with a payout scale ranging from 0 percent to 200 percent. Of the total PSU awards, 40 percent are expected to vest based on the Company's targets for the achievement of synergies less implementation costs ("PSU Synergies"), following the completion of the merger, covering a three year period from January 1, 2022 to December 31, 2024, with a payout scale ranging from 0 percent to 100 percent. Ten percent of the PSU awards are expected to vest based on the achievement of certain regulatory emissions compliance targets ("PSU Compliance") in the years ending December 31, 2022, 2023 and 2024. The remaining 10 percent of the PSU awards are expected to vest based on the achievement of certain vehicle nameplate electrification targets ("PSU Electrification"), covering a three-year period from January 1, 2022 to December 31, 2024, with a payout scale ranging from 0 percent to 100 percent. Accordingly, the total number of shares that are expected to be issued could vary from the original award of approximately 9.4 million units. If the performance goals for the respective periods are met, the PSU awards are expected to vest in one tranche in the second quarter of 2025.

The RSU awards ("2022 RSU awards"), which represent the right to receive Stellantis common shares, cover a three year performance period from May 15, 2022 to May 15, 2025 and are expected to vest in the second quarter of 2025.

The fair values of the PSU Synergies, PSU Compliance, PSU Electrification and the RSU awards were measured using the Stellantis share price on the grant date, adjusted for expected dividends at a constant yield as these PSU and RSU awards do not have the right to receive ordinary dividends prior to vesting. The fair value of the PSU TSR awards were calculated using a Monte Carlo Simulation.

*2021-2023 Long-Term Incentive Plan*

At the General Meeting of Shareholders in April 2021, shareholders approved the Company's framework equity incentive plan under which the 2021-2023 Long-Term Incentive Plan ("2021-2023 LTIP") operates.

In June 2021, the Company granted a total of approximately 6.0 million PSU and approximately 2.7 million RSU awards to eligible employees under the 2021-2023 LTIP.

In September and October 2021, the Company granted approximately 1.3 million PSU and 1.0 million RSU additional awards.

In December 2021, the Company granted 0.4 million PSU special awards. These have certain performance targets which are settled independently of each other and are expected to vest based on the Company's targets for achievement of fixed costs, Adjusted operating income margin and break-even level, covering an approximate two year period from January 18, 2021 to December 31, 2022, with a payout scale ranging from 0 percent to 100 percent.

The PSU awards, which represent the right to receive Stellantis common shares, have certain performance targets which are settled independently of each other. Of the total PSU awards, 40 percent are expected to vest based on certain market performance conditions covering an approximate three year performance period from January 18, 2021 (the date of the completion of the merger) to December 31, 2023, with a payout scale ranging from 0 percent to 200 percent. Of the total PSU awards, 40 percent are expected to vest based on the Company's targets for the achievement of synergies less implementation costs, following the completion of the merger, covering an approximate three year period from January 18, 2021 to December 31, 2023, with a payout scale ranging from 0 percent to 100 percent. 10 percent of the PSU awards are expected to vest based on the achievement of certain regulatory emissions compliance targets in the years ending December 31, 2021, 2022 and 2023. The remaining 10 percent of the PSU awards are expected to vest based on the achievement of certain vehicle nameplate electrification targets, covering an approximate three-year period from January 18, 2021 to December 31, 2023, with a payout scale ranging from 0 percent to 100 percent. Accordingly, the total number of shares that are expected to be issued could vary from the original award of approximately 7.3 million units. If the performance goals for the respective periods are met, the PSU awards are expected to vest in one tranche in the second quarter of 2024.

The RSU awards ("2021 RSU awards"), which represent the right to receive Stellantis common shares, are expected to vest in the second and fourth quarters of 2024 for the awards granted during the six months ended June 30, 2021, and during the six months ended December 31, 2021, respectively.

The fair values of the PSU Synergies, PSU Compliance, PSU Electrification and the RSU awards were measured using the Stellantis share price on the grant date, adjusted for expected dividends at a constant yield as these PSU and RSU awards do not have the right to receive ordinary dividends prior to vesting. The fair value of the PSU TSR awards were calculated using a Monte Carlo Simulation.

**Chief Executive Officer Shareholder Incentive Awards**

In June 2021, the Company provided a long-term incentive award of 1.0 million PSUs to the Chief Executive Officer. The incentive award vests based on the achievement of absolute total shareholder return performance, covering the period starting January 18, 2021 and ending January 17, 2026, with a payout scale ranging from 0 percent to 200 percent.

The fair values of the special PSU awards were measured using a Monte Carlo Simulation.

**Other Restricted Share Unit and Performance Share Unit Grants**

During the year ended December 31, 2022, the Company granted approximately 0.3 million RSU awards and 0.1 million PSU awards to certain key employees of the Company, which represent the right to receive Stellantis common shares. A portion of these awards are vested in 2023 with the remaining portion expected to vest in 2024, 2025 or 2026, in accordance with the award agreements. The fair values of the PSU Synergies, PSU Compliance, PSU Electrification and the RSU awards were measured using the Stellantis share price on the grant date, adjusted for expected dividends at a constant yield as these PSU and RSU awards do not have the right to receive ordinary dividends prior to vesting. The fair value of the PSU TSR awards were calculated using a Monte Carlo Simulation.

During the year ended December 31, 2021, the Company granted approximately 0.8 million RSU awards to certain key employees of the Company, which represents the right to receive Stellantis common shares. A portion of these awards are expected to vest in 2022, with the remaining portion expected to vest in 2023 or 2024, in accordance with the award agreements. The fair values of these RSU awards were measured using the Stellantis share price on the grant date, adjusted for expected dividends at a constant yield as these RSU awards do not have the right to receive ordinary dividends prior to vesting.

**Share-based payment plans issued by the former FCA**

As a result of the merger, each outstanding legacy FCA PSU award, and each outstanding legacy FCA RSU award has been replaced by Stellantis RSU awards ("replacement Stellantis RSU awards"), which will continue to be governed by the same terms and conditions, including service-based vesting terms. Both the legacy FCA PSU Adjusted EBIT and legacy FCA PSU TSR awards were deemed to be satisfied at target upon conversion to Stellantis RSU awards. On completion of the merger 24.3 million replacement Stellantis RSU awards were granted.

In line with the guidance in IFRS 2 - Share-based payment and IFRS 3 - Business combinations, the fair value of the Stellantis RSU awards was determined based on the FCA share price as of January 15, 2021, with a portion of this fair value included in the consideration transferred, which has been determined by multiplying the fair value of the original FCA awards as of January 15, 2021 by the portion of the requisite service period that elapsed prior to the merger divided by the total service period. The remaining portion of the fair value is expected to be recognized within the Stellantis income statement over the remaining vesting term.

The replacement Stellantis RSU awards, which represents the right to receive Stellantis common shares vested in 2022 and 2023 in accordance with the award agreements.

**Share-based payment plans issued by former PSA**

As a result of the merger, each outstanding legacy PSA PSU award has been replaced by Stellantis RSU awards ("replacement Stellantis RSU awards"), which will continue to be governed by the same terms and conditions, including service-based vesting terms. The legacy PSA PSU awards were deemed to be either totally or partially satisfied upon conversion into Stellantis RSU awards. Refer below for further details regarding the conversion of the awards to Stellantis RSU awards.

*2019 performance share plan*

In 2019, a performance share plan was established. The allocation of performance shares was subject to a condition of service within PSA at the end of the vesting period. In light of the objectives, the shares are vested in two equal parts with one part vested in May 2022 and the remaining part vested in May 2023. On completion of the merger 4.3 million replacement Stellantis RSU awards were granted, in respect of this plan, with an additional 0.3 million granted for the equal distribution of Faurecia.

*2020 performance share plan*

In 2020, a performance share plan was established. The allocation of performance shares was subject to a condition of service within PSA at the end of the vesting period. The shares vested in May 2023. On completion of the merger 4.6 million replacement Stellantis RSU awards were granted, in respect of this plan, with an additional 0.3 million granted for the equal for distribution of Faurecia.

***PSU Awards***

Changes during 2023, 2022 and 2021 for the PSU awards under the 2023-2025, 2022-2024 and 2021-2023 LTIPs were as follows:

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | **PSU TSR** | **Weighted average fair value at the grant date (€)** | **PSU Synergies** | **Weighted average fair value at the grant date (€)** | **PSU Compliance** | **Weighted average fair value at the grant date (€)** |
| **Outstanding shares unvested at January 1** | **6,352,440** | **€ 13.09** | **6,352,440** | **€ 12.61** | **1,588,222** | **€ 12.61** |
| Granted | 2,903,808 | 12.02 | 56,890 | 16.14 | 14,225 | 14.05 |
| Vested | — | — | — | — | — | — |
| Canceled | — | — | — | — | — | — |
| Forfeited | (676,719) | 12.43 | (439,100) | 12.43 | (347,390) | 12.59 |
| **Outstanding shares unvested at December 31** | **8,579,529** | **€ 12.79** | **5,970,230** | **€ 12.64** | **1,255,057** | **€ 12.76** |

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | PSU Electrification | Weighted average fair value at the grant date (€) | PSU AOI | Weighted average fair value at the grant date (€) | PRSU | Weighted average fair value at the grant date (€) |
| **Outstanding shares unvested at January 1** | **1,587,998** | **€ 12.61** | **—** | **€ —** | **—** | **€ —** |
| Granted | 2,861,143 | 12.83 | 3,795,870 | 12.88 | 417,386 | 15.82 |
| Vested | — | — | — | — | — | — |
| Canceled | — | — | — | — | — | — |
| Forfeited | (109,760) | 12.43 | (316,827) | 12.83 | | |
| **Outstanding shares unvested at December 31** | **4,339,381** | **€ 12.64** | **3,479,043** | **€ 12.83** | **417,386** | **€ 15.82** |

| | 2022 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | PSU TSR | Weighted average fair value at the grant date (€) | PSU Synergies | Weighted average fair value at the grant date (€) | PSU Compliance | Weighted average fair value at the grant date (€) | PSU Electrification | Weighted average fair value at the grant date (€) |
| **Outstanding shares unvested at January 1** | **2,757,605** | **€ 17.07** | **2,757,605** | **€ 14.55** | **689,516** | **€ 14.55** | **689,285** | **€ 14.55** |
| Granted | 3,803,956 | 10.38 | 3,803,956 | 11.29 | 950,992 | 11.29 | 950,986 | 11.29 |
| Vested | — | — | — | — | — | — | — | — |
| Canceled | — | — | — | — | — | — | — | — |
| Forfeited | (209,121) | 16.50 | (209,121) | 14.27 | (52,286) | 14.27 | (52,273) | 14.27 |
| **Outstanding shares unvested at December 31** | **6,352,440** | **€ 13.09** | **6,352,440** | **€ 12.61** | **1,588,222** | **€ 12.61** | **1,587,998** | **€ 12.61** |

| | 2021 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | PSU TSR | Weighted average fair value at the grant date (€) | PSU Synergies | Weighted average fair value at the grant date (€) | PSU Compliance | Weighted average fair value at the grant date (€) | PSU Electrification | Weighted average fair value at the grant date (€) |
| **Outstanding shares unvested at January 1** | **—** | **€ —** | **—** | **€ —** | **—** | **€ —** | **—** | **€ —** |
| Granted | 2,934,454 | 17.07 | 2,934,454 | 14.55 | 733,729 | 14.55 | 733,498 | 14.55 |
| Vested | — | — | — | — | — | — | — | — |
| Canceled | — | — | — | — | — | — | — | — |
| Forfeited | (176,849) | 17.07 | (176,849) | 14.55 | (44,213) | 14.55 | (44,213) | 14.55 |
| **Outstanding shares unvested at December 31** | **2,757,605** | **€ 17.07** | **2,757,605** | **€ 14.55** | **689,516** | **€ 14.55** | **689,285** | **€ 14.55** |

The fair values of the PSU TSR awards were calculated using a Monte Carlo simulation model.

The key assumptions utilized to calculate the grant-date fair values for the PSU TSR awards are summarized below:

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| **Key assumptions** | **PSU TSR Awards Range** | | |
| Grant date stock price | €15.37 - €15.64 | €12.51 - €13.33 | €16.98 - €17.68 |
| Expected volatility | 34 % | 42 % | 41 % |
| Risk-free rate | 2.94 % | 0.4 % | 0.69 % |

The expected volatility was based on the observed historical volatility for common shares of Stellantis. The risk-free rate was derived from the yield on Euro Area Government Bonds of appropriate term, as detailed by the European Central Bank.

The weighted average fair value of the PSU Synergies, PSU Compliance, PSU Electrification, PSU AOI and PRSU awards that were granted during years ended December 31, 2023, 2022 and 2021 were measured using the Stellantis stock price on the grant date, adjusted for expected dividends at a constant yield as these PSU awards do not have the right to receive ordinary dividends prior to vesting.

***RSU awards***

Changes during 2023, 2022 and 2021 for the RSU awards under the 2023-2025, 2022-2024 and 2021-2023 LTIPs were as follows:

| | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|
| | RSUs | Weighted average fair value at the grant date (€) | RSUs | Weighted average fair value at the grant date (€) | RSUs | Weighted average fair value at the grant date (€) |
| **Outstanding shares unvested at January 1** | **8,824,943** | **€ 12.77** | **4,316,256** | **€ 14.62** | **—** | **€ —** |
| Granted | 3,419,898 | 12.41 | 5,186,760 | 11.45 | 4,499,970 | 14.62 |
| Vested | (365,601) | 15.26 | (310,968) | 16.11 | — | — |
| Canceled | — | | — | — | — | — |
| Forfeited | (816,533) | 12.51 | (367,105) | 14.02 | (183,714) | 14.62 |
| **Outstanding shares unvested at December 31** | **11,062,707** | **€ 12.67** | **8,824,943** | **€ 12.77** | **4,316,256** | **€ 14.62** |

The weighted average fair value of the RSU awards that were granted at December 31, 2023, 2022 and 2021, were measured using the Stellantis stock price on the grant date, adjusted for expected dividends at a constant yield as these RSU awards do not have the right to receive ordinary dividends prior to vesting.

***Replacement Stellantis RSU awards***

Changes during 2023, 2022 and 2021 for the Replacement Stellantis RSU awards from share-based payment plans issued by the former FCA Group were as follows:

| | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|
| | Replacement Stellantis RSU awards | Weighted average fair value at the grant date (€) | Replacement Stellantis RSU awards | Weighted average fair value at the grant date (€) | Replacement Stellantis RSU awards | Weighted average fair value at the grant date (€) |
| **Outstanding shares unvested at January 1** | **9,722,133** | **€ 9.95** | **17,520,829** | **€ 11.08** | **—** | **€ —** |
| Anti-dilution adjustment | — | — | — | — | 2,181,936 | 11.09 |
| Granted | — | — | — | — | 24,321,968 | 11.14 |
| Vested | (9,597,921) | 9.95 | (6,923,401) | 10.19 | (8,438,777) | 11.30 |
| Canceled | — | — | — | — | — | — |
| Forfeited | (124,212) | — | (875,295) | 10.05 | (544,298) | 10.32 |
| **Outstanding shares unvested at December 31** | **—** | **€ 9.95** | **9,722,133** | **€ 9.95** | **17,520,829** | **€ 11.08** |

The weighted average fair value of the RSU awards that were granted at December 31, 2023, 2022 and 2021 were measured using the Stellantis stock price on the grant date, adjusted for expected dividends at a constant yield as these PSU and RSU awards do not have the right to receive ordinary dividends prior to vesting.

Changes during 2023, 2022 and 2021 for the Replacement Stellantis RSU awards from share-based payment plans issued by former PSA were as follows:

| | 2023 | | | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Replacement Stellantis RSU awards | | Weighted average fair value at the grant date (€) | Replacement Stellantis RSU awards | | Weighted average fair value at the grant date (€) | Replacement Stellantis RSU awards | | Weighted average fair value at the grant date (€) |
| **Outstanding shares unvested at January 1** | **6,422,078** | **€** | **6.71** | **11,573,960** | **€** | **7.9** | **8,576,981** | **€** | **15.3** |
| Anti-dilution adjustment | — | | — | — | | — | 7,278,029 | | — |
| Granted | — | | — | — | | — | — | | — |
| Vested | (6,422,078) | | 6.71 | (4,187,770) | | 8.78 | (4,245,183) | | 9.15 |
| Canceled | — | | — | — | | — | — | | — |
| Forfeited | — | | — | (964,112) | | 7.76 | (35,867) | | 8.99 |
| **Outstanding shares unvested at December 31** | **—** | **€** | **—** | **6,422,078** | **€** | **6.71** | **11,573,960** | **€** | **7.9** |

The weighted average fair value of the RSU awards that were granted at December 31, 2023, 2022 and 2021 were measured using the Stellantis stock price on the grant date, adjusted for expected dividends at a constant yield as these PSU and RSU awards do not have the right to receive ordinary dividends prior to vesting.

***Anti-dilution adjustments - RSU awards***

The documents governing long-term incentive plans contain anti-dilution provisions which provide an adjustment to the number of awards granted under the plans in order to preserve, or alternatively prevent the enlargement of, the benefits intended to be made available to the recipients of the awards should an event occur that impacted the Company's capital structure.

There were no anti-dilution adjustments in 2022 and 2023.

In March 2021, the Remuneration Committee approved the methodology to calculate the conversion factor of 1.0670166 that was applied to outstanding awards under the Long-Term Incentive Plan to make equity award holders whole for the resulting diminution in the value of n Stellantis common share as a result of the distribution of Faurecia shares and cash to holders of Stellantis common shares on March 22, 2021 (March 15, 2021 ex-dividend date). In May 2021, the Remuneration Committee approved the methodology to calculate the conversion factor of 1.0216283 that was applied to certain of the outstanding awards under the Long-Term Incentive Plan to make equity award holders whole for the resulting diminution in the value of a Stellantis common share as a result of the extraordinary Distribution contemplated by the merger, as approved by Shareholders on April 15, 2021, to holders of Stellantis common shares on April 28, 2021 (April 19, 2021 ex-dividend date).

There were no changes to the total cost of these awards to be amortized over the remaining vesting period as a result of these adjustments.

The following table reflects the changes resulting from the anti-dilution adjustments:

| | 2021 Anti-dilution adjustment |
|---|---|
| **RSU Awards:** | |
| Number of awards - as adjusted | 3,179,903 |

***Share-based Compensation Expense***

Total expense for the PSU awards and RSU awards of approximately €189 million, €170 million and €201 million was recorded for the years ended December 31, 2023, 2022 and 2021, respectively.

## 20. Employee benefits liabilities

Employee benefits liabilities consisted of the following:

| | At December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| | (€ million) | | | | | |
| Pension benefits | € 45 | € 1,913 | € 1,958 | € 43 | € 2,783 | € 2,826 |
| Health care and life insurance plans | 120 | 1,577 | 1,697 | 126 | 1,596 | 1,722 |
| Other post-employment benefits | 58 | 735 | 793 | 56 | 771 | 827 |
| Other provisions for employees | 339 | 686 | 1,025 | 320 | 741 | 1,061 |
| **Total Employee benefits liabilities** | **€ 562** | **€ 4,911** | **€ 5,473** | **€ 545** | **€ 5,891** | **€ 6,436** |

The Company recognized total expense related to continuing operations of €2,114 million for defined contribution plans for the year ended December 31, 2023 (€2,018 million in 2022 and €1,812 million in 2021).

The following table summarizes the fair value of defined benefit obligations and the fair value of related plan assets:

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| Present value of defined benefit obligations: | | |
| Pension benefits | € 23,468 | € 23,652 |
| Health care and life insurance plans | 1,697 | 1,722 |
| Other post-employment benefits | 767 | 805 |
| **Total present value of defined benefit obligations (a)** | **25,932** | **26,179** |
| | | |
| Fair value of plan assets (b) | 22,642 | 22,676 |
| Asset ceiling (c) | 248 | 28 |
| **Total net defined benefit plans (a - b + c)** | **3,538** | **3,531** |
| *of which:* | | |
| *Net defined benefit liability (d)* | *4,448* | *5,375* |
| *Defined benefit plan asset (Note 16)* | *(910)* | *(1,844)* |
| | | |
| **Other provisions for employees (e)** | **1,025** | **1,061** |
| **Total Employee benefits liabilities (d + e)** | **€ 5,473** | **€ 6,436** |

***Pension benefits***

The Company's funding policy for defined benefits pension plans is to contribute the minimum amounts required by applicable laws and regulations or to directly pay benefit payments where appropriate. In the U.S., these excess amounts are tracked and the resulting credit balance can be used to satisfy minimum funding requirements in future years. At December 31, 2023, the combined credit balances for the U.S. and Canada qualified pension plans were approximately €1.2 billion, with the usage of the credit balances to satisfy minimum funding requirements subject to the plans maintaining certain funding levels. During the year ended December 31, 2023, the Company made pension contributions in the U.S. and Canada totaling €1.0 billion. Contributions to the pension plans of the Company for 2024 are expected to be €84 million, including both contributions to pension funds and direct benefit payments to employees. Of this amount, €37 million relates to the U.S. and Canada, with €26 million being mandatory contributions and €11 million discretionary contributions, €10 million relates to the UK, and €13 million relates to Germany.

The expected benefit payments for pension plans are as follows:

| | Expected benefit payments |
|---|---|
| | (€ million) |
| 2024 | € 1,771 |
| 2025 | € 1,784 |
| 2026 | € 1,780 |
| 2027 | € 1,791 |
| 2028 | € 1,753 |
| 2029-2033 | € 8,523 |

The following table summarizes changes in pension plans:

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | US and Canada | UK | France and Germany | Other | Total | US and Canada | UK | France and Germany | Other | Total |
| | (€ million) | | | | | | | | | |
| **Projected benefit obligation** | | | | | | | | | | |
| **At beginning of period: Present value** | **€ (19,201)** | **€ (1,545)** | **€ (2,671)** | **€ (235)** | **€ (23,652)** | **€ (24,197)** | **€ (2,480)** | **€ (3,141)** | **€ (413)** | **€ (30,231)** |
| Effect of changes in scope of consolidation and other | (1) | 1 | (1) | — | (1) | 22 | 1 | (283) | 34 | (226) |
| Service cost | (99) | — | (32) | (9) | (140) | (160) | — | (57) | (11) | (228) |
| Interest cost | (980) | (69) | (94) | (17) | (1,160) | (729) | (44) | (46) | (9) | (828) |
| Benefit payments for the year | 1,537 | 83 | 117 | 39 | 1,776 | 1,564 | 97 | 105 | 24 | 1,790 |
| Participant contributions | (1) | — | — | — | (1) | (1) | — | — | — | (1) |
| Actuarial gains and (losses) | (165) | 108 | (128) | (4) | (189) | 5,568 | 756 | 750 | 149 | 7,223 |
| *Demographic assumptions and experience* | 10 | (19) | (17) | (13) | (39) | 58 | (71) | (219) | (23) | (255) |
| *Financial assumptions* | (175) | 127 | (111) | 9 | (150) | 5,510 | 827 | 969 | 172 | 7,478 |
| Effect of changes in exchange rates | 610 | (32) | — | (13) | 565 | (1,265) | 128 | — | (12) | (1,149) |
| Past service cost | (396) | (2) | — | — | (398) | (3) | (3) | — | 2 | (4) |
| Effect of curtailments and settlements/Other | (268) | — | — | — | (268) | — | — | 1 | 1 | 2 |
| **At period-end: Present value** | **€ (18,964)** | **€ (1,456)** | **€ (2,809)** | **€ (239)** | **€ (23,468)** | **€ (19,201)** | **€ (1,545)** | **€ (2,671)** | **€ (235)** | **€ (23,652)** |
| **Plan Assets** | | | | | | | | | | |
| **At beginning of period: Fair value** | **€ 17,959** | **€ 1,989** | **€ 2,547** | **€ 181** | **€ 22,676** | **€ 21,856** | **€ 3,148** | **€ 3,238** | **€ 233** | **€ 28,475** |
| Effect of changes in scope of consolidation and other | — | — | — | — | — | (29) | — | 264 | (26) | 209 |
| Expected return on assets | 920 | 90 | 90 | 8 | 1,108 | 660 | 56 | 47 | 2 | 765 |
| Participant contributions | 1 | — | — | — | 1 | 1 | — | — | — | 1 |
| Administrative Expenses | (84) | (3) | — | — | (87) | (82) | (1) | — | (1) | (84) |
| Actuarial gains and (losses) | 560 | (255) | (124) | (7) | 174 | (4,267) | (978) | (909) | (20) | (6,174) |
| Effect of changes in exchange rates | (554) | 41 | — | 1 | (512) | 1,067 | (165) | — | 2 | 904 |
| Employer contributions | 993 | 21 | 6 | — | 1,020 | 309 | 26 | 8 | 2 | 345 |
| Benefit payments for the year | (1,533) | (83) | (111) | (11) | (1,738) | (1,556) | (97) | (101) | (11) | (1,765) |
| **At period-end: Fair value** | **€ 18,262** | **€ 1,800** | **€ 2,408** | **€ 172** | **€ 22,642** | **€ 17,959** | **€ 1,989** | **€ 2,547** | **€ 181** | **€ 22,676** |

| | 2023 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **US and Canada** | **UK** | **France and Germany** | **Other** | **Total** | **US and Canada** | **UK** | **France and Germany** | **Other** | **Total** |
| | (€ million) | | | | | | | | | |
| **Present value of projected benefit obligation** | **€(18,964)** | **€ (1,456)** | **€ (2,809)** | **€ (239)** | **€(23,468)** | **€(19,201)** | **€ (1,545)** | **€ (2,671)** | **€ (235)** | **€(23,652)** |
| Fair value of plan assets | 18,262 | 1,800 | 2,408 | 172 | 22,642 | 17,959 | 1,989 | 2,547 | 181 | 22,676 |
| Net (liability) asset recognized in the balance sheet before minimum funding requirement (IFRIC 14) | (702) | 344 | (401) | (67) | (826) | (1,242) | 444 | (124) | (54) | (976) |
| Minimum funding requirement liability (IFRIC 14) | (248) | — | — | — | (248) | (28) | — | — | — | (28) |
| Net (liability) asset recognized in the balance sheet | (950) | 344 | (401) | (67) | (1,074) | (1,270) | 444 | (124) | (54) | (1,004) |
| Of which, liability | (1,444) | (22) | (432) | (60) | (1,958) | (2,528) | (38) | (192) | (68) | (2,826) |
| Of which, asset | 494 | 366 | 31 | (7) | 884 | 1,258 | 482 | 68 | 14 | 1,822 |

Amounts recognized in the Consolidated Income Statement were as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | **2023** | **2022** | **2021** |
| | (€ million) | | |
| Current service cost | € 140 | € 228 | € 238 |
| Interest expense | 1,160 | 828 | 678 |
| Interest income | (1,108) | (765) | (588) |
| Other administration costs | 87 | 83 | 73 |
| Past service costs/(credits) and (gains)/losses arising from settlements/curtailments | 666 | 3 | (184) |
| Items relating to discontinued operations | — | — | — |
| **Total recognized in the Consolidated Income Statement** | **€ 945** | **€ 377** | **€ 217** |

During the year ended December 31, 2023, U.S. and Canada pension plans were amended for benefit changes made under collective bargaining agreements negotiated with the UAW and Unifor and the associated prior service costs were recognized in the Consolidated Income Statement in the amount of €396 million. In addition, voluntary separation packages offered during 2023 resulted in pension plan curtailment charges of €268 million recognized within Restructuring costs.

During the year ended December 31, 2021, there was a prior service credit primarily due to an amendment to benefits offered which incentivizes employees to elect lump sum or installment options over annuity payouts.

The fair value of plan assets by class was as follows:

| | At December 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| | Amount | of which have a quoted market price in an active market | Amount | of which have a quoted market price in an active market |
| | (€ million) | | | |
| **Cash and cash equivalents** | **€ 1,943** | **€ 1,742** | **€ 961** | **€ 850** |
| U.S. equity securities | 671 | 669 | 908 | 906 |
| Non-U.S. equity securities | 516 | 516 | 641 | 641 |
| Equity commingled funds | 1,118 | 688 | 1,445 | 399 |
| **Equity instruments** | **2,305** | **1,873** | **2,994** | **1,946** |
| Government securities | 2,837 | 1,476 | 2,262 | 986 |
| Corporate bonds (including convertible and high yield bonds) | 4,414 | 217 | 4,333 | 14 |
| Other fixed income | 4,178 | — | 4,950 | 37 |
| **Fixed income securities** | **11,429** | **1,693** | **11,545** | **1,037** |
| Private equity funds | 2,956 | — | 2,965 | — |
| Diversified Commingled funds | 47 | — | 125 | 34 |
| Real estate funds | 1,288 | — | 1,343 | 4 |
| Hedge funds | 2,308 | — | 2,634 | — |
| **Investment funds** | **6,599** | **—** | **7,067** | **38** |
| **Insurance contracts and other** | **366** | **22** | **109** | **73** |
| **Total fair value of plan assets** | **€ 22,642** | **€ 5,330** | **€ 22,676** | **€ 3,944** |

Non-U.S. equity securities were invested broadly in developed international and emerging markets. Fixed income securities were debt instruments primarily comprised of long-term U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalizations. Private equity funds included those in limited partnerships that invest primarily in the equity of companies that are not publicly traded on a stock exchange. Private debt funds included those in limited partnerships that invest primarily in the debt of companies and real estate developers. Commingled funds included common collective trust funds, mutual funds and other investment entities. Real estate fund investments included those in limited partnerships that invest in various commercial and residential real estate projects around the world. Hedge fund investments included those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets primarily in the U.S., Canada, France, Germany and UK reflected a balance of liability-hedging and return-seeking investment considerations. The investment objectives were to minimize the volatility of the value of pension assets relative to pension liabilities and to ensure that assets were sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities was addressed primarily through asset diversification, partial asset-liability matching and hedging. Assets were broadly diversified across many asset classes to achieve risk-adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets were allocated to fixed income securities. The Company policy for these plans ensured actual allocations were in line with target allocations as appropriate.

Assets were actively monitored and managed primarily by external investment managers. Investment managers were not permitted to invest outside of the asset class or strategy for which they had been appointed. The Company used investment guidelines to ensure investment managers invested solely within the mandated investment strategy. Certain investment managers used derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments could also be used in place of physical securities when it was more cost-effective and/or efficient to do so. Plan assets did not include the Company shares or properties occupied by Stellantis companies, with the possible exception of commingled investment vehicles where the Company did not control the investment guidelines.

Sources of potential risk in pension plan assets were related to market risk, interest rate risk and operating risk. Market risk was mitigated by diversification strategies and as a result, there were no significant concentrations of risk in terms of sector, industry, geography, market capitalization, manager or counterparty. Interest rate risk was mitigated by partial asset-liability matching. The fixed income target asset allocation partially matched the bond-like and long-dated nature of the pension liabilities. Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will generally increase the fair value of the investments in fixed income securities and the present value of the obligations. Operating risks were mitigated through ongoing oversight of external investment managers' style adherence, team strength and firm health.

The weighted average assumptions used to determine defined benefit obligations were as follows:

| | At December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | 2022 | | | | |
| | U.S. | Canada | UK | France | Germany | U.S. | Canada | UK | France | Germany |
| Discount rate | 5.43% | 4.64% | 5.29% | 4.46% | 3.99% | 5.40% | 5.27% | 4.52% | 4.01% | 3.56% |
| Future salary increase rate | —% | 3.50% | 2.70% | 2.77% | 2.80% | —% | 3.50% | 2.55% | 2.68% | 2.80% |

The average duration of U.S., Canada, UK, France and Germany liabilities was approximately 9, 10, 12, 7 and 16, respectively.

***Health care and life insurance plans***

Liabilities arising from these unfunded plans comprised obligations for retiree health care and life insurance granted to employees and to retirees only in the U.S. and Canada. Upon retirement from the Company, these employees may become eligible for continuation of certain benefits. Benefits and eligibility rules may be modified periodically. The expected benefit payments for unfunded health care and life insurance plans are as follows:

| | Expected benefit payments | |
|---|---|---|
| | (€ million) | |
| 2024 | € | 120 |
| 2025 | € | 119 |
| 2026 | € | 119 |
| 2027 | € | 119 |
| 2028 | € | 119 |
| 2029-2033 | € | 591 |

Changes in net defined benefit obligations for healthcare and life insurance plans were as follows:

| | 2023 | 2022 |
|---|---|---|
| | (€ million) | |
| **Present value of obligations at January 1** | **€ 1,722** | **€ 2,258** |
| **Included in the Consolidated Income Statement** | 143 | 92 |
| **Included in Other comprehensive income:** | | |
| Actuarial (gains)/losses from: | | |
| - Demographic and other assumptions | (25) | (45) |
| - Financial assumptions | 40 | (565) |
| Effect of movements in exchange rates | (53) | 118 |
| **Other:** | | |
| Benefits paid | (130) | (136) |
| **December 31** | **€ 1,697** | **€ 1,722** |

Amounts recognized in the Consolidated Income Statement were as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Current service cost | € 11 | € 21 | € 21 |
| Interest expense | 89 | 70 | 60 |
| Past service costs/(credits) and losses/(gains) arising from settlements | 43 | 1 | — |
| **Total recognized in the Consolidated Income Statement** | **€ 143** | **€ 92** | **€ 81** |

During the year ended December 31, 2023, the U.S. plans were amended for benefit changes made under collective bargaining agreements negotiated with the UAW and the associated prior service costs were recognized in the Consolidated Income Statement in the amount of €32 million. In addition, voluntary separation packages offered during 2023 resulted in OPEB plan curtailment charges of €11 million, recognized within Restructuring costs.

Health care and life insurance plans were accounted for on an actuarial basis, which required the selection of various assumptions. In particular, it required the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as health care cost increases and demographic experience.

The weighted average assumptions used to determine the defined benefit obligations were as follows:

| | At December 31, | | | |
|---|---|---|---|---|
| | 2023 | | 2022 | |
| | U.S. | Canada | U.S. | Canada |
| Discount rate | 5.51% | 4.64% | 5.54 % | 5.27 % |
| Salary growth | 2.50% | 2.00% | 1.50 % | 1.25 % |
| Weighted average ultimate healthcare cost trend rate | 3.95% | 4.00% | 4.00 % | 4.00 % |

The average duration of the U.S. and Canadian liabilities was approximately 11 and 13 years, respectively.

The annual rate of increase in the per capita cost of covered U.S. health care benefits assumed for the next year and used in the 2023 plan valuation was 7.1 percent. The annual rate was assumed to decrease gradually to 3.9 percent through 2047 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian health care benefits assumed for next year and used in the 2023 plan valuation was 4.6 percent. The annual rate was assumed to decrease gradually to 4.0 percent through 2040 and remain at that level thereafter.

***Other post-employment benefits***

Other post-employment benefits comprised other employee benefits granted to Company employees primarily in Europe.

Changes in defined benefit obligations for other post-employment benefits were as follows:

| | 2023 | 2022 |
|---|---|---|
| | (€ million) | |
| **Present value of obligations at January 1** | € 805 | € 1,125 |
| **Included in the Consolidated Income Statement** | 60 | (34) |
| **Included in Other comprehensive income:** | | |
| Actuarial (gains)/losses from: | | |
| - Demographic and other assumptions | (27) | 49 |
| - Financial assumptions | (29) | (279) |
| Effect of movements in exchange rates | (4) | 1 |
| **Other:** | | |
| Benefits paid | (47) | (56) |
| Other changes | 9 | (1) |
| **Present value of obligations at December 31** | **€ 767** | **€ 805** |

As at December 31, 2023, the above Other post-employment benefit liability is net of plan assets of €290 million.

Amounts recognized in the Consolidated Income Statement were as follows:

| | Years ended December 31, | | |
|---|---|---|---|
| | 2023 | 2022 | 2021 |
| | | (€ million) | |
| Current service cost | € 31 | € 38 | € 95 |
| Interest expense | 34 | 12 | 10 |
| Past service costs/(credits) and losses/(gains) arising from settlements | (5) | (84) | (82) |
| **Total recognized in the Consolidated Income Statement** | **€ 60** | **€ (34)** | **€ 23** |

Past service credits are primarily due to the impact on French plans of voluntary departures.

***Other provisions for employees***

Other provisions for employees primarily included long-term disability benefits, supplemental unemployment benefits, variable and other deferred compensation, as well as bonuses granted for tenure at the Company.

## 21. Provisions

Provisions consisted of the following:

| | At December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| | (€ million) | | | | | |
| Product warranty and recall campaigns | € 3,574 | € 5,410 | € 8,984 | € 3,501 | € 5,764 | € 9,265 |
| Sales incentives | 6,031 | — | 6,031 | 3,395 | — | 3,395 |
| Restructuring | 958 | 342 | 1,300 | 853 | 687 | 1,540 |
| Legal proceedings and disputes | 343 | 747 | 1,090 | 405 | 793 | 1,198 |
| Commercial risks | 2,301 | 422 | 2,723 | 2,444 | 228 | 2,672 |
| Other risks | 517 | 823 | 1,340 | 713 | 988 | 1,701 |
| **Total Provisions** | **€ 13,724** | **€ 7,744** | **€ 21,468** | **€ 11,311** | **€ 8,460** | **€ 19,771** |

Changes in Provisions were as follows:

| | At January 1, 2023 | Additional provisions | Settlements | Unused amounts | Translation differences | Transfer to Liabilities held for sale | Change in scope | Other | At December 31, 2023 |
|---|---|---|---|---|---|---|---|---|---|
| | (€ million) | | | | | | | | |
| Product warranty and recall campaigns | € 9,265 | € 5,064 | € (5,066) | € (114) | € (210) | € (63) | € — | € 108 | € 8,984 |
| Sales incentives | 3,395 | 10,378 | (7,552) | (69) | (103) | — | — | (18) | 6,031 |
| Restructuring costs | 1,540 | 1,147 | (1,058) | (344) | (4) | — | (1) | 20 | 1,300 |
| Legal proceedings and disputes | 1,198 | 192 | (266) | (69) | 7 | — | (1) | 29 | 1,090 |
| Commercial risks | 2,672 | 912 | (731) | (39) | (87) | — | — | (4) | 2,723 |
| Other risks | 1,701 | 429 | (411) | (316) | (17) | — | (7) | (39) | 1,340 |
| **Total Provisions** | **€ 19,771** | **€ 18,122** | **€ (15,084)** | **€ (951)** | **€ (414)** | **€ (63)** | **€ (9)** | **€ 96** | **€ 21,468** |

*Product warranty and recall campaigns*

The estimated future costs of actions are principally based on assumptions regarding the lifetime warranty costs of each vehicle line and each model year of that vehicle line, as well as historical claims experience for the vehicles. In addition, the number and magnitude of additional service actions expected to be approved and policies related to additional service actions are taken into consideration.

The cash outflow for the non-current portion of the Product warranty and recall campaigns provision is primarily expected within a period through 2027.

During the year ended December 31, 2022, a total provision of €951 million was recognized in Product warranty and recall campaigns which related to an extension of a recall of Takata airbags in Enlarged Europe, North America, Middle East & Africa and South America.

Prior to 2021, certain warranty costs that were incurred beyond the contractual warranty period ("goodwill warranty") were expensed as incurred due to the inability to reliably estimate the amount and frequency. During 2022, further refinements to the model implemented during 2021 were made to consider new information related to expected future spending for individually significant actions. For the year ended December 31, 2022, the change in estimate was recognized as an increase to the warranty provision of €314 million. Refer to Note 29, *Segment reporting* for additional information.

*Sales incentives*

As described within Note 2, *Basis of preparation - Use of estimates*, the Company recorded the estimated cost of sales incentive programs offered to dealers and consumers as a reduction to revenue at the time of sale of the vehicle to the dealer. At December 31, 2023, the Sales incentive provision increased primarily due to higher provisions for sales incentives in connection with higher per unit accruals and dealer stock in North America and Enlarged Europe.

*Legal proceedings and disputes*

As described within Note 2*, Basis of preparation - Use of estimates*, a provision for legal proceedings was recognized when it was deemed probable that the proceedings would result in an outflow of resources and when the amount could be reasonably estimated. As the ultimate outcome of pending litigation was uncertain, the timing of cash outflows for the Legal proceedings and disputes provision was also uncertain.

*Commercial risks*

Commercial risks arose in connection with the sale of products and services, such as onerous maintenance contracts, and as a result of certain regulatory emission requirements. For items such as onerous maintenance contracts, a provision was recognized when the expected costs to complete the services under these contracts exceeded the revenues expected to be realized. A provision for costs related to regulatory emission requirements was recognized at the time vehicles were sold based on the estimated cost to settle the obligation, measured as the sum of the cost of regulatory credits previously purchased plus the amount, if any, of the fine expected to be paid in cash. The cash outflow for the non-current portion of the Commercial risks provision was primarily expected within a period through 2027.

*Corporate Average Fuel Economy (“CAFE”) standards*

Commercial risks includes the provision of €660 million recognized during the twelve months ended December 31, 2022, related to the issuance of the final rule by the National Highway Traffic Safety Administration (“NHTSA”) in March 2022. Refer to Note 26, *Guarantees granted, commitments and contingent liabilities* for additional information.

*Restructuring costs*

During the year ended December 31, 2023, a total provision for €1,119 million was recognized primarily related to workforce reductions mainly in North America and Enlarged Europe (refer to Note 29, *Segment reporting f*or additional information). Restructuring costs for the year ended December 31, 2023 included €279 million curtailment losses in North America recorded within Employee benefits liabilities.

During the year ended December 31, 2022, a total provision for €1,167 million was recognized primarily related to workforce reductions mainly in Enlarged Europe, North America and South America (refer to Note 29, *Segment reporting* for additional information).

*Other risks*

Other risks include, among other items: provisions for disputes with suppliers related to supply contracts or other matters that were not subject to legal proceedings, provisions for product liabilities arising from personal injuries including wrongful death and potential exemplary or punitive damages alleged to be the result of product defects, disputes with other parties relating to contracts or other matters not subject to legal proceedings and management's best estimate of the Company’s probable environmental obligations, which also included costs related to claims on environmental matters. The cash outflow for the non-current portion of the Other risks provision is primarily expected within a period through 2027.

## 22. Debt

Debt classified within current liabilities included short-term borrowings from banks and other financing with an original maturity date falling within twelve months, as well as the current portion of long-term debt. Debt classified within non-current liabilities included borrowings from banks and other financing with maturity dates greater than twelve months (long-term debt), net of the current portion.

The following table summarizes the Company's current and non-current Debt by maturity date (amounts include accrued interest):

| | At December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | 2022 | | | | |
| | Due within one year (current) | Due between one and five years | Due beyond five years | Total (non-current) | Total Debt | Due within one year (current) | Due between one and five years | Due beyond five years | Total (non-current) | Total Debt |
| | (€ million) | | | | | | | | | |
| Notes | € 2,277 | € 7,133 | € 8,805 | € 15,938 | € 18,215 | € 3,692 | € 7,662 | € 7,911 | € 15,573 | € 19,265 |
| Borrowings from banks | 1,512 | 1,297 | 27 | 1,324 | 2,836 | 1,389 | 1,416 | 145 | 1,561 | 2,950 |
| Asset-backed financing | 3,638 | 1,014 | 126 | 1,140 | 4,778 | 1,009 | 558 | 88 | 646 | 1,655 |
| Lease liabilities | 718 | 728 | 712 | 1,440 | 2,158 | 634 | 896 | 729 | 1,625 | 2,259 |
| Other debt | 1,317 | 150 | 9 | 159 | 1,476 | 960 | 63 | 1 | 64 | 1,024 |
| **Total Debt** | **€ 9,462** | **€ 10,322** | **€ 9,679** | **€ 20,001** | **€ 29,463** | **€ 7,684** | **€ 10,595** | **€ 8,874** | **€ 19,469** | **€ 27,153** |

Debt increased by approximately €2.3 billion primarily to fund financial services activities in the U.S.

***Notes***

The following table summarizes the notes outstanding at December 31, 2023 and 2022:

| (€ million) | Currency | Face value of outstanding notes (million) | Coupon % | Maturity | At December 31, 2023 | 2022 |
|---|---|---|---|---|---|---|
| **Stellantis (Peugeot S.A. issuances):** | | | | | | |
| STELLANTIS N.V. (Peugeot S.A.) 2016 | EUR | 500 | 2.375 | Q2/2023 | — | 508 |
| STELLANTIS N.V. (Peugeot S.A.) 2017 | EUR | 600 | 2.000 | Q1/2024 | 609 | 608 |
| STELLANTIS N.V. (Peugeot S.A.) 2017 | EUR | 100 | 2.000 | Q1/2024 | 102 | 102 |
| STELLANTIS N.V. (Peugeot S.A.) 2018 | EUR | 650 | 2.000 | Q1/2025 | 659 | 658 |
| STELLANTIS N.V. (Peugeot S.A.) 2019 | EUR | 600 | 1.125 | Q3/2029 | 596 | 594 |
| STELLANTIS N.V. (Peugeot S.A.) 2020 | EUR | 1,000 | 2.750 | Q2/2026 | 1,014 | 1,011 |
| STELLANTIS N.V. (Peugeot S.A.) Schuldschein 2019 | EUR | 100 | 1.050 | Q4/2023 | — | 101 |
| STELLANTIS N.V. (Peugeot S.A.) Schuldschein 2019 | EUR | 60 | 1.600 | Q2/2026 | 61 | 61 |
| STELLANTIS N.V. (Peugeot S.A.) Schuldschein 2019 | EUR | 50 | 1.810 | Q2/2027 | 50 | 50 |
| STELLANTIS N.V. (Peugeot S.A.) Schuldschein 2019 | EUR | 70 | Euribor 6M + 1.050 | Q4/2023 | — | 71 |
| STELLANTIS N.V. (Peugeot S.A.) Schuldschein 2019 | EUR | 204 | Euribor 6M + 1.400 | Q2/2026 | 207 | 204 |
| **Medium Term Note Programme[(1)]:** | | | | | | |
| STELLANTIS N.V. (FCA N.V.) 2016 | EUR | 1,250 | 3.750 | Q1/2024 | 1,296 | 1,340 |
| STELLANTIS N.V. (FCA N.V.) 2020 | EUR | 1,250 | 3.375 | Q3/2023 | — | 1,289 |
| STELLANTIS N.V. (FCA N.V.) 2020 | EUR | 1,250 | 3.875 | Q1/2026 | 1,381 | 1,420 |
| STELLANTIS N.V. (FCA N.V.) 2020 | EUR | 1,000 | 4.500 | Q3/2028 | 1,200 | 1,219 |
| STELLANTIS N.V. 2021 | EUR | 1,250 | 0.625 | Q1/2027 | 1,256 | 1,254 |
| STELLANTIS N.V. 2021 | EUR | 1,250 | 0.750 | Q1/2029 | 1,254 | 1,250 |
| STELLANTIS N.V. 2021 | EUR | 1,250 | 1.250 | Q2/2033 | 1,241 | 1,240 |
| STELLANTIS N.V. 2022 | EUR | 1,000 | 2.750 | Q2/2032 | 1,016 | 1,016 |
| STELLANTIS N.V. 2023 - Green Bond | EUR | 1,250 | 4.375 | Q1/2030 | 1,285 | — |
| STELLANTIS N.V. 2023 | EUR | 1,250 | 4.250 | Q2/2031 | 1,266 | — |
| **Other Notes:** | | | | | | |
| STELLANTIS N.V. (FCA N.V.) 2015 | U.S.$ | 1,500 | 5.250 | Q2/2023 | — | 1,437 |
| STELLANTIS FINANCE US 2021 | U.S $ | 1,000 | 1.711 | Q1/2027 | 909 | 942 |
| STELLANTIS FINANCE US 2021 | U.S $ | 1,000 | 2.691 | Q3/2031 | 909 | 941 |
| STELLANTIS FINANCE US 2022 | U.S. $ | 550 | 5.625 | Q1/2028 | 512 | 520 |
| STELLANTIS FINANCE US 2022 | U.S. $ | 700 | 6.375 | Q3/2032 | 643 | 665 |
| GIE PSA Trésorerie 2003 | EUR | 600 | 6.000 | Q3/2033 | 749 | 764 |
| **Total Notes** | | | | | **€ 18,215** | **€ 19,265** |

*(1) Listed on the Irish Stock Exchange*

*Notes Issued by Peugeot S.A*

Bonds issued by Peugeot S.A. are governed by the terms and conditions of the Peugeot S.A. €5 billion EMTN Program that was renewed on June 8, 2020 for the last time. Those bonds are guaranteed by the GIE PSA Trésorerie.

In April 2019, Peugeot S.A. raised funds using a private investment under German law through a Schuldscheindarlehen. This transaction was structured in several tranches denominated in euros, with maturities ranging from Q4 2023 to Q2 2027.

*Notes Issued Under the Medium Term Note Programme*

Certain notes issued by Stellantis were governed by the terms and conditions of the Medium Term Note ("MTN") Programme (previously known as the Global Medium Term Note Programme, or "GMTN" Programme) formerly available to FCA N.V., the predecessor of Stellantis N.V. A maximum of €20 billion was allowed under this programme, and notes of €3.5 billion (principal amounts) were outstanding as at December 31, 2023.

After the merger, Stellantis established a Euro Medium Term Note Programme ("EMTN") under which it may from time to time issue notes up to an amount of €30 billion.

Under the €30 billion EMTN Programme, the Company issued two notes and repaid one note at maturity during the year ended December 31, 2023:

- In March 2023, a Green Bond was issued with a principal amount of €1.25 billion with an interest rate of 4.375 percent and matures in March 2030. Stellantis will allocate an amount equal to the net proceeds of any Green Bond issued to investments and expenditures meeting the eligibility criteria (the "Eligible Green Projects"). The Eligible Green Projects include design, development and manufacturing of zero emissions vehicles, that are battery electric vehicles and hydrogen fuel cell vehicles;

- In June 2023, the Company issued notes with principal amount of €1.25 billion with an interest rate of 4.25 percent and matures in June 2031; and

- In July 2023, the Company repaid one note at maturity with principal amount of €1.250 billion with an interest rate of 3.375 percent.

As at December 31, 2023, the outstanding principal amount of the notes issued under the successive versions of the programme, after the merger, was €7.25 billion.

These notes impose covenants on the issuer, which include: (i) negative pledge clauses which require that in the case that any security interest upon assets of Stellantis N.V. is granted in connection with other notes or debt securities having the same ranking, such a security should be equally and ratably extended to the outstanding notes; (ii) pari passu clauses, under which the notes rank and will rank pari passu with all other present and future unsubordinated and unsecured obligations of Stellantis N.V.; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the notes under certain events of default on other financial instruments issued by Stellantis' main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the notes. As of December 31, 2023, Stellantis was in compliance with the covenants under the MTN Programme.

From time to time, Stellantis may buy back notes in the market. Such buybacks, if made, depend upon market conditions, the Company's financial situation and other factors which could affect such decisions.

*Other Notes*

In October 2023 Stellantis repaid, at maturity, €170 million related to Schuldschein issued by PSA in 2019.

In April 2023, Stellantis repaid, at maturity, a €500 million note formerly issued by PSA in 2016, and a U.S. $1.5 billion (€1.4 billion) note formerly issued by FCA in 2015.

As at December 31, 2023, all the outstanding notes of Stellantis were rated "Baa2" by Moody's Investors Service and "BBB+" by S&P Global Ratings.

The Notes impose covenants on Stellantis N.V. including: (i) negative pledge clauses which require that in the case that any security interest upon assets of Stellantis N.V. is granted in connection with other notes or debt securities having the same ranking, such a security should be equally and ratably extended to the outstanding Notes; (ii) *pari passu* clauses, under which the Notes rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of Stellantis N.V.; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the Notes under certain events of default on other financial instruments issued by Stellantis' main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the Notes. As of December 31, 2023, Stellantis was in compliance with the covenants of the Notes.

***Borrowings from banks***

*European Investment Bank Borrowings*

Stellantis had financing agreements with the European Investment Bank ("EIB") for a total of €1.0 billion outstanding at December 31, 2023 (€1.0 billion at December 31, 2022). These were entered into to finance specific projects and investment plans among which include the manufacturing of PHEV vehicles at the Melfi production plant in Italy, the manufacturing of battery electric vehicles at the Mirafiori production plant in Italy, the research, development and innovation for electrification, connectivity and self-driving technologies mainly conducted at the Turin laboratories in Italy and the development of low emissions and fuel efficient propulsion systems.

*Brazil*

Stellantis' Brazilian subsidiaries have access to various local bank facilities in order to fund investments and operations including financial services activities. Total debt outstanding under those facilities amounted to a principal amount of €0.7 billion at December 31, 2023 (€0.6 billion at December 31, 2022). This includes subsidized financing, granted by public financing institutions, such as Banco Nacional do Desenvolvimento, with the aim to support industrial projects in certain areas that gave the Company the opportunity to fund large investments in Brazil at attractive rates. At December 31, 2023, outstanding subsidized loans amounted to €0.2 billion (€0.3 billion at December 31, 2022), of which approximately €0.1 billion (€0.2 billion at December 31, 2022) related to the construction of the Pernambuco plant in Brazil, which was supported by subsidized credit lines totaling Brazilian Real 6.5 billion (€1.2 billion).

*Undrawn committed credit lines*

On July 23, 2021, Stellantis announced that it had signed a new syndicated revolving credit facility ("RCF") of €12.0 billion, with a group of 29 relationship banks. This new RCF replaces the existing syndicated RCFs from the PSA Group (€3.0 billion) and FCA Group (€6.25 billion), thereby providing an increase in the Company's overall liquidity and an extension of the duration of the facility and is available for use in general corporate purposes. The credit facility is structured in two tranches: €6.0 billion, with a 3-year tenor, and €6.0 billion, with a 5-year tenor, each tranche benefiting from two further extension options, each of 1-year. In June 2023, the second-year extension option has been exercised. Current maturities are July 2026 and July 2028 respectively for the two tranches.

At December 31, 2023, undrawn committed credit lines of €12.6 billion include the syndicated revolving credit facility of €12.0 billion, signed in 2021.

The covenants of the RCF include negative pledge, *pari passu*, cross-default and change of control clauses. Failure to comply with these covenants, and in certain cases if not suitably remedied, can lead to the requirement of early repayment of any outstanding amounts. As of December 31, 2023, Stellantis was in compliance with the covenants of the RCF.

***Asset-backed financing***

Asset-backed financing primarily represented the amount of financing received by Stellantis Financial Services U.S. through securitization programs of €4,711 million, that will be settled through the collection of a portfolio of receivables which originate from consumers.

The retail consumer contracts are pledged to special purpose entities as collateral.

The following table summarizes the asset-back financing amounts at December 31, 2023 and 2022:

| | | | | At December 31, | |
|---|---|---|---|---|---|
| (€ million) | Currency | Interest rate % | Maturity[(1)] | 2023 | 2022 |
| **Warehouse Credit Facilities:** | | | | | |
| SFS Funding I | USD | CP/SOFR+spread | Q3/2024 | 3,189 | 627 |
| SFS Funding II | USD | CP/SOFR+spread | Q3/2024 | 109 | 10 |
| FIARC | USD | SOFR+spread | Q2/2025 | 29 | 101 |
| **Term Notes:** | | | | | |
| Term Notes 2017-2020 | USD | 2.80%-7.07% | Q2/2027 | 36 | 114 |
| Term Notes 2021-1 | USD | 0.89%-5.37% | Q2/2028 | 45 | 75 |
| Term Notes 2021-2 | USD | 0.48%-3.14% | Q4/2028 | 98 | 158 |
| Term Notes 2022-1 | USD | 2.03%-5.41% | Q2/2029 | 125 | 201 |
| Term Notes 2022-2 | USD | 6.26%-8.71% | Q4/2029 | 151 | 241 |
| Term Notes 2023-1 | USD | 5.89%-7.74% | Q1/2031 | 929 | — |
| **Total** | | | | **€ 4,711** | **€ 1,527** |

*(1) Final maturity of the commitment for the warehouse credit facilities and the expected date of the last payment for the Term Notes*

*Warehouse Credit Facilities*

There are three revolving warehouse credit facilities used to finance loan originations by Stellantis Financial Services U.S. The Company believes that the credit facilities will continue to be renewed or replaced, and that it will be able to secure additional sources of financing on satisfactory terms; however, there can be no assurance that it will be able to do so. In the event that the Company is unable to renew its facilities, the receivables pledged would amortize over time to pay down the warehouse credit facilities; however, the Company would not be able to finance new receivables without alternative sources of funding. Stellantis Financial Services U.S. uses interest rate derivatives in order to reduce the interest rate risk of certain warehouse credit facilities.

The Company has three separate USD warehouse credit facilities. First Investors Auto Receivables Corporation ("FIARC") was implemented on August 31, 2012 and has a commitment through June 2025. The FIARC facility has a capacity of €271 million ($300 million) and bears interest based on SOFR plus a spread. Stellantis Financial Services U.S. has also implemented two additional separate warehouse credit facilities. The first Stellantis Financial Services U.S. facility, SFS Funding, LLC, was implemented in August 2022 and matures in August 2024. The €2.3 billion ($2.5 billion) commitment bears interest based on variable commercial paper rates plus a spread or one-month term SOFR, plus a spread. The second Stellantis Financial Services U.S. facility, SFS Funding II, LLC, was implemented in August 2022 and matures in August 2024. The €452 million ($500 million) commitment bears interest based on variable commercial paper rates plus a spread or one-month term SOFR, plus a spread.

*ABS Term Notes*

ABS Term Notes are issued in various classes ranging from Class A to Class E Notes. These notes are sequentially paid with Class A Notes paid first. The range in interest rates depends on the level of risk of loss and is determined by investor interest in each class of the notes.

The terms governing the warehouse credit facilities and ABS Term Notes contains numerous covenants relating to the issuer's business, the observance of certain financial covenants, the avoidance of certain levels of delinquency experience and other matters. A breach of a covenant, if not cured within the time limits specified, could precipitate events of default that might result in the acceleration of the ABS Term Notes or warehouse credit facilities. The Company was not in default with respect to any financial and non-financial covenants governing these financing arrangements at December 31, 2023.

Refer to Note 24, *Fair value measurement* for additional information on fair and carrying values of assigned receivables and related liabilities.

*Other*

Additionally, there is €67 million of debt relating to factoring transactions which do not meet the IFRS 9 derecognition requirements and are recognized within assets of the same amount as of December 31, 2023 (€128 million at December 31, 2022) in the Consolidated Statement of Financial Position, refer to Note 16, *Trade receivables, other assets, prepaid expenses and tax receivables* for additional information.

***Other debt***

Other debt also includes funds raised from financial services companies and deposits from dealers in South America, primarily in Brazil.

***Lease liabilities***

The following table summarizes the Company's current and non-current lease liabilities:

*Lease liabilities included in the Statement of Financial Position*

| | At December 31, | | | |
|---|---|---|---|---|
| | **2023** | | **2022** | |
| | (€ million) | | | |
| Long-term debt (non-current) | € | 1,440 | € | 1,625 |
| Short-term debt and current portion of long-term debt (current) | € | 718 | € | 634 |

*Maturity analysis - contractual undiscounted cash flows*

| | At December 31, 2023 | |
|---|---|---|
| | (€ million) | |
| Due within one year | € | 818 |
| Due between one and five years | | 824 |
| Due beyond five years | | 795 |
| **Total undiscounted lease liabilities** | **€** | **2,437** |

In addition, the Company entered into commitments relating to leases not yet commenced of €369 million, of which the most significant relating to contracts in the U.S. and in Canada. In addition to the above, the Company entered into non-cancellable short-term leases, which have not been classified as lease liabilities, of €59 million which is expected to be settled within the next 12 months.

***Debt secured by assets***

At December 31, 2023, debt secured by assets of the Company amounted to €79 million (€176 million at December 31, 2022), excluding the Lease liabilities and Asset-backed financing as described above, mainly related to subsidized financing in South America and China and India & Asia Pacific.

The total carrying amount of assets acting as security for loans for the Company amounted to €806 million, excluding the Right-of-use assets as described in Note 11, *Property, plant and equipment*, at December 31, 2023 (€1,360 million at December 31, 2022).

## 23. Other liabilities

Other liabilities consisted of the following:

| | At December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| | (€ million) | | | | | |
| Payables for buy-back agreements | € 1,877 | € 4,645 | € 6,522 | € 1,968 | € 4,931 | € 6,899 |
| Accrued expenses and deferred income | 4,778 | 751 | 5,529 | 3,620 | 149 | 3,769 |
| Indirect tax payables | 1,426 | 15 | 1,441 | 1,563 | 23 | 1,586 |
| Payables to personnel | 2,658 | 4 | 2,662 | 2,700 | 6 | 2,706 |
| Social security payables | 567 | 15 | 582 | 633 | 14 | 647 |
| Construction contract liabilities (Note 14) | 107 | — | 107 | 111 | — | 111 |
| Service contract liability | 808 | 2,160 | 2,968 | 948 | 2,255 | 3,203 |
| Derivatives operating liability | 746 | 299 | 1,045 | 708 | 224 | 932 |
| Other | 2,603 | 176 | 2,779 | 2,277 | 527 | 2,804 |
| **Total Other liabilities** | **€ 15,570** | **€ 8,065** | **€ 23,635** | **€ 14,528** | **€ 8,129** | **€ 22,657** |

Other liabilities (excluding Accrued expenses, Deferred income and Service contract liability) by due date were as follows:

| | At December 31, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | 2022 | | | | |
| | Total due within one year (Current) | Due between one and five years | Due beyond five years | Total due after one year (Non-Current) | Total | Total due within one year (Current) | Due between one and five years | Due beyond five years | Total due after one year (Non-Current) | Total |
| | (€ million) | | | | | | | | | |
| Other liabilities (excluding Accrued expenses, deferred income and service contract liability) | **€ 9,984** | € 5,124 | € 30 | **€ 5,154** | **€ 15,138** | **€ 9,960** | € 2,449 | € 3,276 | **€ 5,725** | **€ 15,685** |

Payables for buy-back agreements include the price received for the product, recognized as an advance at the date of the sale and, subsequently, the repurchase price and the remaining lease installments yet to be recognized.

In July 2023, the Brazilian court issued a final favorable decision and a definitive ruling in the lawsuit filed by Stellantis challenging the calculation of federal taxes on revenue for previously paid taxes and recognizing its right to recover tax payments made between 2002-2004 for an amount of €51 million.

*Service contract liability*

The service contract liability was mainly comprised of maintenance plans and extended warranties. Changes in the Company's service contract liability for the year ended December 31, 2023, were as follows:

| | At January 1, 2023 | Advances received from customers | Amounts recognized within revenue | Transfers to Assets/ (Liabilities) held for sale | Other Changes | At December 31, 2023 |
|---|---|---|---|---|---|---|
| | (€ million) | | | | | |
| Service contract liability | **€ 3,203** | € 1,198 | € (1,272) | € — | € (161) | **€ 2,968** |

Of the total Service contract liability at December 31, 2023, the Company expected to recognize approximately €1,015 million in 2024, €767 million in 2025, €588 million in 2026 and €598 million thereafter.

## 24. Fair value measurement

***Assets and liabilities that are measured at fair value on a recurring basis***

The following table shows the fair value hierarchy, based on observable and unobservable inputs, for financial assets and liabilities measured at fair value on a recurring basis:

| | | At December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | | | | 2022 | | | |
| | Note | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| | | (€ million) | | | | | | | |
| Financial securities and equity instruments measured at FVOCI | 13 | € 110 | € 23 | € 282 | € 415 | € 99 | € 19 | € 40 | € 158 |
| Financial securities and equity instruments measured at FVPL | 13 | 1,041 | — | 883 | 1,924 | 726 | — | 214 | 940 |
| Derivative financial assets | 17 | — | 40 | — | 40 | 2 | 30 | 2 | 34 |
| Derivative operating assets | 17 | — | 208 | — | 208 | — | 873 | — | 873 |
| Collateral deposits | 13 | 108 | — | — | 108 | 51 | — | — | 51 |
| Receivables from financing activities | 16 | — | — | 117 | 117 | — | — | 259 | 259 |
| Trade receivables | 16 | — | 49 | — | 49 | — | 1 | — | 1 |
| Other receivables | 16 | — | — | 76 | 76 | — | — | 89 | 89 |
| Money market securities | 18 | 17,691 | — | — | 17,691 | 20,869 | — | 1 | 20,870 |
| **Total Assets** | | **€ 18,950** | **€ 320** | **€ 1,358** | **€ 20,628** | **€ 21,747** | **€ 923** | **€ 605** | **€ 23,275** |
| Derivative financial liabilities | 17 | — | 39 | — | 39 | — | 18 | — | 18 |
| Derivative operating liabilities | 17 | — | 1,005 | 40 | 1,045 | — | 883 | 49 | 932 |
| **Total Liabilities** | | **€ —** | **€ 1,044** | **€ 40** | **€ 1,084** | **€ —** | **€ 901** | **€ 49** | **€ 950** |

The fair value of derivative financial assets and liabilities was measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment, as described below:

- the fair value of forward contracts, swaps and options hedging currency risk was determined by using valuation techniques common in the financial markets and taking market parameters at the balance sheet date (in particular, exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements was determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps was determined using the exchange and interest rates prevailing at the balance sheet date and the discounted expected cash flow method; and
- the fair value of swaps and options hedging commodity price risk was determined by using valuation techniques common in the financial markets and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates).

The fair value of money market securities was also based on available market quotations.

The fair value of Receivables from financing activities, which are classified in Level 3 of the fair value hierarchy, was estimated using discounted cash flow models. The most significant inputs used in this measurement were market discount rates that reflected conditions applied in various reference markets on receivables with similar characteristics, adjusted in order to take into account the credit risk of the counterparties.

The fair value of Other receivables is classified in Level 3 of the fair value hierarchy and was estimated using discounted cash flow models. The most significant inputs used in this measurement were market discount rates.

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Company determined whether transfers occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

The following table provides a reconciliation of the changes in items measured at fair value and categorized within Level 3:

| | Receivables from financing activities | Financial securities | Derivative financial assets/ (liabilities) | Collateral deposits | Money market securities | Other receivables |
|---|---|---|---|---|---|---|
| | | | (€ million) | | | |
| **At January 1, 2023** | € 259 | € 254 | € (48) | € — | € 1 | € 89 |
| Change in scope of consolidation | | (28) | | | | |
| Gains/(Losses) recognized in Consolidated Income Statement | — | 1 | — | — | — | (13) |
| Losses recognized in Other comprehensive income/(loss) | — | (151) | 8 | — | — | — |
| Issues/Settlements | (142) | — | — | — | — | — |
| Purchases/Sales | — | 1,089 | — | — | — | — |
| Transfers to Assets/(Liabilities) held for sale | — | — | — | — | — | — |
| Transfers from Level 3 | — | — | — | — | (1) | — |
| **At December 31, 2023** | **€ 117** | **€ 1,165** | **€ (40)** | **€ —** | **€ —** | **€ 76** |

| | Receivables from financing activities | Financial securities | Derivative financial assets/ (liabilities) | Collateral deposits | Money market securities | Other receivables |
|---|---|---|---|---|---|---|
| | | | (€ million) | | | |
| **At January 1, 2022** | € 252 | € 142 | € (11) | € 15 | € 12 | € 134 |
| Gains recognized in Other comprehensive income/(loss) | — | 5 | 4 | — | — | 20 |
| Losses recognized in Consolidated Income Statement | — | — | (41) | — | — | — |
| Issues/Settlements | 7 | — | — | — | — | — |
| Purchases/Sales | — | 58 | — | — | (11) | — |
| Transfers to Assets/(Liabilities) held for sale | — | — | — | — | — | — |
| Transfers from Level 3 | — | 49 | — | (15) | — | (65) |
| **At December 31, 2022** | **€ 259** | **€ 254** | **€ (48)** | **€ —** | **€ 1** | **€ 89** |

The gains/(losses) included in the Consolidated Income Statements were recognized within Net financial expenses and SG&A. Of the total gains/(losses) recognized in Other comprehensive income, €8 million were recognized within Cash flow reserves (€41 million at December 31, 2022), €230 million were recognized within Currency translation differences (nil at December 31, 2022) and €79 million were recognized within Gains and losses from remeasurement of financial assets (nil at December 31, 2022).

***Assets and liabilities not measured at fair value on recurring basis***

The carrying value of debt securities measured at amortized cost, current receivables and payables was a reasonable approximation of fair value as the present value of future cash flows did not differ significantly from the carrying amount.

The carrying value of Cash at banks and Other cash equivalents usually approximated fair value due to the short maturity of these instruments (refer to Note 18, *Cash and cash equivalents* for additional information).

The following table provides the carrying amount and fair value of financial assets and liabilities not measured at fair value on a recurring basis:

| | | At December 31, | | | |
|---|---|---|---|---|---|
| | | 2023 | | 2022 | |
| | Note | Carrying amount | Fair Value | Carrying amount | Fair Value |
| | | (€ million) | | | |
| Dealer financing | | € 2,188 | € 2,184 | € 1,370 | € 1,365 |
| Retail financing | | 5,505 | 5,364 | 2,475 | 2,301 |
| Finance lease | | 133 | 133 | 7 | 7 |
| Other receivables from financing activities | | 1,051 | 1,063 | 595 | 564 |
| **Total Receivables from financing activities[1]** | 16 | **€ 8,877** | **€ 8,744** | **€ 4,447** | **€ 4,237** |
| | | | | | |
| Asset-backed financing | | € 4,778 | € 4,772 | € 1,655 | € 1,629 |
| Notes | | 18,215 | 17,391 | 19,265 | 17,321 |
| Borrowings from banks & Other debt | | 4,312 | 4,274 | 3,974 | 3,901 |
| **Total Debt, excluding Lease liabilities** | 22 | **€ 27,305** | **€ 26,437** | **€ 24,894** | **€ 22,851** |

*(1) Amount excludes receivables measured at FVPL*

The carrying value of financial securities measured at amortized cost was a reasonable approximation of fair value as the present value of future cash flows did not differ significantly from the carrying amount. Refer to Note 13, *Financial assets* for additional information.

Notes that were traded in active markets for which close or last trade pricing was available are classified within Level 1 of the fair value hierarchy. Notes for which such prices were not available were valued at the last available price or based on quotes received from independent pricing services or from dealers who trade in such securities and are categorized as Level 2. At December 31, 2023, €17,073 million and €318 million of notes were classified within Level 1 and Level 2, respectively. At December 31, 2022, €16,841 million of notes were classified within Level 1 and €480 million of notes were classified within Level 2.

The fair value of Borrowings from banks and Other debt included in Level 2 of the fair value hierarchy was estimated using discounted cash flow models. The main inputs used were year-end market interest rates, adjusted for market expectations of the Company’s non-performance risk implied in quoted prices of traded securities issued by the Company and existing credit derivatives on Company liabilities. The fair value of Borrowings from banks and Other debt that requires significant adjustment using unobservable inputs is categorized within Level 3. At December 31, 2023, €4,041 million and €233 million of Borrowings from banks and Other Debt was classified within Level 2 and Level 3, respectively. At December 31, 2022, €3,510 million and €387 million of Borrowings from banks and Other Debt were classified within Level 2 and Level 3, respectively.

## 25. Related party transactions

Related parties of the Company are entities and individuals capable of exercising control, joint control or significant influence over the Company and its subsidiaries. Related parties also include associates, joint ventures and unconsolidated subsidiaries of the Company, members of the Stellantis Board of Directors, executives with strategic responsibilities and certain members of their families. Related parties include companies belonging to Exor N.V. (“Exor”), which include Ferrari N.V., CNH Industrial N.V. (“CNHI”) and Iveco Group N.V. ("Iveco"), which was spun-off from CNHI effective January 1, 2022.

Transactions carried out by Stellantis with its related parties are on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved, and primarily relate to:

- the sale of LCV vehicles and spare parts to Iveco's owned dealer network;
- the sale of iron and aluminum engine components, plastic components and industrial equipment to Iveco;
- the sale of propulsion system and other components to the companies of CNHI;
- the provision of service (accounting, payroll, tax administration, information technology and security) to the companies of CNHI and Iveco;
- the purchase of engines and engine components for Maserati vehicles from Ferrari N.V.;
- the sale of vehicles for rental activities to Leasys (refer to Note 3, *Scope of consolidation* for additional information);
- the sale of vehicles for resale and leasing activities to the joint ventures with Santander and BNP Paribas;
- the purchase of used vehicles from Leasys and the joint ventures with Santander and BNP Paribas under repurchase agreements from leasing and rentals activities;
- the purchase of light commercial vehicles and passenger cars from and the sale of goods to the joint venture Tofas;
- the provision of services and the sale of goods to Dongfeng Peugeot Citroën Automobiles until late 2023;
- the provision of services and the sale of goods to the GAC-Stellantis JV until January 2022. Refer to Note 3, *Scope of consolidation* for additional information;
- the purchase of vehicles from, and the provision of services and the sale of goods to the joint operation Fiat India Automobiles Private Limited;
- the Jeep brand sponsorship of Juventus Football Club (a subsidiary of Exor);
- the manufacturing assistance services in both technology and personnel to manufacture an electric vertical take-off and landing aircraft with Archer; and
- the purchases of goods and services from GEFCO. Refer to Note 3, Scope of consolidation for additional information on the disposal.

The amounts for significant transactions with related parties recognized in the Consolidated Income Statements were as follows:

| | Years ended December 31, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | | 2021 | | | |
| | Net Revenues | Cost of revenues | Selling, general and other costs, net | Net Financial expenses/ (income) | Net Revenues | Cost of revenues | Selling, general and other costs, net | Net Financial expenses/ (income) | Net Revenues | Cost of revenues | Selling, general and other costs, net | Net Financial expenses |
| | (€ million) | | | | | | | | | | | |
| Tofas | € 1,339 | € 779 | € 27 | € — | € 1,129 | € 1,699 | € 24 | € — | € 831 | € 1,220 | € 14 | € — |
| FCA Bank | — | — | — | — | 2,007 | 33 | 30 | 21 | 1,666 | 19 | (1) | 39 |
| Leasys | 960 | 12 | 6 | — | — | — | — | — | — | — | — | — |
| GAC-Stellantis JV | — | — | — | — | 24 | — | — | (2) | 45 | — | — | (3) |
| Dongfeng Peugeot Citroën Automobiles | 72 | 177 | — | (3) | 140 | 604 | — | (7) | 150 | 122 | — | — |
| Finance companies in partnership with SCF and BNPP PF[(1)] | 8,973 | 471 | (7) | 14 | 7,773 | 623 | 1 | (2) | 7,251 | 647 | 57 | — |
| Other | 4 | 1 | (1) | (2) | 3 | — | 12 | (4) | 4 | 2 | 8 | — |
| **Total joint arrangements** | **11,348** | **1,440** | **25** | **9** | **11,076** | **2,959** | **67** | **6** | **9,947** | **2,010** | **78** | **36** |
| GEFCO | — | — | — | — | — | — | — | — | 25 | 2,048 | — | — |
| Other | 23 | 196 | 2 | (1) | 65 | 183 | 16 | — | 66 | 144 | 16 | (2) |
| **Total associates** | **23** | **196** | **2** | **(1)** | **65** | **183** | **16** | **—** | **91** | **2,192** | **16** | **(2)** |
| CNHI | 28 | — | (3) | — | 50 | — | — | — | 332 | 169 | 1 | — |
| Iveco | 218 | 19 | (5) | — | 233 | 26 | (1) | — | — | — | — | — |
| Ferrari N.V. | 16 | 51 | (1) | — | 22 | 83 | — | — | 27 | 115 | — | — |
| Directors and Key Management | — | — | 87 | — | — | — | 75 | — | — | — | 73 | — |
| Other | 1 | — | 43 | — | 1 | 1 | 48 | — | 179 | 5 | 49 | — |
| **Total CNHI, Ferrari, Directors and other** | **263** | **70** | **121** | **—** | **306** | **110** | **122** | **—** | **538** | **289** | **123** | **—** |
| **Total unconsolidated subsidiaries** | **95** | **24** | **—** | **—** | **17** | **50** | **5** | **(1)** | **261** | **11** | **5** | **(4)** |
| **Total transactions with related parties** | **€ 11,729** | **€ 1,730** | **€ 148** | **€ 8** | **€ 11,464** | **€ 3,302** | **€ 210** | **€ 5** | **€ 10,837** | **€ 4,502** | **€ 222** | **€ 30** |
| **Total for the Company** | **€ 189,544** | **€ 151,400** | **€ 9,541** | **€ (42)** | **€ 179,592** | **€ 144,327** | **€ 8,981** | **€ 768** | **€ 149,419** | **€ 119,943** | **€ 9,130** | **€ 734** |

*(1) As a result of the reorganization of the financing activities within Europe, the transactions of the financing companies in partnership with SCF and BNPP have a similar nature. As such, the transactions have been aggregated and the prior periods have been represented for comparability*

Assets and liabilities from significant transactions with related parties were as follows:

| | At December 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| | Trade and other receivables | Trade payables and other liabilities | Asset-backed financing | Debt[1] | Trade and other receivables | Trade payables and other liabilities | Asset-backed financing | Debt [1] |
| | (€ million) | | | | | | | |
| Tofas | € 164 | € 180 | € — | € — | € 214 | € 423 | € — | € — |
| FCA Bank | — | — | — | — | 272 | 122 | 2 | 113 |
| Leasys | 147 | 104 | — | 38 | — | — | — | — |
| GAC-Stellantis JV | — | 14 | — | — | — | 14 | — | — |
| Dongfeng Peugeot Citroën Automobiles | 128 | 44 | — | — | 114 | 64 | — | — |
| Finance companies in partnership with SCF and BNPP PF[2] | 943 | 400 | 38 | 22 | 919 | 258 | 55 | 16 |
| Other | 77 | 11 | — | — | 14 | 16 | — | — |
| **Total joint arrangements** | **1,459** | **753** | **38** | **60** | **1,533** | **897** | **57** | **129** |
| Other | 237 | 34 | — | — | 102 | 27 | — | — |
| **Total associates** | **237** | **34** | **—** | **—** | **102** | **27** | **—** | **—** |
| CNHI | 11 | 1 | — | — | 19 | 1 | — | — |
| Iveco | 42 | 40 | — | — | 34 | 17 | — | — |
| Ferrari N.V. | 8 | 19 | — | — | 11 | 17 | — | — |
| Other | 1 | 25 | — | — | 1 | 39 | — | — |
| **Total CNHI, Ferrari N.V. and other** | **62** | **85** | **—** | **—** | **65** | **74** | **—** | **—** |
| **Total unconsolidated subsidiaries** | **188** | **26** | **—** | **7** | **95** | **91** | **—** | **8** |
| **Total originating from related parties** | **€ 1,946** | **€ 898** | **€ 38** | **€ 67** | **€ 1,795** | **€ 1,089** | **€ 57** | **€ 137** |
| **Total for the Company** | **€ 21,359** | **€ 56,643** | **€ 4,778** | **€ 24,685** | **€ 14,870** | **€ 54,383** | **€ 1,655** | **€ 25,498** |

*(1) Relating to Debt excluding Asset-backed financing, refer to Note, 22 Debt for additional information*
(2) *As a result of the reorganization of the financing activities within Europe, the transactions of the financing companies in partnership with SCF and BNPP have a similar nature. As such, the transactions have been aggregated and the prior periods have been represented for comparability*

For guarantees and commitments details, refer to Note 26, *Guarantees granted, commitments and contingent liabilities* for additional information.

***Compensation to Directors and Key Management***

The fees of the Directors of the Company for carrying out their respective functions were €43 million and €31 million for the year ended December 31, 2023 and 2022, respectively.

The aggregate compensation expense for remaining executives with strategic responsibilities was approximately €44 million for 2023 (€44 million for 2022), which in addition to base compensation, included:

- €16 million in 2023 (€16 million in 2022) for share-based compensation expense;
- €9 million in 2023 (€14 million in 2022) for short-term employee benefits; and
- €3 million in 2023 (€3 million in 2022) for pension and similar benefits.

Refer to Note 19, *Share-based compensation*, for additional information related to the PSU and RSU awards granted to certain key employees.

## 26. Guarantees granted, commitments and contingent liabilities

### Guarantees granted

At December 31, 2023, the Company had pledged guarantees on the debt or commitments of third parties totaling €6 million (€24 million at December 31, 2022), as well as guarantees on related party debt and commitments of €372 million at December 31, 2023 (€248 million at December 31, 2022).

***SCUSA Private-label financing agreement***

In February 2013, FCA US entered into a private-label financing agreement (the "SCUSA Agreement") with Santander Consumer USA Inc. ("SCUSA"), an affiliate of Banco Santander, which launched on May 1, 2013. Under the SCUSA Agreement, SCUSA provides a wide range of wholesale and retail financing services to FCA US's dealers and consumers in accordance with its usual and customary lending standards, under the Chrysler Capital brand name.

The SCUSA Agreement had an original ten-year term set to expire in April 2023, and was subject to early termination in certain circumstances, including the failure by a party to comply with certain of its ongoing obligations under the SCUSA Agreement. In accordance with the terms of the agreement, SCUSA provided an upfront, non-refundable payment of €109 million (U.S.$150 million) in May 2013, which was recognized as deferred revenue and is amortized over ten years.

On June 28, 2019, FCA US entered into an amendment (the "Amendment") to the SCUSA Agreement. The Amendment modified certain terms of the agreement, with the remaining term unchanged through to April 2023, and in connection with its execution, SCUSA made a one-time, nonrefundable, non-contingent, cash payment of U.S. $60 million (€53 million) to FCA US as part of a negotiated resolution of open matters. This amount was recognized by FCA US during 2019. The duration of the agreement remained unchanged. In April 2022, the SCUSA Agreement was amended and extended through 2025, allowing SCUSA to serve a complementary role to Stellantis Financial Services U.S. Under the SCUSA Agreement, SCUSA has certain rights, including limited exclusivity to participate in specified minimum percentages of certain retail financing subvention programs. At December 31, 2023, €7.4 million (U.S.$8.2 million) remained in deferred revenue.

From time to time, FCA US worked with certain lenders to subsidize interest rates or cash payments at the inception of a financing arrangement to incentivize customers to purchase its vehicles, a practice known as "subvention". FCA US has provided SCUSA with limited exclusivity rights to participate in specified minimum percentages of certain of its retail financing rate subvention programs. SCUSA has committed to certain revenue sharing arrangements, as well as to consider future revenue sharing opportunities. SCUSA bears the risk of loss on loans contemplated by the SCUSA Agreement. The parties share in any residual gains and losses in respect of consumer leases, subject to specific provisions in the SCUSA Agreement, including limitations on FCA US participation in gains and losses.

***Other repurchase obligations***

In accordance with the terms of other wholesale financing arrangements in Mexico, Stellantis Mexico was required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer's franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date. In December 2015, Stellantis Mexico entered into a ten-year private label financing agreement with STM Financial, S.A De C.V., Sofom, E.R., Grupo Financiaro Inbursa ("STM Financial"), a wholly owned subsidiary of Banco Inbursa, under which STM Financial provides a wide range of financial wholesale and retail financial services to Stellantis Mexico's dealers and retail customers under the Stellantis Financial Mexico brand name. The wholesale repurchase obligation under the new agreement will be limited to wholesale purchases in case of actual or constructive termination of a dealer's franchise agreement.

At December 31, 2023, the maximum potential amount of future payments required to be made in accordance with these wholesale financing arrangements was approximately €468 million ($517 million) and was based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer's stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was nil at December 31, 2023.

***Arrangements with key suppliers***

From time to time and in the ordinary course of business, the Company entered into various arrangements with key suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contained unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions. Future minimum purchase obligations under these arrangements at December 31, 2023 were as follows:

| | (€ million) | |
|---|---|---|
| 2024 | € | 2,130 |
| 2025 | € | 1,893 |
| 2026 | € | 2,909 |
| 2027 | € | 2,961 |
| 2028 | € | 3,206 |
| 2029 and thereafter | € | 2,374 |

At December 31, 2023, there were related party commitments relating to the purchase of batteries: (1) StarPlus Energy LLC: commitment over a 9 year period starting from 2025. The residual commitment amounted to €3,445 million; (2) NextStar Energy Inc: commitment over a 2 year period starting from 2024. The residual commitment amounted to €85 million and (3) ACC: commitment for €8,091 million over a 5 year period starting from 2024. These amounts are included in the table above.

As of December 31, 2023, the Company had a take-or-pay commitment with Tofas with future minimum expected obligations of €136 million for 2024 with no further obligations beyond 2024.

***Other commitments, arrangements and contractual rights***

At December 31, 2023, total joint venture and associate capital commitments were €3.2 billion for the period 2024 through to 2029.

*UAW Collective Bargaining Agreement*

In November 2023, the UAW-represented workforce ratified a new collective bargaining agreement that expires in April 2028. The provisions of the agreement contain opportunities for incremental compensation upon meeting agreed metrics related to absenteeism and attendance. The agreement includes wage increases, the reinstatement of the Cost of Living Allowance (“COLA”), a reduction in the time of progression to the top wage tier from eight years to three years, supplemental unemployment benefits eligibility after 90 days of continuous service, annual lump sum payments to retirees and surviving spouses, and retirement packages in 2024 and 2026. In addition, the agreement includes an increase in the defined benefit and defined contribution pension plan rates; along with a commitment to provide €925 million ($1,000 million) in funding to the defined pension plan, which was made in 2023. The agreement, which covers approximately 43,000 employees, includes a ratification bonus for all employees totaling approximately €201 million ($219 million), which was paid in December 2023.

*Unifor Collective Bargaining Agreement*

Stellantis entered into a three-year labor agreement with Unifor in Canada that was ratified in November 2023, covering approximately 7,500 employees. The terms of this agreement provide employee wage and benefit increases, including improvements to base wage rates, reduced time for employees to progress to top wage, COLA protection and retirement incentive opportunities for long-service employees choosing to retire. Also included are increases to the defined benefit pension plan benefit for active employees and quarterly lump sum payments to retired employees. In addition, Unifor members hired on or after September 19, 2016 and currently participating in the defined contribution plan are expected to be enrolled in a College of Applied Arts and Technology pension plan effective January 2025. The agreement also includes, lump sum payments to both full and part-time employees, totaling approximately €49 million (CAD$72 million), which were paid in December 2023. The agreement expires in September 2026.

Under the UAW and Unifor agreements, the lump sum payments to retirees and ratification bonuses, which are not dependent upon future services, were primarily recognized in Cost of revenues upon ratification of the contracts. Retirement packages were recognized in Restructuring costs in December 2023 as the offers have been communicated and approved by management. Wage increases, COLA, increases to defined contribution pension rates, and other benefit costs are recognized as incurred. During the year ended December 31, 2023, there were €671 million of costs related to the North America collective bargaining agreements, including restructuring costs and employee benefits past service cost which were excluded from Adjusted operating income. Refer to Note 29, *Segment reporting* for additional information.

***Contingent liabilities***

In connection with significant asset divestitures carried out in prior years, the Company provided indemnities to purchasers. Potential liabilities may arise from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. Some of these indemnifications do not limit potential payment and as such, it was not possible to estimate the maximum amount of potential future payments that could result from claims made under these indemnities.

*Takata airbag inflators*

Putative class action lawsuits were filed in March 2018 against FCA US LLC ("FCA US"), a wholly owned subsidiary of Stellantis, in the U.S. District Courts for the Southern District of Florida and the Eastern District of Michigan, asserting claims under federal and state laws alleging economic loss due to Takata airbag inflators installed in certain of our vehicles. The cases were subsequently consolidated in the Southern District of Florida.

On November 8, 2022, the Court granted summary judgment in FCA US's favor against all claimants except those in Georgia and North Carolina. Plaintiffs were granted leave to file an amended complaint to add additional states to the pending action. The Court later entered an order to reset FCA US's renewed motions for summary judgment to address the remaining amended claims.

On June 20, 2023, the Court entered an order preliminarily granting class certification for the amended complaint. FCA US filed an appeal of the Court's preliminary order. On July 13, 2023, the Court revisited its class certification order and further narrowed the classes based on a recent Court of Appeals decision.

At this stage of the proceedings, we are unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

*Emissions Matters*

On January 10, 2019, FCA US announced it had reached final settlements on civil environmental and consumer claims with the U.S. Environmental Protection Agency ("EPA"), the Civil Division of the U.S. Department of Justice ("DoJ"), the California Air Resources Board ("CARB"), the State of California, 49 other States and U.S. Customs and Border Protection, for which we accrued €748 million during the year ended December 31, 2018. Approximately €350 million of the amount accrued by FCA US, which was prior to the merger, was related to civil penalties to resolve differences over diesel emissions requirements. A portion of the amount accrued, prior to the merger, was attributable to settlement of a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle to eligible customers affected by the recall. That settlement received final court approval on May 3, 2019. On April 9, 2021, FCA US reached an agreement with substantially all of the approximately 3,200 consumers that exercised their right to opt out of the class action settlement to settle their claims for an amount that is not material to the Company. As of December 31, 2023, our best estimate of a probable loss is reflected in the amount previously accrued prior to the merger.

In September 2019, the DoJ filed criminal charges against an employee of FCA US for, among other things, fraud, conspiracy, false statements and violations of the Clean Air Act primarily in connection with efforts to obtain regulatory approval of the vehicles that were the subject of the civil settlements described above. In April 2021, two additional employees of a Stellantis subsidiary were indicted by the DoJ on similar charges. The three employees were placed on administrative leave following their indictments. On July 20, 2023, the FCA US employee plead guilty to conspiring to violate the Clean Air Act.

On June 3, 2022, FCA US announced that it had agreed to a settlement to resolve the DoJ, Criminal Division's investigation as it relates to FCA US. The settlement, which received court approval, includes a guilty plea, a fine of approximately $96 million, and the forfeiture of approximately $204 million in gains. Prior to the merger, we accrued approximately €200 million during the three months ended September 30, 2020 as our best estimate of probable loss with regard to matters under discussion. In light of subsequent progress in our discussions with the DoJ, Criminal Division, we increased our accrual for this matter to approximately €266 million as of December 31, 2021, which is sufficient to cover the forfeiture and penalty paid in connection with the plea agreement. We remain subject to a number of related private lawsuits (the "Non Opt-Out Litigation").

We have also received inquiries from other regulatory authorities in a number of jurisdictions as they examine the on-road tailpipe emissions of several automakers' vehicles and, when jurisdictionally appropriate, we continue to cooperate with these governmental agencies and authorities.

In Europe, we have continued to work with the Italian Ministry of Transport ("MIT") and the Dutch Vehicle Regulator ("RDW"), the authorities that certified FCA diesel vehicles for sale in the European Union, and the UK Driver and Vehicle Standards Agency in connection with their review of several diesel models.

We also responded to inquiries from the German authority, the Kraftfahrt-Bundesamt ("KBA"), regarding emissions test results for FCA diesel vehicles, and discussed the KBA reported test results, our emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its exclusive jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. Thereafter, mediations were held under European Commission ("EC") rules, between the MIT and the German Ministry of Transport and Digital Infrastructure, which oversees the KBA, in an effort to resolve their differences. The mediation concluded and no action was taken with respect to FCA. In May 2017, the EC announced its intention to open an infringement procedure against Italy regarding Italy's alleged failure to respond to EC's concerns regarding certain FCA emission control calibrations. The MIT responded to the EC's allegations by confirming that the vehicles' approval process was properly performed. In December, 2021, the EC notified Italy of its position that Italy did not comply with its obligation to enforce EU emission type approval rules. In January 2024, the EC notified the MIT of the alleged non-compliance of Fiat Ducato Euro 6 vehicles based on tests performed at the EC's request.

In May 2023, the KBA notified Stellantis of its investigation of certain Opel Euro 5, Peugeot Euro 6b, Fiat Euro 5 and Euro 6 vehicles and its intent to require remedial measures based on the alleged non-compliance of the diesel engines in certain of those vehicles. The KBA subsequently expanded its inquiry to include Euro 5 and Euro 6 engines used in certain Alfa Romeo, Fiat and Jeep vehicles, as well as Suzuki vehicles equipped with diesel engines supplied by FCA Italy (now known as Stellantis Europe) and requested information relating to all Stellantis vehicles that may make use of strategies similar to those allegedly used by the identified vehicles. The KBA has subsequently advised that these vehicles are non-compliant and has demanded that Stellantis submit a plan to bring the vehicles into compliance. We continue to cooperate with the KBA and, at this stage, we are unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss. Given the number of vehicles potentially involved, however, the cost of any recall, and the impact that any recall could have on related private litigation, may be significant.

In December 2019, the MIT notified FCA of communications with the Dutch Ministry of Infrastructure and Water Management ("I&W") regarding certain irregularities allegedly found by the RDW and the Dutch Center of Research TNO in the emission levels of certain Jeep Grand Cherokee Euro 5 models and a vehicle model of another OEM containing a Euro 6 diesel engine supplied by FCA. In January 2020, the Dutch Parliament published a letter from the I&W summarizing the conclusions of the RDW regarding those vehicles and engines and indicating an intention to order a recall and report their findings to the Public Prosecutor, the EC and other member states. FCA engaged with the RDW to present our positions and cooperate to reach an appropriate resolution of this matter. FCA proposed certain updates to the relevant vehicles that have been tested and approved by the RDW and are now being implemented.

In addition, as part of the judicial investigation of several automakers in France, commencing in 2016 and 2017, Automobiles Peugeot and Automobiles Citroën were placed under examination by the Judicial Court of Paris in June 2021 on allegations of consumer fraud in connection with the sale of Euro 5 diesel vehicles in France between 2009 and 2015. In July 2021, FCA Italy was placed under examination by the same court for possible consumer fraud in connection with the sale of Euro 6 diesel vehicles in France between 2014 and 2017. FCA Italy was also designated as a material witness in connection with allegations of obstruction of the actions of an economy ministry antifraud inspector in 2016 and 2017. As is typical in a French criminal inquiry, each of the companies were required to pay bail for the potential payment of damages and fines and to ensure representation in court, and to provide a guarantee for the potential compensation of losses. None of these amounts were, individually or in the aggregate, material to the Company.

The French market surveillance authority (SSMVM) issued a decision of non-compliance regarding NOx emissions of the Euro 6b Peugeot 308 in July 2023 and with regard to the Euro 6b Lancia Ypsilon in November 2023. We have appealed these decisions and our appeals remain pending.

In July 2020, unannounced inspections took place at several of FCA's sites in Germany, Italy and the UK at the initiative of the Public Prosecutors of Frankfurt am Main and of Turin, as part of their investigations of potential violations of diesel emissions regulations and consumer protection laws. In April 2022, former FCA companies received an order to produce documents to the Public Prosecutors. In October 2022, inspections took place at the Italian offices of FCA Italy and Maserati and at the German office of Maserati Deutschland. We have begun settlement discussions with the Public Prosecutor of Frankfurt regarding the former FCA vehicles. At the Public Prosecutor of Turin's request, the Italian proceedings were dismissed in September 2023 and October 2023. In late 2023, we entered into a settlement regarding the Public Prosecutor of Frankfurt's criminal investigation of the emissions of certain PSA diesel engines for an amount that is not material to the Company.

We also face class actions and individual claims in several European countries and Israel. Several former FCA and PSA companies and our Dutch dealers have been served with two class actions filed in the Netherlands by Dutch foundations seeking monetary damages and vehicle buybacks in connection with alleged emissions non-compliance of certain diesel vehicles. We have also been notified of a potential class action on behalf of Dutch consumers alleging emissions non-compliance of certain former FCA vehicles sold as recreational vehicles, as well as a securities class action in the Netherlands, alleging misrepresentations by FCA, now Stellantis. A class action alleging emissions non-compliance has also been filed in Portugal regarding former FCA vehicles, in the UK regarding former FCA and PSA vehicles, and in Israel regarding former PSA vehicles. We are also defending approximately 12,000 individual consumer claims alleging emissions non-compliance of certain former FCA vehicles in Germany, as well as a significant number of cases relating to former FCA and PSA vehicles in the Netherlands and Austria.

In December 2018, the Korean Ministry of Environment ("MOE") announced its determination that approximately 2,400 FCA vehicles imported into Korea during 2015, 2016 and 2017 were not emissions compliant and that the vehicles with a subsequent update of the emission control calibrations voluntarily performed by FCA, although compliant, would have required re-homologation of the vehicles concerned. In May 2019, the MOE revoked certification of the above-referenced vehicles and announced an administrative fine for an amount not material to the Company which has been paid by our Korean subsidiary. On May 11, 2023, the Seoul Administrative Court dismissed our Korean subsidiary's appeal of the certification revocation and our Korean subsidiary has filed a notice of appeal. Our Korean subsidiary has also paid an administrative fine, in an amount not material to the Company, imposed by the Korean Fair Trade Commission for a purported breach of the Act on Fair Labeling and Advertisement in connection with these vehicles.

In November 2021, the MOE issued notice of its intention to impose a recall order, revocation of certification and an administrative fine on the basis of the alleged non-compliance of approximately 2,250 other FCA vehicles. The amount of the administrative fine is not material to the Company. We are waiting for the MOE to issue the final disposition on this matter. In both cases, the authorities decided to not refer the matter to prosecutors, as they had found no evidence of wrongdoing by our Korean subsidiary.

The results of the unresolved governmental inquiries and private litigation related to the emissions matters disclosed above cannot be predicted at this time and these inquiries and litigation may lead to further enforcement actions, penalties or damage awards, any of which may have a material adverse effect on our business, financial condition and results of operations. It is also possible that these matters and their ultimate resolution may adversely affect our reputation with consumers, which may negatively impact demand for our vehicles and consequently could have a material adverse effect on our business, financial condition and results of operations. At this stage, we are unable to evaluate the likelihood that a material loss in excess of the amounts accrued will be incurred with regard to the unresolved inquiries, Non Opt-Out Litigation and other private litigation or estimate a range of possible loss.

*National Training Center*

On January 27, 2021, FCA US announced an agreement with the U.S. Attorney's Office for the Eastern District of Michigan to resolve its investigation into past misconduct of certain former FCA US employees involving the UAW-Chrysler National Training Center ("NTC"). Pursuant to the agreement, which received court approval on July 19, 2021, FCA US agreed to plead guilty to a single count of conspiracy to violate the Labor Management Relations Act and the payment of a fine in an amount that is not material to the Company and which was accrued prior to the merger. FCA US also agreed to implement an independent compliance monitor for three years with respect to the dissolution of the NTC and internal controls as they relate to the trusts being implemented to replace the NTC.

Several putative class action lawsuits have been filed against FCA US in U.S. federal court alleging harm to UAW workers as a result of these acts. Those actions have been dismissed both at the trial court stage and on appeal. Three plaintiffs in these lawsuits also filed charges alleging unfair labor practices with the U.S. National Labor Relations Board (the "Board"). The Board issued a complaint regarding these allegations and sought a cease and desist order as well as the posting of a notification with respect to the alleged practices, but subsequently dismissed the charges.

On July 20, 2020, a group of employees in FCA's Toledo, Ohio Jeep plant filed a lawsuit in U.S. District Court for the Northern District of Ohio against FCA US, the UAW and certain individuals claiming violations of the Racketeer Influenced and Corrupt Organizations ("RICO") Act and civil conspiracy. On October 20, 2020, FCA US filed a motion to dismiss. Plaintiffs filed their second amended complaint on June 25, 2021. The case has been stayed pending decisions on motions to dismiss in two related cases in the U.S. District Court for the Eastern District of Michigan. At this stage, we are unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

On October 16, 2020 and February 28, 2021, lawsuits were filed in U.S. District Court for the Eastern District of Michigan, by groups of current and former employees making similar claims. The court granted FCA US's motion to dismiss one of the cases and that decision has been appealed by plaintiffs. FCA US's motion to dismiss the other case remains pending. On March 30, 2023, plaintiffs in the dismissed action filed a new lawsuit in Michigan state court asserting common law claims, which the UAW removed to federal court. On September 27, 2023, the federal court denied Plaintiffs' motion to remand. On January 5, 2024, FCA US filed a motion to dismiss, which remains pending. At this stage, we are unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss with regard to these lawsuits.

*General Motors Litigation*

On November 20, 2019, General Motors LLC and General Motors Company (collectively, "GM") filed a lawsuit in the U.S. District Court for the Eastern District of Michigan against FCA US, FCA N.V., now Stellantis N.V., and certain individuals, claiming violations of the RICO Act, unfair competition and civil conspiracy in connection with allegations that FCA US made payments to UAW officials that corrupted the bargaining process with the UAW and as a result FCA US enjoyed unfair labor costs and operational advantages that caused harm to GM. GM also claimed that FCA US had made concessions to the UAW in collective bargaining that the UAW was then able to extract from GM through pattern bargaining which increased costs to GM and that this was done by FCA US in an effort to force a merger between GM and FCA N.V. The court dismissed GM's lawsuit with prejudice. The U.S. Court of Appeals for the Sixth Circuit subsequently affirmed the dismissal of GM's complaint. On April 17, 2023, the U.S. Supreme Court declined to grant review of the Sixth Circuit's decision, which finally resolved the federal court case.

Following dismissal of its Federal court case, GM filed an action against FCA US and FCA N.V., now Stellantis N.V., in Michigan state court, making substantially the same claims as it made in the federal litigation. On October 15, 2021, the court granted Stellantis N.V. and FCA US's motion for summary disposition. GM filed a motion for reconsideration and on December 6, 2021, the court granted GM's motion, permitting GM to amend its complaint. GM filed a second amended complaint on December 23, 2021. On May 16, 2022, the court denied FCA US's motion for summary disposition and permitted discovery to proceed against FCA US. On July 20, 2022, the court granted Stellantis N.V.'s motion for summary disposition, but on November 28, 2022 the court granted GM's motion for reconsideration and permitted jurisdictional discovery to proceed against Stellantis N.V. The parties are currently engaged in discovery, which is expected to continue through fall 2024. At this stage, we are unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

*Tigershark Engine – Litigation*

Putative class action lawsuits were filed against FCA US and consolidated into a single action in U.S. District court in Michigan asserting claims under federal and state laws claiming manufacturing and design defects in certain vehicles equipped with the 2.4L Tigershark engine, which has been installed in approximately 1.6 million vehicles sold in the U.S. The claims alleged excessive oil consumption and related excess emissions. In November 2021, we entered into an agreement in principle to settle the litigation, contingent on court approval, for an amount that is not material to the Company. The court granted final approval of the settlement in December 2022.

**Other matters**

*Corporate Average Fuel Economy ("CAFE") standards*

On August 31, 2020, the U.S. Court of Appeals for the Second Circuit vacated a final rule published by NHTSA in July 2019 that had reversed NHTSA's 2016 increase to the base rate of the CAFE penalty from $5.50 to $14.00. The base rate applies to each tenth of a mile per gallon that a manufacturer's fleet-wide average fuel efficiency is below the CAFE standard, and is multiplied by the number of vehicles in the manufacturer's fleet to arrive at an aggregate penalty. On January 14, 2021, NHTSA published an interim final rule with immediate effect, the result of which was to apply the increased fine rate that resulted from the Second Circuit's ruling to future model years. In particular, NHTSA's interim rule imposed a CAFE penalty base rate of $5.50 through 2021 Model Year and increased the CAFE penalty base rate to $14.00 prospectively from the 2022 Model Year. FCA accrued estimated amounts for any probable CAFE penalty based on the $5.50 rate for Model Years 2021 and earlier. In addition, as a result of the acquisition, and in accordance with IFRS 3, we recognized an incremental contingent liability of €163 million for the potentially higher fine rate on vehicle shipments prior to the merger date.

On April 1, 2022, NHTSA published a final rule repealing the interim final rule issued in January 2021 and reverting to the December 2016 final rule which increased the CAFE civil penalty rate from $5.00 to $14.00, beginning with 2019 Model Year. Applying the annual inflation adjustment procedures did not result in an increase in the $14.00 rate through 2021 Model Year, but did result in an increased fine rate to $15.00 for 2022 Model Year vehicles. An additional accrual of €655 million was recognized resulting from an increase in the provision related to the Model Year 2019-2021 penalty rate adjustment during the year ended December 31, 2022. NHTSA has subsequently made, and is expected to continue to make, mandatory inflation adjustments to the CAFE civil penalty rate, as required by law for all civil monetary penalties.

*Greenhouse Gas Standards*

On March 9, 2022, the EPA reinstated California's authority under the Clean Air Act to enforce its own, more stringent, greenhouse gas ("GHG") emission standards for passenger vehicles and light duty trucks (the "California Waiver"). California emission standards covered by the California Waiver may be adopted by other states and to date 17 other states (the "California Waiver States") have adopted California's GHG emissions standards under the California Waiver.

Prior to the EPA's withdrawal of the California Waiver, automotive OEMs were deemed to be compliant with California's GHG emissions standards if they were compliant with the EPA's GHG standards. This "deemed to comply" mechanism was removed from the California regulation prior to the reinstatement of the California Waiver. As interpreted by CARB, the EPA's reinstatement of the California Waiver together with the removal of the "deemed to comply" mechanism means that automotive OEMs are retroactively subject to the separate California GHG standards beginning with the model year 2021 fleet. OEMs may achieve compliance with the California GHG emission standards in several ways, including through the sale of emission-compliant vehicles within their fleet for a given model year, through the carryforward or carryback of excess credits generated by a compliant fleet in past or future years, by the purchase of California-specific regulatory credits from third parties or by a combination of the foregoing.

We did not meet the California GHG targets for model years 2021 and 2022, and do not expect to meet the California GHG targets for model year 2023, as in planning these model years prior to reinstatement of the California Waiver we assumed the ability to utilize existing credits based on regulations in force at the time. We intend to be compliant with the California GHG program, and for those years and any other model year with deficits, we intend to seek to cover such deficits with excess credits generated through our compliance in model years within the applicable five-year carryback period.

While we are executing on several important steps to ensure our carryback strategy, the success of our carryback strategy depends on future levels and mix of production and sales, as well as general market demand for battery electric vehicles, all of which are inherently speculative. As we are unable to reliably estimate the cost of compliance, we have not recognized a provision.

We understand that certain other automobile OEMs are subject to less stringent California GHG emissions standards pursuant to settlement agreements entered into with CARB. We are currently evaluating the enforceability of the California GHG emissions standards as applied by CARB, particularly in light of their retroactive application following the EPA's reinstatement of the California Waiver, as well as the disparate treatment of other automotive OEMs which are not subject to the same standards.

*U.S. Import Duties*

Historically, FCA paid a 2.5 percent duty on Ram ProMaster City vehicles imported into the U.S. as passenger vehicles rather than the 25 percent duty applicable to vehicles that are imported into the U.S. as cargo vans. The vast majority of these vehicles are converted into cargo vans after importation. Federal litigation against a competitor in a similar case resulted in the application of the 25 percent duty rate to the competitor's vehicles. We believe there are facts that distinguish our case from that of the competitor. However, U.S Customs and Border Protection may seek to recover increased duties for our prior imports, plus interest, and may assert a claim for penalties. At this stage, we are unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

## 27. Equity

### ***Share capital***

At December 31, 2023, the authorized share capital of Stellantis was ninety million Euro (€90,000,000), divided into 4.5 billion (4,500,000,000) Stellantis common shares, nominal value of one Euro cent (€0.01) per share and 4.5 billion (4,499,750,000) class A special voting shares, nominal value of one Euro cent (€0.01) per share each and two hundred and fifty thousand (250,000) class B special voting shares with a nominal value of one euro cent (€0.01) each.

At December 31, 2023, the fully paid-up share capital of Stellantis amounted to €31 million (€32 million at December 31, 2022) and consisted of 3,165,189,336 common shares (3,213,372,229 at December 31, 2022). 388,412 issued special voting shares, of which 179,790 issued special voting shares A, of which 110,508 held in treasury (178,790 at December 31, 2022) and 208,622 issued special voting shares B, held in treasury (208,622 at December 31, 2022). In June 2023, 69,125,544 common shares held in treasury were cancelled, following the resolution of the AGM held on April 13, 2023. All shares have a nominal value of €0.01 each.

At December 31, 2023, there were 3,023,099,039 outstanding common shares (3,144,246,685 December 31, 2022).

In accordance with IFRS 3 - Business Combinations, as applied to a reverse acquisition, the share capital of Stellantis reflects the share capital of the legal acquirer, FCA N.V. with the difference between share capital of the legal acquirer and the accounting acquirer, PSA, being aggregated and shown as part of retained earnings and other reserves.

The following table summarizes the changes in the number of outstanding common shares and special voting shares of Stellantis during the year ended December 31, 2023:

| | Common Shares | Special Voting Shares A | Special Voting Shares B | Total |
|---|---|---|---|---|
| **Balance at January 1, 2023** | **3,144,246,685** | **178,692** | **—** | **3,144,425,377** |
| Issuance of special voting shares | — | 1,000 | 208,622 | 209,622 |
| Purchase of treasury shares | (142,090,297) | (110,410) | (208,622) | (142,409,329) |
| Shares issued for long-term incentive plans and employee share purchase plan | 20,942,651 | — | — | 20,942,651 |
| **Balance at December 31, 2023** | **3,023,099,039** | **69,282** | **—** | **3,023,168,321** |

In June 2021, one of the Company's consolidated subsidiaries, ARAMIS SAS ("Aramis") listed a portion of its shares on the Euronext Paris stock exchange. Prior to the listing, the Company held a 70 percent interest in Aramis, and as a result of the IPO, the Company's interest has been diluted to 61 percent. As there was no loss of control as a result of the listing, the transaction has been accounted for as an equity transaction with €178 million recognized as an increase in non-controlling interest and €121 million recognized as additional retained earnings.

Pursuant to the Articles of Association, the Board of Directors is irrevocably authorized to issue shares (common and special voting shares) and to grant rights to subscribe for shares in the capital of the Company. This authorization is up to a maximum aggregate amount of shares as set out in the Articles of Association, as amended from time to time, and limits or excludes the right of pre-emption with respect to common shares.

***Exercise of GM Warrants***

As part of the acquisition of Opel/Vauxhall by Groupe PSA, on July 31, 2017, PSA issued warrants to Adam Opel GmbH (a GM company), hereafter referred to as "GM". The equity warrants entitled the holder to subscribe for 39,727,324 shares in Peugeot S.A. with a par value of €1 per warrant, and each warrant being eligible for one share in PSA Automobiles S.A. ("PSA"). The warrants were exercisable between the 5th and the 9th year following issuance, meaning that the exercise window opened on July 31, 2022. On the merger date, each of the warrants issued by PSA to GM was converted into one equity warrant, each of which entitled the holder to subscribe for 1.74 Stellantis shares (same conversion ratio as for all other PSA shares), with an exercise price equal to €1 per original warrant (€39,727,324).

On September 15, 2022, upon the exercise of the warrants above by GM we issued 69,125,544 common shares, representing approximately 2.2 percent of Stellantis' share capital (on a diluted basis) and with a cash proceed of €40 million. Following the agreement entered into with GM, we immediately repurchased all the shares issued with a cash disbursement of €923 million corresponding to €13.36 per share (such amount was based on the volume weighted average price of one Stellantis common share on the regulated market of Euronext in Milan over the previous five trading days). The issuance and subsequent share buy-back have been accounted for as separate transactions within equity.

In addition, the warrant agreement noted that in case of transactions including dividends, allocation of shares to shareholders, merger or spin-off, where the date for determining the shareholders entitlement to benefit from or participate in the transaction, the warrant holders rights are protected until the delivery date. Such transactions included cash dividends payable to GM by PSA prior to the merger and paid by Stellantis since the merger, the Faurecia spin-off in 2021 and the 2021 Faurecia dividends payable. The amounts paid were previously recognized as liabilities when such dividends were declared. The payments reduced the liability for the dividends declared in years prior to 2022 and recognized against equity for the dividends declared during 2022.

All the repurchased shares were cancelled following the resolution adopted by the shareholders at the AGM on April 13, 2023.

***Share buyback program***

At the AGM on April 13, 2022, the Board of Directors was authorized to acquire common shares in the capital of the Company, either through purchase on a stock exchange, through a public tender offer, an offer for exchange or otherwise, up to a maximum number of shares equal to 10 percent of the Company's issued common shares. The authorization was for a period of 18 months from the date of the 2022 General Meeting of Shareholders. The authorization was renewed in the same terms at the AGM on April 13, 2023 for a period of 18 months from the date of the 2023 General Meeting of Shareholders and therefore up to and including October 12, 2024.

During 2022, the Company completed a share buyback transaction relating to the exercise of the General Motors ("GM") warrants. This related to the acquisition of Opel/Vauxhall from GM by Groupe PSA in 2017 and on the date of the merger between FCA and PSA these were converted into Stellantis equity warrants. On September 15, 2022, the warrants were exercised by GM and the Company issued 69,125,544 common shares that it immediately repurchased for a total disbursement of €923 million. All the repurchased shares were cancelled following the resolution adopted by the shareholders at the AGM on April 13, 2023.

In February 2023, the Company announced a Share Buyback Program (the "Program"), covering up to €1,500 million (total purchase price excluding ancillary costs) to be executed in the open market with the intent to cancel the common shares acquired through the Program. The purchase price per common share will be no higher than an amount equal to 110 percent of the market price of the shares on the NYSE, Euronext Milan or Euronext Paris. The market price is calculated as the average of the highest price on each of the 5 days of trading prior to the date on which the acquisition is made, as shown in the official price list of the NYSE, Euronext Milan or Euronext Paris. The share buybacks are subject to market conditions and in compliance with applicable rules and regulations, including the Market Abuse Regulation 596/2014 and the Commission Delegated Regulation (EU) 2016/1052. Following the share buyback transaction mentioned above, the remaining authorization stood at approximately 244 million shares, which was expected to be adequate to cover this Program, as well as any repurchase(s) of the 99.2 million shares currently owned by Dongfeng Corporation under the terms announced on July 15, 2022.

In March 2023, the Company entered into an agreement with an independent investment firm that makes its trading decisions concerning the timing of purchases independently of the Company. This agreement related to the first tranche of the Program for a maximum amount of up to €500 million which started in March 2023 and ended in May 2023. Total common shares purchased under this tranche were 33,249,812 at an average price of €15.04 per share for total cash paid of €500 million.

In June 2023, the Company entered into the second tranche of its Program with an independent investment firm for a maximum amount of up to €500 million, starting in June 2023 and to end no later than September 2023. Total common shares purchased under this tranche were 30,660,186 at an average price of €16.31 per share for total cash paid of €500 million.

In September 2023, the Company entered into the third tranche of its Program with an independent investment firm for a maximum amount of up to €500 million, starting in September 2023 and to end no later than December 2023. Total common shares purchased under this tranche were 28,180,299 at an average price of €17.74 per share for total cash paid of €500 million.

***Dongfeng share repurchase***

As part of an agreed share repurchase framework between Stellantis and Dongfeng, during November 2023, the Company agreed to repurchase 50 million common shares for a total consideration of €934 million which represents approximately 1.6 percent of Stellantis' share capital from Dongfeng. Per the pre-agreed terms of the share repurchase framework, pricing was set at the five-day average closing price of Stellantis shares on the Euronext Milan for the period ending immediately prior to the date on which Dongfeng submitted an offer. The purchase of Stellantis common shares by Stellantis from Dongfeng was carried out under the authority granted by Stellantis' general meeting of April 2023. The Company intends to cancel these shares.

Dongfeng retained 49.2 million common shares, representing approximately 1.6 percent of Stellantis' share capital post-cancellation.

***Employee share purchase plan***

During November 2023, the Company offered eligible employees the opportunity to become shareholders through a specific employee share purchase plan. Under the plan eligible employees could subscribe to Stellantis shares, at a subscription price of €14.52 corresponding to the average of the Company's closing share price on the 20 trading days preceding the date of the decision setting the terms of the plan, less a 20 percent discount. The shares are locked up for a period from 3 to 5 years. Employees bear the risk of fluctuations in the share price relative to the subscription price. In relation to the plan a total of 4.4 million shares were subscribed. There was an increase in equity of €82 million and the total cost of the plan was €36 million.

The data used to value the equity instruments were as follows:

| Dates right subscribed | From November 13 to November 30, 2023 |
|---|---|
| Employee subscription price | €14.52 |

***Equity Incentive Plans***

On April 15, 2021, the AGM of Shareholders resolved to authorize, under certain conditions, the Board of Directors to issue common shares, to grant rights to subscribe for shares under the LTIP and its sub-plans, up to maximum of 100 million common shares, and to exclude pre-emptive rights of shareholders in that regard, both for a period of five years.

Furthermore, the AGM authorized the Board of Directors, for a period of 18 months from the date of the AGM, to repurchase up to a maximum of 10 percent of the Company's common shares issued as of the date of the AGM. Pursuant to the authorization, which does not entail any obligation for the Company but is designed to provide additional flexibility, the Board of Directors may repurchase common shares in compliance with applicable regulations, subject to certain maximum and minimum price thresholds.

***Other reserves:***

Other reserves comprised the following:

- legal reserves of €18,639 million at December 31, 2023 (€18,037 million at December 31, 2022) determined in accordance with Dutch law and primarily relating to development expenditures capitalized by subsidiaries and their earnings, subject to certain restrictions on distributions to Stellantis;
- capital reserves of €17,980 million at December 31, 2023 (€20,119 million at December 31, 2022);
- retained earnings, after the separation of the legal reserve, of positive €24,322 million (positive €13,873 million at December 31, 2022); and
- profit attributable to owners of the parent of €18,596 million for the year ended December 31, 2023 (€16,799 million for the year ended December 31, 2022).

***Other comprehensive income***

The following table summarizes the tax effect relating to Other comprehensive income:

| | Years ended December 31, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | | 2021 | | |
| | Pre-tax balance | Tax income/ (expense) | Net balance | Pre-tax balance | Tax income/ (expense) | Net balance | Pre-tax balance | Tax income/ (expense) | Net balance |
| | | | | | (€ million) | | | | |
| Fair value remeasurement of cash flow hedges | (910) | 245 | (665) | (482) | 89 | (393) | 149 | (54) | 95 |
| Gains and losses from remeasurement of financial assets | € 57 | € — | € 57 | € 3 | € — | € 3 | € 6 | € — | € 6 |
| Actuarial gains and losses on defined benefit pension obligations | € (228) | € 41 | € (187) | € 1,753 | € (379) | € 1,374 | € 2,488 | € (729) | € 1,759 |
| Exchange differences on translating foreign operations | (1,927) | — | (1,927) | 2,013 | — | 2,013 | 2,005 | — | 2,005 |
| Share of Other comprehensive income/(loss) for equity method investees | (219) | — | (219) | (12) | — | (12) | (39) | — | (39) |
| Items relating to discontinued operations | — | — | — | — | — | — | — | — | — |
| **Total Other comprehensive income/(loss)** | **€ (3,227)** | **€ 286** | **€ (2,941)** | **€ 3,275** | **€ (290)** | **€ 2,985** | **€ 4,609** | **€ (783)** | **€ 3,826** |

Gains and losses arising from the remeasurement of defined benefit plans primarily include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the Consolidated Income Statement) and any changes in the effect of the asset ceiling. These gains and losses are offset against the related defined benefit plan's net liabilities or assets (Note 20, *Employee benefits liabilities*).

***Policies and processes for managing capital***

The objectives identified by the Company for managing capital were to create value for shareholders as a whole, safeguard business continuity and support the growth of the Company. As a result, the Company endeavored to maintain an adequate level of capital that, at the same time, enables it to obtain a satisfactory economic return for its shareholders and guarantee economic access to external sources of funds, including by means of achieving an adequate credit rating.

The Company constantly monitors its net financial position in comparison with net equity and the generation of cash from its industrial activities. In order to reach these objectives, the Company continues to aim for improvement in the profitability of its operations. Furthermore, the Board of Directors may make proposals to Stellantis shareholders at a general meeting to reduce or increase share capital or, where permitted by law, to distribute reserves. The Company may also make purchases of treasury shares, without exceeding the limits authorized at a general meeting of Stellantis shareholders, under the same logic of creating value, compatible with the objectives of achieving financial equilibrium and an improvement in the Company's rating.

***Dividends proposed, declared and paid***

On April 13, 2023, the AGM approved an ordinary dividend distribution of €1.34 per common share corresponding to a total distribution of approximately €4.2 billion, that was paid on May 4, 2023.

On February 15, 2024, the Company announced an ordinary dividend of €4.7 billion corresponding to €1.55 per share to be paid, subject to shareholder approval. The expected dates for NYSE, Euronext Milan and Euronext Paris will be as follows: (i) ex-date April 22, 2024, (ii) record date April 23, 2024, and (iii) payment date May 3, 2024.

***Dividend policy***

**Common shares**

The Company's dividend policy contemplates an annual ordinary dividend to the holders of common shares targeting a payout ratio of 25 percent - 30 percent of the Company's Net profit for the relevant prior financial year.

The actual level of dividend to be distributed by the Company will be determined by the Board of Directors in its sole discretion and will be subject to earnings, cash balances, commitments, strategic plans and any other factors that the Board of Directors may deem relevant at the time of a dividend distribution, including adjustments for income or costs that are significant in nature but expected to occur infrequently.

**Special voting shares**

The holders of special voting shares are not entitled to any distributions. However, pursuant to article 29.4 of the Company's articles of association, from any amount of profits not reserved by the Board of Directors, first an amount shall be allocated and added to a separate special voting shares dividend reserve for the benefit of the holders of special voting shares (the "Special Voting Shares Dividend Reserve"). The Company has no intention to propose any distribution from the Special Voting Shares Dividend Reserve.

## 28. Earnings per share

***Basic earnings per share***

Basic earnings per share for the years ended December 31, 2023, 2022 and 2021 was determined by dividing the Net profit attributable to the equity holders of the parent by the weighted average number of shares outstanding during each period.

The following tables provide the amounts used in the calculation of basic earnings per share:

| | | Years ended December 31, | | |
|---|---|---|---|---|
| | | 2023 | 2022 | 2021 |
| Net profit attributable to owners of the parent | million | € 18,596 | € 16,799 | € 14,200 |
| Weighted average number of shares outstanding | thousand | 3,107,725 | 3,140,089 | 3,059,284 |
| **Basic earnings per share** | **€** | **€ 5.98** | **€ 5.35** | **€ 4.64** |

| | | Years ended December 31, | | |
|---|---|---|---|---|
| | | 2023 | 2022 | 2021 |
| Net profit from continuing operations attributable to owners of the parent | million | € 18,596 | € 16,799 | € 13,210 |
| Weighted average number of shares outstanding | thousand | 3,107,725 | 3,140,089 | 3,059,284 |
| **Basic earnings per share from continuing operations** | **€** | **€ 5.98** | **€ 5.35** | **€ 4.32** |

| | | Years ended December 31, | | |
|---|---|---|---|---|
| | | 2023 | 2022 | 2021 |
| Net profit from discontinued operations attributable to owners of the parent | million | € — | € — | € 990 |
| Weighted average number of shares outstanding | thousand | 3,107,725 | 3,140,089 | 3,059,284 |
| **Basic earnings per share from discontinued operations** | **€** | **€ —** | **€ —** | **€ 0.32** |

***Diluted earnings per share***

In order to calculate the diluted earnings per share, the weighted average number of shares outstanding was increased to take into consideration the theoretical effect of potential common shares that would be issued for the restricted and performance share units outstanding and unvested at December 31, 2023, 2022 and 2021 (Note 19, *Share-based compensation*), as determined using the treasury stock method. Additionally, in 2021 the weighted average number of shares outstanding was increased to reflect the 39,727,324 GM warrants issued by PSA in 2017, that became exercisable in July 2022.

There were no instruments excluded from the calculation of diluted earnings per share because of an anti-dilutive impact for the years ended December 31, 2023, 2022 and 2021.

The following tables provide the amounts used in the calculation of diluted earnings per share:

| | | Years ended December 31, | | |
|---|---|---|---|---|
| | | **2023** | **2022** | **2021** |
| Net profit attributable to owners of the parent | million | € 18,596 | € 16,799 | € 14,200 |
| Weighted average number of shares outstanding | thousand | 3,107,725 | 3,140,089 | 3,059,284 |
| Number of shares deployable for share-based compensation | thousand | 24,733 | 23,870 | 23,651 |
| Equity warrants delivered to GM | thousand | — | — | 68,497 |
| Weighted average number of shares outstanding for diluted earnings per share | thousand | 3,132,458 | 3,163,959 | 3,151,432 |
| **Diluted earnings per share** | **€** | **€ 5.94** | **€ 5.31** | **€ 4.51** |

| | | Years ended December 31, | | |
|---|---|---|---|---|
| | | **2023** | **2022** | **2021** |
| Net profit from continuing operations attributable to owners of the parent | million | € 18,596 | € 16,799 | € 13,210 |
| Weighted average number of shares outstanding | | 3,107,725 | 3,140,089 | 3,059,284 |
| Number of shares deployable for share-based compensation | thousand | 24,733 | 23,870 | 23,651 |
| Equity warrants delivered to GM | thousand | — | — | 68,497 |
| Weighted average number of shares outstanding for diluted earnings per share | thousand | 3,132,458 | 3,163,959 | 3,151,432 |
| **Diluted earnings per share from continuing operations** | **€** | **€ 5.94** | **€ 5.31** | **€ 4.19** |

| | | Years ended December 31, | | |
|---|---|---|---|---|
| | | **2023** | **2022** | **2021** |
| Net profit from discontinued operations attributable to owners of the parent | million | € — | € — | € 990 |
| Weighted average number of shares outstanding | | 3,107,725 | 3,140,089 | 3,059,284 |
| Number of shares deployable for share-based compensation | thousand | 24,733 | 23,870 | 23,651 |
| Equity warrants delivered to GM | thousand | — | — | 68,497 |
| Weighted average number of shares outstanding for diluted earnings per share | thousand | 3,132,458 | 3,163,959 | 3,151,432 |
| **Diluted earnings per share from discontinued operations** | **€** | **€ —** | **€ —** | **€ 0.31** |

## 29. Segment reporting

The Company's activities are carried out through six reportable segments: five regional vehicle segments (North America, Enlarged Europe, Middle East & Africa, South America and China and India & Asia Pacific) and Maserati, our global luxury brand segment. These reportable segments reflect the operating segments of the Company that are regularly reviewed by the Chief Executive Officer, who is the "chief operating decision maker", for making strategic decisions, allocating resources and assessing performance, and that exceed the quantitative threshold provided in IFRS 8 – *Operating Segments* ("IFRS 8"), or whose information is considered useful for the users of the financial statements.

The Company's five regional vehicle reportable segments deal with the design, engineering, development, manufacturing, distribution and sale of passenger cars, light commercial vehicles and related parts and services in specific geographic areas: North America (U.S., Canada and Mexico), Enlarged Europe (primarily the countries of the European Union and United Kingdom), Middle East & Africa (primarily Turkey, Morocco, Egypt and Algeria), South America (including Central America and the Caribbean islands), and China and India & Asia Pacific (Asia and Pacific countries). The Company's global luxury brand reportable segment, Maserati, deals with the design, engineering, development, manufacturing, worldwide distribution and sale of luxury vehicles under the Maserati brand.

Transactions among the mass-market vehicle segments generally are presented on a "where-sold" basis, which reflect the profit/(loss) on the ultimate sale to third party customer within the segment. This presentation generally eliminates the effect of the legal entity transfer price within the segments. Revenues of the other segments, aside from the mass-market vehicle segments, are those directly generated by or attributable to the segment as the result of its usual business activities and includes revenues from transactions with third parties as well as those arising from transactions with segments, recognized at normal market prices.

Other activities includes the results of our industrial automation systems design and production business, our pre-owned car business, our cast iron components business, our mobility businesses, our software and data businesses, and other investments, including Archer, our financial services activities, as well as the activities and businesses that are not operating segments under IFRS 8. In addition, Unallocated items and eliminations includes consolidation adjustments and eliminations. Financial income and expense and income taxes and are not attributable to the performance of the segments as they do not fall under the scope of their operational responsibilities.

Adjusted operating income is the measure used by the chief operating decision maker to assess performance, allocate resources to the Company's operating segments and to view operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. Adjusted operating income/(loss) excludes from Net profit/(loss) from continuing operations adjustments comprising restructuring and other termination costs, impairments, asset write-offs, disposals of investments and unusual operating income/(expense) that are considered rare or discrete events and are infrequent in nature, as inclusion of such items is not considered to be indicative of the Company's ongoing operating performance, and also excludes Net financial expenses/(income) and Tax expense/(benefit).

Effective from January 1, 2023, our Adjusted operating income/(loss) includes Share of the profit/(loss) of equity method investees. The comparatives for the years ended December 31, 2022 and 2021, have been adjusted accordingly. This change was implemented as management believes these results are becoming increasingly relevant due to the number of partnerships Stellantis has recently engaged in, and will continue to engage in in the future, around electrification and other areas critical to the future of mobility.

Unusual operating income/(expense) are impacts from strategic decisions as well as events considered rare or discrete and infrequent in nature, as inclusion of such items is not considered to be indicative of the Company's ongoing operating performance. Unusual operating income/(expense) includes, but may not be limited to:

- Impacts from strategic decisions to rationalize Stellantis' core operations;
- Facility-related costs stemming from Stellantis' plans to match production capacity and cost structure to market demand; and
- Convergence and integration costs directly related to significant acquisitions or mergers.

For the year ended December 31, 2021, Pro Forma Adjusted operating income includes the Adjusted operating income of FCA for the period January 1 - January 16, 2021. See below for a reconciliation of Net profit from continuing operations, which is the most directly comparable measure included in our Consolidated Income Statement, to Adjusted operating income. Operating assets are not included in the data reviewed by the chief operating decision maker, and as a result and as permitted by IFRS 8, the related information is not provided.

The following tables summarize selected financial information by segment for the years ended December 31, 2023, 2022 and 2021:

| 2023 | North America | Enlarged Europe | Middle East & Africa | South America | China and India & Asia Pacific | Maserati | Other activities | Unallocated items & eliminations | Stellantis |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (€ million) | | | | |
| Net revenues from external customers | € 86,498 | € 66,444 | € 10,560 | € 16,148 | € 3,526 | € 2,335 | € 4,207 | € (174) | € 189,544 |
| Net revenues from transactions with other segments | 2 | 154 | — | (90) | 2 | — | 1,004 | (1,072) | — |
| **Net revenues** | **86,500** | **66,598** | **10,560** | **16,058** | **3,528** | **2,335** | **5,211** | **(1,246)** | **189,544** |
| | | | | | | | | | |
| **Net profit/(loss) from continuing operations** | | | | | | | | | **€ 18,625** |
| Tax expense/(benefit) | | | | | | | | | € 3,793 |
| Net financial expenses/ (income) | | | | | | | | | € (42) |
| **Operating income/(loss)[(1)]** | | | | | | | | | **€ 22,376** |
| Adjustments: | | | | | | | | | |
| Restructuring and other costs, net of reversals[(2)] | € 650 | € 475 | € — | € 14 | € 1 | € 1 | € 20 | € — | € 1,161 |
| Collective agreements related costs[(3)] | € 428 | € — | € — | € — | € — | € — | € — | € — | € 428 |
| Argentina currency devaluation[(4)] | € — | € — | € — | € 302 | € — | € — | € — | € — | € 302 |
| Impairment expense and supplier obligations[(5)] | € — | € 47 | € — | € — | € 154 | € — | € — | € — | € 201 |
| Reorganization of financial services[(6)] | € — | € — | € — | € — | € — | € — | € 76 | € — | € 76 |
| Takata recall campaign | € — | € (44) | € 30 | € — | € 4 | € — | € — | € — | € (10) |
| Patents litigation[(7)] | € (20) | € (40) | € — | € (1) | € — | € — | € — | € — | € (61) |
| Gains on disposal of equity investments and other assets[(8)] | € (65) | € (40) | € — | € — | € (57) | € — | € (39) | € — | € (201) |
| Other | € 40 | € 99 | € 1 | € (43) | € (18) | € — | € (15) | € 7 | € 71 |
| Total adjustments | € 1,033 | € 497 | € 31 | € 272 | € 84 | € 1 | € 42 | € 7 | € 1,967 |
| **Adjusted operating income** | **€ 13,298** | **€ 6,519** | **€ 2,503** | **€ 2,369** | **€ 502** | **€ 141** | **€ (322)** | **€ (667)** | **€ 24,343** |
| | | | | | | | | | |
| Share of profit/(loss) of equity method investees, excluding adjustments[(1)] | € (6) | € (139) | € 192 | € 16 | € 18 | € — | € 410 | € — | € 491 |

*(1) Share of the profit of equity method investees is included in our Operating income and Adjusted operating income. Refer to "Non-GAAP Financial Measures" included elsewhere in this report for additional information*
*(2) Primarily related to workforce reductions and includes €243 million relating to the new collective bargaining agreements in North America*
*(3) Primarily related to past service costs arising from employee benefit plan amendments related to the new collective bargaining agreements in North America.Total cost of €671 million is comprised of €243 million in Restructuring and other costs, net of reversals and €428 million in Collective bargaining agreements costs. Refer to Note 26, Guarantees granted, commitments and contingent liabilities for additional information*
*(4) Impact of the December 2023 devaluation of the Argentine Peso from the new government's economic policies, comprised of €(197) million in Net revenues, €(147) million in Cost of revenues, and €42 million in Selling, general and other costs*
*(5) Related to impairments,mainly impairment of research and development assets in China and India & Asia Pacific, and impairment of certain platform assets in Enlarged Europe*
*(6) Net costs associated with the reorganization of our financial services activities in Europe*
*(7) Reversal of provisions related to litigation by certain patent owners related to the use of certain technologies in prior periods*
*(8) Mainly related to gains on disposals of investments and of fixed assets*

| 2022 | North America | Enlarged Europe | Middle East & Africa | South America | China and India & Asia Pacific | Maserati | Other activities | Unallocated items & eliminations | Stellantis |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (€ million) | | | | |
| Net revenues from external customers | € 85,474 | € 63,226 | € 6,453 | € 15,640 | € 4,500 | € 2,322 | € 1,953 | € 24 | € 179,592 |
| Net revenues from transactions with other segments | 1 | 85 | — | (20) | 5 | (2) | 1,216 | (1,285) | — |
| **Net revenues** | **85,475** | **63,311** | **6,453** | **15,620** | **4,505** | **2,320** | **3,169** | **(1,261)** | **179,592** |
| | | | | | | | | | |
| **Net profit/(loss) from continuing operations** | | | | | | | | | **€ 16,779** |
| Tax expense/(benefit) | | | | | | | | | € 2,729 |
| Net financial expenses/(income) | | | | | | | | | € 768 |
| **Operating income/(loss)[1]** | | | | | | | | | **€ 20,276** |
| Adjustments: | | | | | | | | | |
| Restructuring costs and other costs, net of reversals[2] | € 56 | € 1,020 | € — | € 36 | € — | € 2 | € 30 | € — | € 1,144 |
| Takata recall campaign[3] | € 382 | € 545 | € 22 | € 2 | € — | € — | € — | € — | € 951 |
| CAFE penalty rate[4] | € 660 | € — | € — | € — | € — | € — | € — | € — | € 660 |
| Change in estimate of non-contractual warranties[5] | € — | € 294 | € 14 | € 3 | € 3 | € — | € — | € — | € 314 |
| Impairment of GAC-Stellantis JV[6] | € — | € — | € — | € — | € 297 | € — | € — | € — | € 297 |
| Impairment expense and supplier obligations[7] | € 99 | € 92 | € — | € 45 | € — | € — | € — | € 1 | € 237 |
| Patents litigation[8] | € 93 | € 40 | € — | € 1 | € — | € — | € — | € — | € 134 |
| Write down of FCA Bank investment[9] | € — | € — | € — | € — | € — | € — | € 133 | € — | € 133 |
| Other[10] | € (24) | € (232) | € (1) | € 62 | € 36 | € — | € 27 | € 3 | € (129) |
| Total adjustments | € 1,266 | € 1,759 | € 35 | € 149 | € 336 | € 2 | € 190 | € 4 | € 3,741 |
| **Adjusted operating income** | **€ 13,987** | **€ 6,218** | **€ 1,188** | **€ 2,048** | **€ 641** | **€ 201** | **€ 179** | **€ (445)** | **€ 24,017** |
| | | | | | | | | | |
| Share of profit/(loss) of equity method investees, excluding adjustments[1] | € (2) | € (75) | € 110 | € — | € (310) | € — | € 541 | € — | € 264 |
| | | | | | | | | | |
| Adjusted operating income, as reported | € 13,989 | € 6,293 | € 1,078 | € 2,048 | € 654 | € 201 | € (495) | € (445) | € 23,323 |
| Add: Share of profit/(loss) of equity method investees | (2) | (75) | 110 | — | (310) | — | 541 | — | € 264 |
| Adjustments: | | | | | | | | | |
| Impairment of GAC-Stellantis JV[6] | — | — | — | — | 297 | — | — | — | € 297 |
| Write down of FCA Bank investment[9] | — | — | — | — | — | — | 133 | — | € 133 |
| **Adjusted operating income, as adjusted[1]** | **€ 13,987** | **€ 6,218** | **€ 1,188** | **€ 2,048** | **€ 641** | **€ 201** | **€ 179** | **€ (445)** | **€ 24,017** |

*(1) Share of the profit of equity method investees is included in our Operating income and Adjusted operating income. Refer to "Non-GAAP Financial Measures" included elsewhere in this report for additional information*
*(2) Primarily related to workforce reductions, mainly in Enlarged Europe, North America and South America*
*(3) Extension of Takata airbags recall campaign*
*(4) Increase in provision related to Model Year 2019 - 2021 CAFE penalty rate adjustment. Refer to Note 21, Provisions for additional information*
*(5) Further refinements in estimate for warranty costs incurred after the contractual warranty period*
*(6) Relates to the full impairment of our equity method investment and includes write off of balances relating to loan receivables, trade receivables and capitalized development expenditures. Refer to Note 3, Scope of consolidation for additional information*
*(7) Primarily impairment expense in Enlarged Europe, mainly related to Russia, as well as North America and South America*
*(8) Provision related to litigation by certain patent owners related to the use of certain technologies in prior periods*
*(9) Write down of FCA Bank investment associated with the reorganization of our financial services activities in Europe*
*(10) Mainly related to release of litigation provisions, changes in ownership of equity method investments, partially offset by net losses on disposals*

| 2021 | North America | Enlarged Europe | Middle East & Africa | South America | China and India & Asia Pacific | Maserati | Other activities | Unallocated items & eliminations | Stellantis |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (€ million) | | | | |
| Net revenues[1] | € 67,715 | € 58,728 | € 5,165 | € 10,496 | € 3,927 | € 2,003 | € 2,768 | € (1,383) | € 149,419 |
| Net revenues from transactions with other segments | (9) | (126) | — | (22) | (3) | (1) | (1,222) | 1,383 | — |
| **Net revenues from external customers[1]** | **67,706** | **58,602** | **5,165** | **10,474** | **3,924** | **2,002** | **1,546** | **—** | **149,419** |
| Add: FCA Net revenues from external customers January 1 - January 16, 2021[2] | **2,015** | **335** | **36** | **189** | **51** | **18** | **60** | **—** | **2,704** |
| Add: Pro forma adjustments[3] | 3 | (7) | — | — | — | — | — | — | (4) |
| **Pro Forma Net revenues from external customers, January 1 - December 31, 2021** | **69,724** | **58,930** | **5,201** | **10,663** | **3,975** | **2,020** | **1,606** | **—** | **152,119** |
| Net revenues from transactions with other segments | 12 | 130 | — | 18 | 5 | 1 | 1,122 | (1,288) | — |
| **Pro Forma Net revenues[4]** | **€ 69,736** | **€ 59,060** | **€ 5,201** | **€ 10,681** | **€ 3,980** | **€ 2,021** | **€ 2,728** | **€ (1,288)** | **€ 152,119** |
| | | | | | | | | | |
| **Net profit/(loss) from continuing operations** | | | | | | | | | **€ 13,218** |
| Tax expense/(benefit) | | | | | | | | | € 1,911 |
| Net financial expenses/(income) | | | | | | | | | € 734 |
| **Operating income/(loss)[5]** | | | | | | | | | **€ 15,863** |
| Add: FCA operating income, January 1 - 16, 2021 | | | | | | | | | € 80 |
| Add: Pro forma adjustments | | | | | | | | | € 96 |
| **Pro Forma Operating income/(loss)[5]** | | | | | | | | | **€ 16,039** |
| Adjustments: | | | | | | | | | |
| Restructuring costs and other costs, net of reversals[6] | € (4) | € 781 | € 2 | € 54 | € — | € 1 | € 39 | € — | € 873 |
| Change in estimate of non-contractual warranties[7] | € 2 | € 581 | € 57 | € 68 | € 13 | € 11 | € — | € — | € 732 |
| Reversal of inventory fair value adjustment in purchase accounting[8] | € 401 | € 89 | € — | € 13 | € 19 | € — | € — | € — | € 522 |
| Impairment expense and supplier obligations[9] | € 58 | € 233 | € 6 | € 6 | € — | € 6 | € — | € — | € 309 |
| Brazilian indirect tax - reversal of liability/ recognition of credits[10] | € — | € — | € — | € (253) | € — | € — | € — | € — | € (253) |
| Other[11] | € 228 | € (17) | € (6) | € 41 | € 7 | € 2 | € 140 | € 134 | € 529 |
| Total adjustments Jan 1 - Dec 31, 2021 | € 685 | € 1,667 | € 59 | € (71) | € 39 | € 20 | € 179 | € 134 | € 2,712 |
| **Pro Forma Adjusted operating income** | **€ 11,342** | **€ 5,324** | **€ 663** | **€ 882** | **€ 428** | **€ 103** | **€ (22)** | **€ 31** | **€ 18,751** |
| | | | | | | | | | |
| Share of profit of equity method investees[5] | € (14) | € (46) | € 118 | € — | € (7) | € — | € 686 | € — | € 737 |
| | | | | | | | | | |
| Pro Forma Adjusted operating income, as reported | € 11,356 | € 5,370 | € 545 | € 882 | € 442 | € 103 | € (718) | € 31 | € 18,011 |
| Add: Share of profit/(loss) of equity method investees | (14) | (46) | 118 | — | (7) | — | 686 | — | € 737 |
| Adjustments: | | | | | | | | | |
| Add: FCA Share of profit/(loss) of equity method investees, January 1 - 16, 2021 | — | — | — | — | (7) | — | 10 | — | € 3 |
| Pro Forma Adjusted operating income, as adjusted[5] | **€ 11,342** | **€ 5,324** | **€ 663** | **€ 882** | **€ 428** | **€ 103** | **€ (22)** | **€ 31** | **€ 18,751** |

*(1) Groupe PSA ("PSA") was identified as the accounting acquirer in the FCA-PSA merger, which was accounted for as a reverse acquisition, under IFRS 3 – Business Combinations, and, as such, it contributed to the results of the Company beginning January 1, 2021. FCA was consolidated into Stellantis effective January 17, 2021, the day after the merger became effective*
*(2) FCA consolidated Net revenues, January 1 - January 16, 2021, excluding intercompany transactions*
*(3) Reclassifications made to present FCA's Net revenues January 1 - January 16, 2021 consistently with that of PSA*
*(4) Pro forma Stellantis consolidated Net revenues, January 1 - December 31, 2021*

*(5) Share of the profit of equity method investees is included in our Operating income and Adjusted operating income. Refer to "Non-GAAP Financial Measures" included elsewhere in this report for additional information*
*(6) Restructuring and other costs related to the reorganization of operations and the dealer network primarily in Enlarged Europe*
*(7) Change in estimate for warranty costs incurred after the contractual warranty period. Refer to Note 21, Provisions for additional information*
*(8) Reversal of fair value adjustment recognized in purchase accounting on FCA inventories*
*(9) Primarily related to certain vehicle platforms in Enlarged Europe*
*(10) Benefit related to the final decision of the Brazilian Supreme Court on the calculation of the state value added tax, resulting in the recognition of €87 million in Net revenues and €166 million in Selling, general and other costs. Refer to Note 23, Other liabilities for additional information*
*(11) Includes other costs primarily related to merger and integration activities*

| **2021** | **North America** | **Enlarged Europe** | **Middle East & Africa** | **South America** | **China and India & Asia Pacific** | **Maserati** | **Other activities** | **Unallocated items & eliminations** | **Stellantis** |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (€ million) | | | | |
| **Net profit/(loss) from continuing operations** | | | | | | | | | **€ 13,218** |
| Tax expense/(benefit) | | | | | | | | | € 1,911 |
| Net financial expenses/ (income) | | | | | | | | | € 734 |
| **Operating income/(loss)[(1)]** | | | | | | | | | **€ 15,863** |
| Adjustments: | | | | | | | | | |
| Restructuring costs and other costs, net of reversals[(2)] | € (4) | € 781 | € 2 | € 54 | € — | € 1 | € 39 | € — | € 873 |
| Change in estimates of non-contractual warranties[(3)] | € 2 | € 581 | € 57 | € 68 | € 13 | € 11 | € — | € — | € 732 |
| Reversal of inventory fair value adjustment in purchase accounting[(4)] | € 401 | € 89 | € — | € 13 | € 19 | € — | € — | € — | € 522 |
| Impairment expense and supplier obligations[(5)] | € 58 | € 233 | € 6 | € 6 | € — | € 6 | € — | € — | € 309 |
| Brazilian indirect tax - reversal of liability/ recognition of credits[(6)] | € — | € — | € — | € (253) | € — | € — | € — | € — | € (253) |
| Other[(7)] | € 228 | € (17) | € (6) | € 41 | € 7 | € 2 | € 140 | € 134 | € 529 |
| Total adjustments Jan 1 - Dec 31, 2021 | € 685 | € 1,667 | € 59 | € (71) | € 39 | € 20 | € 179 | € 134 | € 2,712 |
| Less: Adjustments Jan 1-16, 2021[(8)] | € — | € — | € — | € — | € — | € — | € — | € — | € 11 |
| **Adjusted operating income** | **€ 11,089** | **€ 5,373** | **€ 672** | **€ 873** | **€ 437** | **€ 116** | **€ (27)** | **€ 31** | **€ 18,564** |
| | | | | | | | | | |
| Adjusted operating income, as reported | € 11,103 | € 5,419 | € 554 | € 873 | € 444 | € 116 | € (713) | € 31 | € 17,827 |
| Add: Share of profit/(loss) of equity method investees | (14) | (46) | 118 | — | (7) | — | 686 | — | € 737 |
| Adjusted operating income, as adjusted[(1)] | **€ 11,089** | **€ 5,373** | **€ 672** | **€ 873** | **€ 437** | **€ 116** | **€ (27)** | **€ 31** | **€ 18,564** |

*(1) Share of the profit of equity method investees is included in our Operating income and Adjusted operating income. Refer to "Non-GAAP Financial Measures" included elsewhere in this report for additional information*
*(2) Restructuring and other costs related to the reorganization of operations and the dealer network primarily in Enlarged Europe*
*(3) Change in estimate for warranty costs incurred after the contractual warranty period. Refer to Note 21, Provisions for additional information*
*(4) Reversal of fair value adjustment recognized in purchase accounting on FCA inventories*
*(5) Primarily related to certain vehicle platforms in Enlarged Europe*
*(6) Benefit related to the final decision of the Brazilian Supreme Court on the calculation of the state value added tax, resulting in the recognition of €87 million in Net revenues and €166 million in Selling, general and other costs. Refer to Note 23, Other liabilities for additional information*
*(7) Includes other costs primarily related to merger and integration activities*
*(8) Primarily costs related to the merger*

***Information about geographical area***

The following table summarizes the non-current assets (other than financial instruments, deferred tax assets and post-employment benefits assets) attributed to certain geographic areas:

| | At December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| North America[1] | € 52,029 | € 50,410 |
| France | 17,893 | 16,031 |
| Italy | 8,810 | 8,646 |
| Germany | 4,884 | 5,334 |
| Brazil | 3,811 | 3,556 |
| Spain | 1,876 | 2,030 |
| United Kingdom | 1,194 | 1,278 |
| Poland | 1,038 | 812 |
| Slovakia | 460 | 377 |
| Serbia | 161 | 105 |
| Other countries | 5,817 | 3,536 |
| **Total Non-current assets (other than financial instruments, deferred tax assets and post-employment benefits assets)** | **97,973** | **92,115** |

*(1) Refers to the geographical area and not our North America reporting segment*

## 30. Explanatory notes to the Consolidated Statement of Cash Flows

***Non-cash items***

For the year ended December 31, 2023, non-cash items of €8,775 million primarily included: (i) €7,549 million for depreciation and amortization expense, (ii) €701 million change in deferred taxes resulting primarily from a decrease in deferred tax assets (Refer to Note 7, *Tax expense/(benefit)* for additional information), (iii) €720 million in other non-cash items mainly referred to impairments and hyperinflation impacts, partially offset by (iv) €195 million gains on disposal of equity investments and other assets.

For the year ended December 31, 2022, non-cash items of €6,285 million primarily included: (i) €6,797 million for depreciation and amortization expense, partially offset by (ii) a €711 million change in deferred taxes resulting primarily from the recognition of deferred tax assets previously unrecognized (Refer to Note 7, *Tax expense/(benefit)* for additional information).

For the year ended December 31, 2021, non-cash items of €5,195 million primarily included: (i) €5,871 million for depreciation and amortization expense and (ii) a €654 million change in deferred taxes impacted by the recognition of deferred tax assets previously unrecognized primarily in France and Germany (Refer to Note 7, *Tax expense/(benefit)* for additional information).

***Operating activities***

For the year ended December 31, 2023, net cash from operating activities of €22,485 million was primarily the result of: (i) net profit from continuing operations of €18,625 million adjusted by: (1) non-cash items of €8,775 million, (2) net increase in provisions of €2,460 million, mainly attributable to sales incentives in North America and Enlarged Europe, (3) the negative effect of the change in working capital of €5,472 million, which was mainly due to (i) an increase of €4,388 million in inventories mostly driven by new vehicles reflecting a stabilization following a 2020-2022 period characterized by significant supply constraints and additional raw materials inventories to secure production and (ii) an increase of €2,249 million in trade receivables primarily due to the ongoing plan of factoring reduction, partially offset by (iii) an increase of €1,058 million in trade payables, primarily reflecting inventories increase and by (iv) an increase of €107 million in other payables net of other receivables.

For the year ended December 31, 2022, net cash from operating activities of €19,959 million was primarily the result of: (i) net profit from continuing operations of €16,779 million adjusted by: (1) non-cash items of €6,285 million, (2) net increase in provisions of €1,906 million mainly attributable to product warranty, sales incentives and accruals for restructuring and CAFE penalty rates, (3) the negative effect of the change in working capital of €4,481 million, which was mainly driven by (i) an increase of €5,606 million in inventories, reflecting increases in raw materials and components costs and safety stock, as well as an increase in new vehicle inventory levels mainly as a result of logistic challenges, (ii) an increase of €1,986 million in trade receivables primarily due to a reduction in level of factoring, (iii) an increase of €1,054 million in other receivables net of other payables mainly due to advances to suppliers and indirect taxes in Enlarged Europe, partially offset by (iv) an increase of €4,165 million in trade payables, primarily reflecting increases in both inventories and costs of raw materials and components.

For the year ended December 31, 2021, net cash from operating activities of €18,646 million was primarily the result of: (i) net profit from continuing operations of €13,218 million adjusted by: (1) non-cash items of €5,195 million, (2) the positive effect of the change in working capital of €1,212 million, which was mainly driven by (i) a decrease of €2,201 million in inventories, primarily in Enlarged Europe and North America, (ii) a decrease of €246 million in trade receivables, partially offset by (iii) a decrease of €1,273 million in trade payables, primarily due to reduced volumes of production in Enlarged Europe and North America.

***Investing activities***

For the year ended December 31, 2023, net cash used in investing activities of €15,047 million was primarily the result of (1) €10,193 million of investment in property, plant and equipment and intangible assets, including €4,184 million of capitalized development expenditures, partially offset by €1,068 million increase in payables related to the investments in properties, plant and equipment and intangible assets, (2) an increase in receivables from financing activities of €3,834 million, which was mainly attributable to increased retail and dealer financing of Stellantis Financial Services U.S. and dealer financing in Brazil, (3) acquisitions of subsidiaries and equity method investments for €3,885 million primarily relating to (i) the investment in Leapmotor for €1,419 million, (ii) the capital contributions to Starplus Energy, NextStar Energy, Symbio and Punch Powertrain for total €1,222 million, (iii) the capital contributions to and acquisitions of financial services entities for €263 million, (iv) acquisition of ownership in South American companies, primarily in raw materials and renewable energy, for €603 million, (Refer to Note 3, *Scope of consolidation* for additional information), partially offset by the disposal of property, plant and equipment of €533 million and of investments in subsidiaries and associates of €1,457 million, including the net proceeds from the disposal of FCA Bank for €1,090 million.

For the year ended December 31, 2022, net cash used in investing activities of €10,531 million was primarily the result of (1) €8,615 million of investment in property, plant and equipment and intangible assets, including €3,487 million of capitalized development expenditures, (2) €399 million decrease in payables related to the investments in properties, plant and equipment and intangible assets, (3) an increase in receivables from financing activities of €1,413 million, which was mainly attributable to increased retail financing of Stellantis Financial Services U.S. and dealer financing in Brazil, (4) acquisitions of consolidated subsidiaries and equity method investments for €666 million including primarily the controlling interest in aiMotive, Share Now and Stimcar Holding and the capital contribution paid to StarPlus Energy LLC (Refer to Note 3, *Scope of consolidation* for additional information), partially offset by the disposal of property, plant and equipment of €545 million and of investments in subsidiaries and associates of €235 million.

For the year ended December 31, 2021, net cash from investing activities of €8,674 million was primarily the result of (1) cash and cash equivalents of FCA at the date of the merger of €22,514 million, (2) €8,687 million of investment in property, plant and equipment and intangible assets, including €3,116 million of capitalized development expenditures, (2) €1,426 million decrease in payables related to the investments in properties, plant and equipment and intangible assets, and (3) an increase in receivables from financing activities of €306 million, which was mainly attributable to higher volumes of activity in South America and China, and (4) €726 million of acquisitions of consolidated subsidiaries net of their cash and equity method investments, including €147 million relating to the acquisition of First Investors Financial Services Group and €196 million capital injection in GAC-Stellantis JV. Investing activities also include the reduction of €3,115 million in cash and cash equivalents held by Faurecia at loss of control.

***Financing activities***

For the year ended December 31, 2023**,** net cash used in financing activities of €9,200 million resulted primarily from (1) the net decrease in long-term debt of €214 million including (i) the repayment of bonds at maturity for €3,277 million which are partially offset by the issuance of bonds for €2,500 million, (ii) new long-term debt for €1,668 million, partially offset by repayments for €1,105 million, (2) the distribution of dividends to shareholders of €4,208 million, (3) the increase in securities of €2,754 million primarily attributable to the investment in marketable debt securities by our central treasury companies, (4) the purchase of treasury shares for €2,434 million as a result of the share buyback program for €1,500 million and the purchase of a portion of the shares held by Dongfeng for €934 million (Refer to Note 27, *Equity* for additional information), and (5) the changes in short-term debt and other financial assets and liabilities for positive €328 million.

For the year ended December 31, 2022**,** net cash used in financing activities of €13,167 million resulted primarily from (1) the net decrease in long-term debt of €6,480 million including (i) the repayment of €6,300 million Intesa San Paolo credit facility and of other long-term debt for €1,448 million, (ii) the repayment of bonds at maturity for €1,350 million, partially offset by the issuance of bonds for €2,231 million and new long-term debt for €387 million, (2) the distribution of dividends to Shareholders of €3,353 million, (3) the increase in securities of €2,069 million mainly driven by the investment of liquidity in financial assets which do not meet all the condition to be classified as cash equivalents, (4) the purchase of treasury shares for €923 million as a result of the exercise of GM Warrants (Refer to Note 27, *Equity* for additional information), and (5) the changes in short-term debt and other financial assets and liabilities for negative €400 million.

For the year ended December 31, 2021, net cash used in financing activities of €1,366 million resulted primarily from (1) the distribution to Shareholders of €4,204 million, including (i) €2,897 million for an extraordinary distribution to FCA shareholders in accordance with the merger agreement, (ii) €1,000 million extraordinary distribution to Stellantis shareholders and (iii) €302 million distributed in cash as part of the Faurecia distribution (refer to Note 3, *Scope of consolidation* for additional information), (2) the repayment at maturity of a bond issued by FCA for €1,000 million, (3) the repayment of other long-term debt for €637 million, (4) €610 million increase in investments in securities primarily by the treasury companies in North America, and (5) €846 million in net decrease in short-term debt. These were partially offset by the proceed from the issuance of notes under the EMTN Program for €3,671 million (€3,750 million nominal) and in North America for €1,770 million (US$2.0 billion) (Refer to Note 22, *Debt* for additional information) and from new long-term debt for €309 million.

The following is a reconciliation of liabilities arising from financing activities for the years ended December 31, 2023 and 2022:

| | Years ended December 31, | |
|---|---|---|
| | 2023 | 2022 |
| | (€ million) | |
| **Total Debt at January 1** | € **27,153** | € **33,581** |
| Add: Derivative (assets)/liabilities and collateral at January 1 | (67) | (1,205) |
| Add: Securities and financial receivables at January 1 | (4,176) | (839) |
| **Total Liabilities from financing activities at January 1** | € **22,910** | € **31,537** |
| | | |
| Cash flows | (2,640) | (8,949) |
| Foreign exchange effects | (250) | 397 |
| Fair value changes | 468 | (110) |
| Changes in scope of consolidation | 955 | 389 |
| Transfer to (Assets)/Liabilities held for sale | (122) | — |
| Other changes | (1,324) | (354) |
| **Total Liabilities from financing activities at December 31** | € **19,997** | € **22,910** |
| Less: Derivative (assets)/liabilities and collateral at December 31 | (109) | (67) |
| Less: Securities and financial receivables at December 31 | (9,357) | (4,176) |
| **Total Debt at December 31** | € **29,463** | € **27,153** |

***Dividends received, interest expense and taxes paid***

During the years ended December 31, 2023, 2022 and 2021, the Company paid interest of €1,126 million and received interest of €2,917 million, €937 million and €1,201 million, €1,185 million and €347 million, respectively. Amounts indicated are also inclusive of interest rate differentials paid or received on interest rate derivatives.

During the years ended December 31, 2023, 2022 and 2021, the Company made income tax payments, net of refunds, totaling €2,649 million, €2,860 million and €2,170 million, respectively.

During the years ended December 31, 2023, 2022 and 2021, the Company received dividends of €312 million, €217 million and €405 million, respectively.

***Amounts relating to IFRS 16 recognized in Consolidated Statement of Cash Flows***

During the years ended December 31, 2023, 2022 and 2021, the total cash outflow for leases recognized in accordance with IFRS 16 was €757 million, €626 million and €616 million, respectively, of which €693 million, €568 million and €566 million, respectively, related to cash payments for the principal portion of lease liabilities (recognized within Cash flows from financing activities in the Consolidated Statement of cash flows) and €64 million, €58 million and €50 million, respectively, related to cash payments for interest expense related to lease liabilities (recognized within Cash flows from operating activities in the Consolidated Statement of cash flows).

## 31. Qualitative and quantitative information on financial risks

The Company is exposed to the following financial risks connected with its operations:

- credit risk, principally arising from its normal commercial relations with final customers and dealers, and its financing activities;

- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general; and

- financial market risk (primarily relating to exchange rates, interest rates and commodity prices), since the Company operates at an international level in different currencies, uses financial instruments which generate interest and is exposed to the risk of changes in the price of certain commodities which are used in the production processes.

These risks could significantly affect the Company's financial position and results and for this reason, the Company systematically identifies and monitors these risks in order to detect potential negative effects in advance and takes the necessary actions to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with established risk management policies.

Financial instruments held by the funds that manage the Company's pension plan assets are not included in this analysis (refer to Note 20, *Employee benefits liabilities* for additional information).

The following section provides qualitative and quantitative disclosures on the effect that these risks could have upon the Company. The quantitative data reported in the following does not have any predictive value, in particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that were assumed to take place.

***Credit risk***

Overall, the credit risk regarding the Company's trade receivables and receivables from financing activities is concentrated mainly in North America, Enlarged Europe and South America.

The maximum credit risk to which the Company is potentially exposed at December 31, 2023 is represented by the carrying amounts of financial assets in the financial statements discussed in Note 16, *Trade receivables, other assets, prepaid expenses and Tax receivables* and the nominal value of the guarantees provided on liabilities and commitments to third parties discussed in Note 26, *Guarantees granted, commitments and contingent liabilities*.

In addition, the Company is exposed to credit risk in relation to the investment of cash and to transactions with derivatives counterparties, as disclosed in Note 17, *Derivative financial and operating assets and liabilities* and in the Note 18, C*ash and cash equivalents*.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Company monitors these exposures and established credit lines with single or homogeneous categories of counterparties.

Dealers and final customers for which the Company provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system. To mitigate this risk, the Company could obtain financial and non-financial guarantees. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network made by the Company financial service companies and on vehicles assigned under finance and operating lease agreements.

For further information regarding the exposure to credit risk and ECLs of Trade receivables, other receivables and financial receivables at December 31, 2023 and 2022, refer to Note 16, *Trade receivables, other assets, prepaid expenses and tax receivables.*

The Company differentiates Cash investments with primary bank counterparties and high rated liquid financial instruments. The investments are actively managed and constantly monitored, in compliance with policies that establish limits of concentration and duration, taking into account the creditworthiness of the counterparties and of the various countries in which the cash is invested. The policies also define limits in the operations with Derivatives counterparties. Even though the Company's current securities and Cash and cash equivalents consist of balances spread across various primary national and international banking institutions and money market funds that were measured at fair value, there was no exposure to sovereign debt securities at December 31, 2023 and 2022 which could lead to significant risk of repayment.

***Liquidity risk***

Liquidity risk represents the risk the Company is unable to obtain the funds needed to carry out its operations and meet its obligations. Any actual or perceived limitations on the Company’s liquidity could affect the ability of counterparties to do business with the Company or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of challenging economic conditions in the markets in which the Company operates and the uncertainties that characterize the financial markets, necessitate special attention to the management of liquidity risk. In that sense, measures taken to generate funds through operations and to maintain a conservative level of available liquidity are important factors for ensuring operational flexibility and addressing strategic challenges over the next few years.

The main factors that determined the Company’s liquidity situation are the funds generated by or used in operating and investing activities, the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Company adopted a series of policies and procedures whose purpose was to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Company was present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds were obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

The Company manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal. The operating cash management and liquidity investment of the Company are centrally coordinated in the Company’s treasury companies, with the objective of ensuring effective and efficient management of the Company’s funds. These entities obtain funds in the financial markets from various funding sources.

Certain notes issued by the Company and its treasury subsidiaries include covenants which could be affected by circumstances related to certain subsidiaries; in particular, there are cross-default clauses which could accelerate repayments in the event that such subsidiaries fail to pay certain of their debt obligations.

Refer to Note 16, *Trade receivables, other assets, prepaid expenses and Tax recei*vables, Note 23, *Other liabilities* and Note 22, *Debt* for additional information on the repayment structure of the Company’s financial assets and liabilities. Refer to Note 17, *Derivative financial and operating assets and liabilitie*s for additional information on the repayment structure of derivative financial instruments.

**Financial market risks**

Due to the nature of the Company’s business, the Company is exposed to a variety of market risks, primarily foreign currency exchange rate risk, interest rate risk and commodity price risk.

The Company’s exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Company’s industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Company's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to invest surplus funds. Changes in market interest rates could have the effect of either increasing or decreasing the Company's Net profit, thereby indirectly affecting the costs and returns of financing and investing transactions.

The Company's exposure to commodity price risk arises from the risk of changes in the price of certain raw materials and energy used in production. Changes in the price of raw materials could have a significant effect on the Company's results by indirectly affecting costs and product margins.

These risks could significantly affect the Company's financial position and results and for this reason, these risks were systematically identified and monitored, in order to detect potential negative effects in advance and take the necessary actions to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with its established risk management policies.

The Company's policy permits derivatives to be used only for managing the exposure to fluctuations in foreign currency exchange rates and interest rates as well as commodities prices connected with future cash flows and assets and liabilities.

The Company utilizes derivative financial instruments designated as fair value hedges mainly to hedge:

- the foreign currency exchange rate risk on financial instruments denominated in foreign currency; and
- the interest rate risk on fixed rate loans, bonds and borrowings.

The instruments used for these hedges are mainly foreign currency forward contracts, interest rate swaps and combined interest rate and foreign currency financial instruments.

The Company uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies would be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a targeted mix of floating versus fixed rate funding structured loans; and
- the price of certain commodities and components.

The foreign currency exchange rate exposure on forecasted commercial flows is hedged by foreign currency swaps, forward contracts and foreign currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements. Exposure to changes in the price of commodities is generally hedged by using commodity swaps and commodity options. Counterparties to these agreements are major financial institutions.

Refer to Note 17, *Derivative financial and operating assets and liabilitie*s for additional information on the fair value of derivative financial instruments held at the balance sheet date.

**Quantitative information on foreign currency exchange rate risk**

The Company is exposed to risk resulting from changes in foreign currency exchange rates, which could affect its earnings and equity. Where a Stellantis company incurred costs in a currency different from that of its revenues, any change in exchange rates could affect the operating results of that company; the principal exchange rates to which the Company is exposed are:

- EUR/GBP, relating to sales in the UK of vehicles produced in the Euro zone;
- CNY and JPY in relation to costs paid to Chinese and Japanese suppliers net of sales in China and Japan respectively originating from European and North America entities;

- U.S.$/CAD and U.S.$/MXP, primarily relating to sales in Canada and Mexico of produced vehicles, net of local cost and import in U.S. of Canadian produced vehicles;
- EUR/U.S.$, relating to sales and purchases (mainly linked to commodity) in U.S.$ made by European entities and to sales and purchases in Euro made by U.S. entities;
- TRY and PLN, in relation to sales in Turkish and Poland markets, net of manufacturing costs incurred in Turkey and Poland; and
- U.S.$/BRL and EUR/BRL, relating to Brazilian manufacturing operations and the related import and export flows.

The Company’s policy is to use derivative financial instruments to hedge a percentage of certain exposures subject to foreign currency exchange rate risk for the upcoming twenty-four months (including such risk before or beyond that date where it is deemed appropriate in relation to the characteristics of the business) and to hedge the exposure resulting from firm commitments unless not deemed appropriate.

The Stellantis entities could have trade receivables or payables denominated in a currency different from their respective functional currency. In addition, in a limited number of cases, it could be convenient from an economic point of view, or it could be required under local market conditions, for the Stellantis entities to obtain financing or invest funds in a currency different from their respective functional currency, e.g. Argentinian industrial companies (with U.S.$ as functional currency) invest a significant amount of cash denominated in Argentine Pesos. Changes in exchange rates could result in exchange gains or losses arising from these situations. The Company’s policy is to hedge, whenever deemed appropriate, the exposure resulting from receivables, payables, cash and securities denominated in foreign currencies different from the respective Stellantis entity’s functional currency.

Certain of the Stellantis entities are located in countries which are outside of the Eurozone, primarily the U.S., Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, India and China. As the Company's reporting currency is the Euro, the income statements of those entities that have a reporting currency other than the Euro are translated into Euro using the average exchange rate for the period. In addition, the assets and liabilities of those consolidated entities are translated into Euro at the period-end foreign exchange rate. The effects of these changes in foreign exchange rates are recognized directly in the Cumulative translation adjustments reserve included in Other comprehensive income. Changes in exchange rates could lead to effects on the translated balances of revenues, costs and assets and liabilities reported in Euro, even when corresponding items are unchanged in the respective local currency of these entities.

The Company monitors its principal exposure to conversion exchange risk and, in certain circumstances, enters into derivatives for the purpose of hedging the specific risk.

The potential loss in fair value of derivative financial instruments held for foreign currency exchange rate risk management (currency swaps/forwards) at December 31, 2023 resulting from a 10 percent change in the exchange rates would have been approximately €163 million on the Consolidated Income Statement and €1,436 million in Other comprehensive income.

This analysis assumes that a hypothetical, unfavorable 10 percent change in exchange rates as at year-end is applied in the measurement of the fair value of derivative financial instruments.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not included in this analysis. It is reasonable to assume that changes in market exchange rates would produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

**Quantitative information on interest rate risk**

The manufacturing companies and treasuries of the Company make use of external borrowings and invest in monetary and financial market instruments. In addition, the Stellantis entities sell receivables resulting from their trading activities on a continuing basis. Changes in market interest rates could affect the cost of the various forms of financing, including the sale of receivables, or the return on investments and the employment of funds, thus negatively impacting the net financial expenses incurred by the Company.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. factoring of receivables or securitizations). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates could affect the operating result of those entities and the Company as a whole.

In order to manage these risks, the Company uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the objective of mitigating, under economically acceptable conditions, the potential variability of interest rates on the Company's Net profit.

In assessing the potential impact of changes in interest rates, the Company segregated fixed rate financial instruments (for which the impact was assessed in terms of fair value) from floating rate and short term financial instruments (for which the impact was assessed in terms of cash flows).

The fixed rate financial instruments used by the Company consisted principally of part of the portfolio of the financial services companies (primarily customer financing and financial leases) and part of debt (including subsidized loans and notes). These instruments are measured at amortized cost and changes in market interest rates for these instruments do not affect Net profit or Equity. Certain financial securities are accounted for at FVPL. The impact of an unfavorable 50 basis points change in interest rate levels would result in increase in financial expenses of €19 million due to the change in fair values of these securities.

The Company entered in certain derivatives in order to manage interest rate risk on underlying debt exposures. An unfavorable 50 basis points change in interest rates level applied to the interest rate derivatives outstanding at December 31, 2023 would have an impact of €58 million on financial expense. It is expected that this impact will be offset by an equivalent gain on the underlying debt exposures.

In addition, financial services companies use derivatives in order to hedge the interest rate risk arising from the mismatch between financial receivables and related funding. A 50 basis points change in interest rates level applied to the interest rate derivatives outstanding at December 31, 2023 would have a negative impact of €28 million in Other comprehensive income.

Floating rate financial instruments consisted principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables was also considered in the sensitivity analysis.

A hypothetical 50 basis points change in short-term interest rates at December 31, 2023, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would result in increased net financial expenses, on an annual basis, of approximately €173 million.

This analysis is based on the assumption that there is an unfavorable change of 50 basis points of interest rate levels across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated. In addition, the sensitivity analysis applied to floating rate financial instruments assumes that cash and cash equivalents and other short-term financial assets and liabilities which expire during the projected 12-month period will be renewed or reinvested in similar instruments, that will reflect the hypothetical 50 basis points change in short-term interest rates.

**Quantitative information on commodity price risk**

The Company, in addition to supply agreements that provide protections to the price increases and supply shortages, entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials and energy used in its normal operations, primarily base metals and PGM (platinum, palladium and rhodium).

In connection with the commodity price derivative contracts outstanding at December 31, 2023, a hypothetical 10 percent change in the price of the commodities at that date would have caused a negative impact on the Other comprehensive income of €501 million. Future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in commodity prices would produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

### 32. Subsequent events

The Company has evaluated subsequent events through February 22, 2024, which is the date the financial statements were authorized for issuance.

On January 15, 2024, Stellantis obtained control of Comercial Automotiva S.A. through the acquisition of 70 percent of the voting equity interest of the company, with symmetrical put and call options to purchase the remaining 30 percent of the equity after December 31, 2026. Comercial Automotiva S.A. sells independent aftermarket auto parts, tires and car maintenance services and currently has more than 126 shops in Brazil. The total consideration paid in cash at closing was €133 million. The preliminary purchase price allocation has not been completed due to the proximity of the acquisition date to December 31, 2023.

On January 26, 2024, Stellantis and the other partners to the ACC joint venture participated in a capital increase of ACC. Stellantis provided €410 million towards the capital increase of which €300 million was paid in cash in January 2024 and €110 million from the conversion of a loan provided in 2023. Following the January 26, 2024 capital increase, Stellantis holds 44.4 percent of the ACC share capital with the remaining equity equally distributed between the other two partners to the ACC joint venture.

# OTHER INFORMATION

## ADDITIONAL INFORMATION FOR NETHERLANDS CORPORATE GOVERNANCE

### Independent Auditor’s Report

The report of the Company’s independent auditor, Ernst & Young Accountants LLP, the Netherlands, is set forth following this Annual Report.

### Dividends

Dividends will be determined in accordance with the article 29 of the Articles of Association of the Company. The relevant provisions of the Articles of Association read as follows:

**Reserves and profits**

1. The company shall maintain a special capital reserve to be credited against the share premium reserve exclusively for the purpose of facilitating any issuance or cancellation of special voting shares (the "**special capital reserve**"). Without prejudice to the next sentence, no distribution shall be made from the special capital reserve. The Board of Directors shall be authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favor of the share premium reserve.

2. The company shall maintain a separate dividend reserve for the special voting shares (the "**special voting shares dividend reserve**"). The special voting shares shall not carry any entitlement to any other reserve of the company. Distributions from the special voting shares dividend reserve shall be made exclusively to the holders of special voting shares in proportion to the aggregate nominal value of their special voting shares. Any distribution out of the special voting shares dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the meeting of holders of special voting shares.

3. From the profits, shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine.

4. The profits remaining thereafter shall first be applied to allocate and add to the special voting shares dividend reserve an amount equal to one percent (1 percent) of the aggregate nominal value of all special voting shares outstanding at the end of the financial year to which the annual accounts pertain. The calculation of the amount to be allocated and added to the special voting shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the special voting shares dividend reserve in respect of these newly issued special voting shares shall be calculated as from the date on which such special voting shares were issued until the last day of the financial year concerned. The special voting shares shall not carry any other entitlement to the profits.

5. Any profits remaining thereafter shall be at the disposal of the general meeting of shareholders for distribution of profits on the common shares only, subject to the provision of Article 29.6.

6. The distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.

7. The company shall only have power to make distributions to shareholders and other Persons entitled to distributions to the extent the company's equity exceeds the sum of the paid in and called up part of the share capital and the reserves that must be maintained pursuant to Dutch law and these Articles of Association. No distribution of profits or other distributions may be made to the company itself for shares that the company holds in its own share capital.

8. The Board of Directors, or the general meeting of shareholders upon a proposal of the Board of Directors, may resolve to make distributions from the company's share premium reserve or from any other reserve (other than the special capital reserve, to which Article 29.1 applies), provided that payments from the reserves other than the special voting shares dividend reserve may only be made to the holders of common shares.

9. The Board of Directors may resolve to make one or more interim distributions, provided that the requirements of Article 29.7 are duly observed as evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 paragraph 4 DCC, taking into account Article 29.4. The provisions of Articles 29.2 and 29.3 shall apply *mutatis mutandis*.

10. The Board of Directors, or the general meeting of shareholders upon a proposal of the Board of Directors, may resolve that distributions shall be made other than in cash, including, without limitation, in the form of common shares or shares in another listed company, provided that, in case of a distribution of common shares, the Board of Directors is designated as the body competent to pass a resolution for the issuance of common shares in accordance with Article 7. The Board of Directors may also resolve that distributions will be made payable either in euro or in another currency.

11. Distributions of profits and other distributions shall be made payable in the manner and at such date(s) and notice thereof shall be given as the Board of Directors, or the general meeting of shareholders upon a proposal of the Board of Directors shall determine.

12. Distributions of profits and other distributions, which have not been collected within five (5) years and one (1) day after the same have become payable, shall become the property of the company.

**Disclosures pursuant to Decree Article 10 EU-Directive on Takeovers**

In accordance with the Dutch Decree Article 10 EU-Directive on Takeovers (*Besluit artikel 10 overnamerichtlijn)* (the "Decree"), the Company makes the following disclosures:

**a.** For information on the capital structure of the Company, the composition of the issued share capital and the existence of the classes of shares, please refer to Note 14, *Equity* to the Company Financial Statements in this Annual Report. For information on the rights attached to the common shares, please refer to the Articles of Association which can be found on the Company's website. To summarize, the rights attached to common shares comprise pre-emptive rights upon issue of common shares, the entitlement to attend the general meeting of shareholders and to speak and vote at that meeting and the entitlement to distributions in accordance with the Articles of Associations. For information on the rights attached to the special voting shares, please refer to the Articles of Association and the Terms and Conditions for the Special Voting Shares which can both be found on the Company's website and more in particular to the paragraph "*Loyalty Voting Structure*" of this Annual Report in the chapter "*CORPORATE GOVERNANCE*". As at December 31, 2023, the issued share capital of the Company consisted of 3,165,189,336 common shares, representing approximately 99.99 percent of the aggregate issued share capital, 179,790 Class A special voting shares and 208,622 Class B special voting shares, representing approximately 0.01 percent of the aggregate issued share capital.

b. The Articles of Association do not provide for transfer restrictions for common shares but do provide for transfer restrictions for special voting shares (Article 14). On December 17, 2019, the Company entered into shareholder undertaking agreements with each of Exor, Bpifrance, Lion Participations, EPF and Peugeot Invest. In these agreements, each of these shareholders agreed to not transfer any of their Stellantis common shares during a period of three years following the Effective Time, subject to certain exceptions. These restrictions expired in early January 2024 and are no longer applicable.

c. For information on participations in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*) notification requirements apply, please refer to the section "*Major Shareholders*" of this Annual Report. There you will find a list of Shareholders who are known to the Company to have holdings of 3 percent or more at the stated date.

d. No special control rights accrue to shares in the capital of the Company.

e. During 2023, the Company launched an employee share participation program (the "2023 ESPP") as mentioned in article 1 sub 1(e) of the Decree. The 2023 ESPP covered approximately 85,000 eligible employees in Italy and France, to which approximately 4.4 million additional shares were issued. Under the plan eligible employees could subscribe to Stellantis shares, at a subscription price of €14.52 corresponding to the average of the Company's closing share price on the 20 trading days preceding the date of the decision setting the terms of the plan, less a 20 percent discount. The shares are locked up for a period from 3 to 5 years. Employees bear the risk of fluctuations in the share price relative to the subscription price. According to the Italian legal framework of the plan, the shares have been issued directly to the eligible employees, and those employees are therefore entitled to vote on the shares, while in France the shares issued to the eligible employees are held by a fonds commun de placement d'entreprise ("FCPE") for the benefit of the relevant employee, with the Supervisory Board of the FCPE, composed of representatives of employees, being able to vote on these shares and the relevant employee having the economic rights on the shares.

f. No restrictions apply to voting rights attached to shares in the capital of the Company, except for the Maximum Voting Threshold (as defined in the Articles of Association). Please refer to the sections "*Voting Rights at General Meetings*" and "*Voting Limitations*" of this Annual Report. There are not any deadlines for exercising voting rights other than the final registration date for the general meetings of the Company. The Articles of Association allow the Company to cooperate in the issuance of registered depositary receipts for common shares, but only pursuant to a resolution to that effect of the Board of Directors. The Company is not aware of any depository receipts having been issued for shares in its capital.

g. Other than disclosed under paragraph b. above, the Company is not aware of the existence of any agreements with Shareholders which may result in restrictions on the transfer of shares or limitation of voting rights.

h. The rules governing the appointment and dismissal of members of the Board of Directors are stated in the Articles of Association. All members of the Board of Directors are appointed by the general meeting of shareholders, taking into account the (binding) nomination rights set out in the Articles of Association. Please refer to the section "*Nomination Rights*" of this Annual Report for more information on the (binding) nomination rights. The term of office of all members of the Board of Directors is for a period of two years after appointment, with such a period expiring immediately after the close of the first annual general meeting of shareholders held two years following the appointment. The initial term of John Elkann, Carlos Tavares, Robert Peugeot, and Henri de Castries is five years, started at January 17, 2021, and ending immediately after the close of the first annual general meeting of shareholders held after five years have lapsed since the appointment of the relevant director. The other Directors of the current Board of Directors, except for Mr. B.P.M. Ribadeau-Dumas, are appointed for a term of four years, started at January 17, 2021, and ending immediately after the close of the first annual general meeting of shareholders held after four years have lapsed since the appointment of the relevant director. Mr. B.P.M. Ribadeau-Dumas is appointed for a term of two years, started at April 13, 2023, and ending immediately after the close of the first annual general meeting of shareholders held after two years have lapsed since his appointment. The general meeting of shareholders has the power to suspend or dismiss any member of the Board of Directors at any time, taking into account the majority requirements set out in the Articles of Association. Please refer to the section "*Election and Removal of Directors*" of this Annual Report for more information on the majority requirements. An amendment of the Articles of Association requires a resolution of the general meeting of shareholders following a proposal from the Board of Directors. Such resolution requires an absolute majority of the votes cast, unless it concerns an amendment of article 2.2 of 2.3 of the Articles of Association in which case a majority of at least two-thirds of the votes cast is required.

i. At the general meeting of shareholders held on January 4, 2021, it was resolved to irrevocable authorize the Board of Directors, for a period of 3 years as of the Effective Time: (a) to issue Stellantis common shares or grant rights to subscribe for such shares (i) up to 10 percent of Stellantis' issued common share capital as at the Effective Time for general purposes, and (ii) up to an additional 10 percent of Stellantis' issued common share capital as at the Effective Time in connection with the acquisition of an enterprise or a corporation, or as otherwise deemed necessary by the Board of Directors and (b) to limit or exclude the pre-emptive rights in respect of any issue of Stellantis common shares or grant of rights to subscribe for such shares referred to under (a). At the annual general meeting of shareholders held on April 13, 2023, it was furthermore resolved to extend the authorizations of the Board of Directors (i) to issue Stellantis common shares or grant rights to subscribe for such shares and (ii) to limit or exclude the pre-emptive rights in respect of any issue of Stellantis common shares or grant of rights to subscribe for such shares referred to under (i), as per the date the authorizations granted by the general meeting on January 4, 2021 lapses up to and including October 12, 2024 (being the date 18 months from the date of the 2023 annual general meeting). The authorization granted during the 2023 annual general meeting of shareholders in respect of the issue of shares or the grant of rights to subscribe for such shares is limited to 10 percent of the issued common shares for general corporate purposes as per April 13, 2023, and can be used for any and all purposes. The authorization granted during the 2023 annual general meeting of shareholders in respect of the pre-emptive rights is limited to the percentage of the capital as referred to in the previous sentence. In the event of an issuance of special voting shares, shareholders have no right of pre-emptions. In addition, the Company has the authority to acquire fully paid-up shares in its own share capital, provided that such acquisition is made for no consideration. Further rules governing the acquisition of shares by the Company in its own share capital are set out in article 9 of the Articles of Association. In addition, the Board of Directors has been authorized to acquire common shares in the capital of the Company, either through purchase on a stock exchange, through a public tender offer, offer for exchange or otherwise, up to a maximum number of shares equal to 10 percent of the Company's issued common shares as per the date of the 2023 annual general meeting of shareholders (April 13, 2023) at a purchase price per share between, on the one hand, an amount equal to the nominal value of the shares and, on the other hand, an amount equal to 110 percent of the market price of the shares on the New York Stock Exchange and/or the Mercato Telematico Azionario and/or Euronext Paris (as the case may be); the market price being the average of the highest price on each of the five days of trading prior to the date on which the acquisition is made, as shown in the Official Price List of the New York Stock Exchange and/or the Mercato Telematico Azionario and/or Euronext Paris (as the case may be), for a period of 18 months from the date of the 2023 annual general meeting of shareholders (April 13, 2023) and therefore up to and including October 12, 2024.

j. The Company is not a party to any significant agreements which will take effect, be altered or terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*), provided that some of the loan agreements guaranteed by the Company and certain bonds guaranteed by the Company contain clauses that, as it is customary for such financial transactions, may require early repayment or termination in the event of a change of control of the guarantor or the borrower. In certain cases, that requirement may only be triggered if the change of control event coincides with other conditions, such as a rating downgrade.

k. Under the terms of the Company's Equity Incentive Plan ("EIP") and employment agreements entered into with certain executive officers, executives may be entitled to receive severance payments of up to 1.5 times of total target cash compensation (base salary and target bonus) and accelerated vesting of awards under the EIP if, within twenty-four (24) months of a Change of Control (as defined therein), the executive's employment is involuntarily terminated by the Company (other than for Cause -as defined therein-) or is terminated by the participant for Good Reason (as defined therein).

## ADDITIONAL INFORMATION FOR U.S. LISTING PURPOSES

### Contractual Obligations

The following table summarizes payments due under Stellantis' significant contractual commitments as of December 31, 2023:

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| (€ million) | Total | Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
| Long-term debt[1] | € 26,099 | € 8,987 | € 4,511 | € 3,750 | € 8,851 |
| Interest on Long-term debt[2] | 3,109 | 669 | 908 | 667 | 865 |
| Lease liabilities[3] | 2,437 | 818 | 500 | 324 | 795 |
| Short-term leases and Low-value assets obligations[4] | 88 | 75 | 12 | 1 | — |
| Unconditional minimum purchase obligations[5] | 15,473 | 2,130 | 4,802 | 6,167 | 2,374 |
| Purchase obligations[6] | 9,721 | 5,792 | 2,901 | 1,024 | 4 |
| Pension contribution requirements[7] | 84 | 84 | — | — | — |
| **Total** | **€ 57,011** | **€ 18,555** | **€ 13,634** | **€ 11,933** | **€ 12,889** |

*(1) Amounts presented related to the principal amounts of long-term debt excluding asset-backed financing transactions such as securitizations and factoring transactions which do not meet the IFRS 9 derecognition criteria as these will be settled through collection of the relevant secured assets. Amounts also exclude the related interest expense that would be paid when due, fair value adjustments, discounts, premiums and loan origination fees. For additional information see Note 22, Debt,within the Consolidated Financial Statements included elsewhere in this report*

*(2) Amounts included interest payments based on contractual terms and current interest rates on debt. Interest rates based on variable rates included above were determined using the current interest rates in effect at December 31, 2023*

*(3) Lease liabilities consisted mainly of industrial buildings and plant, machinery and equipment used in Stellantis' business. The amounts reported include all future cash outflows included in the undiscounted lease liabilities. See Note 22, Debt, within the Consolidated Financial Statements included elsewhere in this report*

*(4) Short-term leases and Low-value assets mainly related to leases for commercial and industrial properties, machinery and equipment used in Stellantis' business. The amounts reported above included the minimum rental and payment commitments due under such leases*

*(5) Unconditional minimum purchase obligations related to Stellantis' unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services from suppliers with fixed and determinable price provisions. From time to time, in the ordinary course of Stellantis' business, Stellantis entered into various arrangements with key suppliers in order to establish strategic and technological advantages*

*(6) Purchase obligations were comprised of (i) the repurchase price guaranteed to certain customers on sales with a buy-back commitment in an aggregate amount of €6,503 million, (ii) commitments to purchase tangible fixed assets, mainly in connection with planned capital expenditure of various Stellantis companies, in an aggregate amount of approximately €3,085 million, and (iii) commitments to purchase intangible assets for an aggregate amount of approximately €133 million*

*(7) Pension contribution requirements were based on the estimate of Stellantis' minimum funding requirements under Stellantis' funded pension plans. Stellantis could elect to make contributions in excess of the minimum funding requirements. Stellantis contributions to pension plans for 2024 are expected to be €84 million. Of this amount, €37 million relates to the U.S. and Canada, with €26 million being mandatory contributions and €11 million discretionary contributions, €10 million relates to the UK, and €13 million relates to Germany. Stellantis' minimum funding requirements after 2024 would depend on several factors, including investment performance and interest rates. Therefore, the above excluded payments beyond 2024, since Stellantis could not predict with reasonable reliability the timing and amounts of future minimum funding requirements. Refer to Note 20, Employee benefits liabilities, within the Consolidated Financial Statements included elsewhere in this report for expected benefit payments for Stellantis' pension plans and for Stellantis' unfunded health care and life insurance plans*

#### *Product warranties, recall campaigns and product liabilities*

The contractual obligations set forth above do not include payments for product warranty and recall campaign costs. Stellantis issues various types of product warranties under which the performance of products delivered is generally guaranteed for a certain period or term. The accrual for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage, recall actions and any commitments to buy back vehicles. The estimated future costs of these actions are principally based on assumptions regarding the lifetime warranty costs of each vehicle line and each model year of that vehicle line, as well as historical claims experience for the Company's vehicles. The Company periodically initiates voluntary service and recall actions to address various customer satisfaction as well as safety and emissions issues related to vehicles sold. Included in the reserve is the estimated cost of these service and recall actions. The Company accrues estimated costs for recalls when they are probable of occurring and a reliable estimate of the costs can be made. Estimates of the future costs of these actions are subject to numerous uncertainties, including the enactment of new laws and regulations, the number of vehicles affected by a service or recall action and the nature of the corrective action. It is reasonably possible that the ultimate cost of these service and recall actions may require the Company to make expenditures in excess of (or less than) established reserves over an extended period of time and in a range of amounts that cannot be reasonably estimated. At December 31, 2023, Stellantis' product warranty and recall campaigns provision was €8,984 million.

*Capital commitments*

The contractual obligations set forth above do not include payments for capital commitments to joint ventures. At December 31, 2023, total capital commitments were €3.2 billion for the period 2024 through to 2029.

**Significant Vehicle Assembly Plants**

The following table provides information about Stellantis' significant vehicle assembly plants as of December 31, 2023, excluding joint ventures, of which the largest by region are Warren Truck (U.S.), Betim (Brazil) and Sochaux (France).

Each of the assembly plants listed below have a covered area of more than 100,000 square meters:

| Country | Location |
|---|---|
| ***North America*** | |
| *U.S.* | Warren, Michigan |
| *U.S.* | Sterling Heights, Michigan |
| *U.S.* | Belvidere, Illinois |
| *U.S.* | Toledo, Ohio (Toledo North) |
| *U.S.* | Detroit, Michigan (Detroit Assembly Complex - Jefferson) |
| *U.S.* | Detroit, Michigan (Detroit Assembly Complex - Mack) |
| *U.S.* | Toledo, Ohio (Toledo South) |
| *Mexico* | Toluca, Estado de México |
| *Mexico* | Saltillo, Coahuila (Saltillo Truck) |
| *Mexico* | Saltillo, Coahuila (Saltillo Van) |
| *Canada* | Windsor, Ontario |
| *Canada* | Brampton, Ontario |
| ***South America*** | |
| *Brazil* | Betim |
| *Brazil* | Goiana |
| *Brazil* | Porto Real |
| *Argentina* | Buenos Aires |
| *Argentina* | Cordoba |
| ***Enlarged Europe*** | |
| *France* | Hordain |
| *France* | Mulhouse |
| *France* | Poissy |
| *France* | Rennes |
| *France* | Sochaux |
| *Germany* | Eisenach |
| *Germany* | Russelsheim |
| *Italy* | Turin (Mirafiori) |
| *Italy* | Cassino |
| *Italy* | Pomigliano |
| *Italy* | Melfi |
| *Italy* | Val Di Sangro |
| *Poland* | Gliwice |
| *Poland* | Tychy |
| *Slovakia* | Trnava |
| *Serbia* | Kragujevac |
| *Spain* | Madrid |
| *Spain* | Vigo |
| *Spain* | Zaragoza |
| *UK* | Ellesmere Port |
| *UK* | Luton |

**Our Share Information**

On January 18, 2021, Stellantis common shares began trading on Euronext Milan and Euronext Paris, and on January 19, 2021, began trading on the NYSE. Stellantis common shares trade under the following symbols: Euronext Milan: “STLAM”; Euronext Paris: “STLAP”; NYSE: “STLA”. From October 13, 2014, the common shares of FCA were traded on the NYSE under the symbol “FCAU” and on Euronext Milan under the symbol “FCA”.

**Dividend Policy**

Refer to Note 27, *Equity* within the Consolidated Financial Statements included elsewhere in this report for additional detail on the proposed dividend to holders of Stellantis common shares and dividend policy.

For additional information on distribution of profits, refer to *ADDITIONAL INFORMATION FOR NETHERLANDS CORPORATE GOVERNANCE - Dividends* above.

**Principal Accountant Fees and Services**

EY S.p.A., the member firms of Ernst & Young and their respective affiliates (collectively, the “Ernst & Young Entities”) were appointed to serve as Stellantis’ independent registered public accounting firm for the years ended December 31, 2023 and December 31, 2022. Stellantis incurred the following fees from the Ernst & Young Entities for professional services for the years ended December 31, 2023 and 2022, respectively:

| | Years Ended December 31, | |
|---|---|---|
| (€ million) | 2023 | 2022 |
| Audit fees | € 40.8 | € 39.1 |
| Audit-related fees | 0.4 | 0.2 |
| Tax fees[1] | 0.6 | — |
| **Total** | **€ 41.8** | **€ 39.3** |

*(1) Tax fees comprise services rendered for tax compliance and tax advice services*

“Audit fees” were the aggregate fees billed by the Ernst & Young Entities for the audit of Stellantis’ consolidated annual financial statements, reviews of interim financial statements and attestation services that were provided in connection with statutory and regulatory filings or engagements. “Audit-related fees” were fees charged by the Ernst & Young Entities for assurance and related services that were reasonably related to the performance of the audit or review of Stellantis’ financial statements and were not reported under “Audit fees”. This category comprised fees for agreed-upon procedure engagements and other attestation services subject to regulatory requirements. “Tax fees” were fees charged by the Ernst & Young Entities primarily for activities related to tax refunds claims and tax compliance in different jurisdictions.

**Audit Committee’s pre-approval policies and procedures**

Our Audit Committee nominates and engages our independent registered public accounting firm to audit our consolidated financial statements. Our Audit Committee has a policy requiring management to obtain the Audit Committee’s approval before engaging our independent registered public accounting firm to provide any other audit or permitted non-audit services to us or our subsidiaries. Pursuant to this policy, which is designed to ensure that such engagements do not impair the independence of our independent registered public accounting firm, the Audit Committee reviews and pre-approves (if appropriate) specific audit and non-audit services in the categories Audit Services, Audit-Related Services, Tax Services, and any other services that may be performed by our independent registered public accounting firm.

**Change in Registrant's Certifying Accountant**

Under the Dutch Audit Profession Act we are required to rotate our external audit firm at least every ten years, which requires us to change our external auditor for the year ended 2024. In accordance with Dutch law, the independent auditor of our statutory financial statements is appointed by the General Meeting of shareholders of the Company on the proposal of the Board of Directors. Accordingly, the Board of Directors, on recommendation of the Audit Committee, proposed that the 2023 Annual General Meeting of the Company appoint Deloitte Accountants B.V. as independent auditor of the Company for the financial year 2024. At the 2023 Annual General Meeting of shareholders held on April 13, 2023, our shareholders appointed Deloitte Accountants B.V. as proposed by the Board of Directors. Following the appointment of Deloitte Accountants B.V. as described above, from the date of the 2024 Annual General Meeting (i) Ernst & Young Accountants LLP will cease to be the independent auditor of the Company, for the purposes of our annual reports filed with the AFM, (ii) EY S.p.A. ("EY") will cease to be our independent registered public accounting firm for our consolidated financial statements included in our reports on Form 20-F, and (iii) Deloitte & Associés (a member firm of the Deloitte network) will be our independent registered public accounting firm for our consolidated financial statements to be included in our reports on Form 20-F.

The reports of EY on our financial statements for the past two years did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with the audits of our financial statements for each of the two fiscal years ended December 31, 2023 and in the subsequent interim period through the date of this Annual Report, (i) there were no disagreements with EY on any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures which, if not resolved to the satisfaction of EY would have caused EY to make reference to the matter in their report; and (ii) there were no "reportable events" as defined in Item 16F(a)(1)(v) of Form 20-F.

Stellantis has requested EY to furnish a letter addressed to the SEC stating whether it agrees with the above statements. A copy of that letter dated February 22, 2024 is filed as Exhibit 15.1 to this Form 20-F.

During the two fiscal years ended December 31, 2022 and 2023, and in the subsequent interim period through the date of this Annual Report, neither the Company nor anyone on its behalf consulted with Deloitte with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and no written report or oral advice was provided by Deloitte to the Company that Deloitte concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a disagreement (as defined in 16F(a)(1)(iv) of Form 20-F and the related instructions to that Item) or a reportable event (as described in 16F(a)(1)(v) of Form 20-F).

**Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

At the AGM held on April 13, 2022, our Board of Directors was authorized to acquire common shares in the capital of the Company, either through purchase on a stock exchange, through a public tender offer, an offer for exchange or otherwise, up to a maximum number of shares equal to 10 percent of the Company's issued common shares. The authorization was for a period of 18 months from April 13, 2022. The authorization was renewed in the same terms at the AGM on April 13, 2023 for a period of 18 months from April 13, 2023 and therefore up to and including October 12, 2024.

In February 2023, the Company announced a share buyback program (the "Program"), covering up to €1,500 million (total purchase price excluding ancillary costs) to be executed in the open market. In accordance with the Program, the Company repurchased common shares in the aggregate amount of €1,500 million from March 2023 through December 2023.

In November 2023, as part of an agreed share repurchase framework between the Company and Dongfeng publicly announced in July 2022, the Company repurchased 50 million common shares from Dongfeng for a total consideration of €934 million. The purchase of common shares from Dongfeng was carried out under the April 2023 AGM authorization.

The following table reports purchases of common shares by the Company during the year ended December 31, 2023, carried out under the authority granted by the AGM.

| Period | Total Number of Shares Purchased | Average Price Paid per Share (€)[1] | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number of Shares that May Yet Be Purchased under the Plans or Programs |
|---|---|---|---|---|
| Jan 1 to Jan 31, 2023 | — | — | — | — |
| Feb 1 to Feb 28, 2023 | — | — | — | — |
| March 1 to March 31, 2023 | 1,353,740 | 16.21 | 1,353,740 | 243,002,537 |
| April 1 to April 30, 2023 | 3,549,884 | 16.15 | 3,549,884 | 317,795,539 |
| May 1 to May 31, 2023 | 28,346,188 | 14.84 | 28,346,188 | 289,449,351 |
| June 1 to June 30, 2023 | 11,276,800 | 15.40 | 11,276,800 | 278,172,551 |
| July 1 to July 31, 2023 | 7,700,621 | 16.45 | 7,700,621 | 270,471,930 |
| Aug 1 to Aug 31, 2023 | 9,550,000 | 17.13 | 9,550,000 | 260,921,930 |
| Sept 1 to Sept 30, 2023 | 13,907,561 | 17.67 | 13,907,561 | 247,014,369 |
| Oct 1 to Oct 31, 2023 | 15,897,068 | 17.60 | 15,897,068 | 231,117,301 |
| Nov 1 to Nov 30, 2023 | 50,000,000 | 18.68 | 50,000,000 | 181,117,301 |
| Dec 1 to Dec 31, 2023 | 508,435 | 21.00 | 508,435 | 180,608,866 |
| **Total** | **142,090,297** | **17.13** | **142,090,297** | **180,608,866** |

*(1) Share repurchases made under the authority granted by the AGM*

## Taxation

### Material U.S. Federal Income Tax Consequences

This section describes the material U.S. federal income tax consequences to U.S. Shareholders (as defined below) of owning Stellantis stock. When we refer to Stellantis, we refer to Stellantis or to former FCA, as applicable. It applies solely to persons that hold shares as capital assets for U.S. federal income tax purposes. This discussion addresses only U.S. federal income taxation and does not discuss all of the tax consequences that may be relevant to holders in light of their individual circumstances, including foreign, state or local tax consequences, estate and gift tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income. This section does not apply to members of a special class of holders subject to special rules, including:

- a dealer in securities or foreign currencies;
- a regulated investment company;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a tax-exempt organization;
- a bank, financial institution, or insurance company;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10 percent or more of the combined voting power of the voting stock of Stellantis or of the total value of the stock of Stellantis;
- a person that holds shares as part of a straddle or a hedging, conversion, or other risk reduction transaction for U.S. federal income tax purposes;
- a person that acquired shares pursuant to the exercise of employee stock options or otherwise as compensation; or
- a person whose functional currency is not the U.S. Dollar.

This section is based on the Internal Revenue Code of 1986, as amended, the Code, its legislative history, existing and proposed regulations, published rulings and court decisions, as well as on applicable tax treaties, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in an entity treated as a partnership for U.S. federal income tax purposes holding shares should consult its tax advisors with regard to the U.S. federal income tax treatment of the ownership of Stellantis stock.

No statutory, judicial or administrative authority directly discusses how the ownership of Stellantis stock should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of the ownership of Stellantis stock are uncertain. Shareholders should consult their own tax advisors regarding the U.S. federal, state and local and foreign and other tax consequences of owning and disposing of Stellantis stock in their particular circumstances.

For the purposes of this discussion, a “U.S. Shareholder” is a beneficial owner of shares that is:

- an individual that is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized under the laws of the United States;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or

- a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

***Tax Consequences of Owning Stellantis Stock***

*Taxation of Dividends*

Under the U.S. federal income tax laws, and subject to the discussion of PFIC taxation below, a U.S. Shareholder must include in its gross income the gross amount of any dividend paid by Stellantis to the extent of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Dividends will be taxed as ordinary income to the extent that they are paid out of Stellantis' current or accumulated earnings and profits. Dividends paid to a non-corporate U.S. Shareholder by certain "qualified foreign corporations" that constitute qualified dividend income are taxable to the shareholder at the preferential rates applicable to long-term capital gains provided that the shareholder holds the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets other holding period requirements. For this purpose, stock of Stellantis is treated as stock of a qualified foreign corporation if such stock is listed on an established securities market in the United States. The common shares of Stellantis are listed on the NYSE. Accordingly, subject to the discussion of PFIC taxation below, dividends Stellantis pays with respect to the shares will constitute qualified dividend income, assuming the holding period requirements are met.

A U.S. Shareholder must include any foreign tax withheld from the dividend payment in this gross amount even though the shareholder does not in fact receive the amount withheld. The dividend is taxable to a U.S. Shareholder when the U.S. Shareholder receives the dividend, actually or constructively.

The dividend will not be eligible for the dividends-received deduction allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of the U.S. Shareholder's basis in the shares of Stellantis stock, causing a reduction in the U.S. Shareholder's adjusted basis in Stellantis stock, and thereafter as capital gain.

Subject to certain limitations, any non-U.S. tax withheld and paid over to a non-U.S. taxing authority may be eligible for credit against a U.S. Shareholder's U.S. federal income tax liability except to the extent a refund of the tax withheld is available to the U.S. Shareholder under non-U.S. tax law or under an applicable tax treaty. The amount allowed to a U.S. Shareholder as a credit is limited to the amount of the U.S. Shareholder's U.S. federal income tax liability that is attributable to income from sources outside the U.S. and is computed separately with respect to different types of income that the U.S. Shareholder receives from non-U.S. sources. Subject to the discussion below regarding Section 904(h) of the Code, dividends paid by Stellantis will be foreign source income and will generally be "passive" income for purposes of computing the foreign tax credit allowable to a U.S. Shareholder.

Under Section 904(h) of the Code, dividends paid by a foreign corporation that is treated as 50 percent or more owned, by vote or value, by U.S. persons may be treated as U.S. source income (rather than foreign source income) for foreign tax credit purposes, to the extent the foreign corporation earns U.S. source income. In certain circumstances, U.S. Shareholders may be able to choose the benefits of Section 904(h)(10) of the Code and elect to treat dividends that would otherwise be U.S. source dividends as foreign source dividends, but in such a case the foreign tax credit limitations would be separately determined with respect to such "resourced" income. In general, therefore, the application of Section 904(h) of the Code may adversely affect a U.S. Shareholder's ability to use foreign tax credits. Stellantis does not believe that it is 50 percent or more owned by U.S. persons, but this conclusion is a factual determination and is subject to change; no assurance can therefore be given that Stellantis may not be treated as 50 percent or more owned by U.S. persons for purposes of Section 904(h) of the Code. U.S. Shareholders are strongly urged to consult their own tax advisors regarding the possible impact if Section 904(h) of the Code should apply.

*Taxation of Capital Gains*

Subject to the discussion of PFIC taxation below, a U.S. Shareholder that sells or otherwise disposes of its Stellantis common shares will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the U.S. Dollar value of the amount that the U.S. Shareholder realizes and the U.S. Shareholder's tax basis in those shares. Capital gain of a non-corporate U.S. Shareholder is generally taxed at preferential rates where the property is held for more than one year. The gain or loss will be U.S. source income or loss for foreign tax credit limitation purposes. The deduction of capital losses is subject to limitations.

***Loyalty Voting Structure***

NO STATUTORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE RECEIPT, OWNERSHIP OR DISPOSITION OF SPECIAL VOTING SHARES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES AND AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES ARE UNCERTAIN. ACCORDINGLY, WE URGE U.S. SHAREHOLDERS TO CONSULT THEIR TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE RECEIPT, OWNERSHIP AND DISPOSITION OF SPECIAL VOTING SHARES.

If a U.S. Shareholder receives special voting shares after requesting all or some of the number of its Stellantis common shares be registered on the Loyalty Register, the tax consequences of the receipt of special voting shares is unclear. While distributions of stock are tax-free in certain circumstances, the distribution of special voting shares would be taxable if it were considered to result in a "disproportionate distribution." A disproportionate distribution is a distribution or series of distributions, including deemed distributions, that have the effect of the receipt of cash or other property by some shareholders of Stellantis and an increase in the proportionate interest of other shareholders of Stellantis in Stellantis' assets or earnings and profits. It is possible that the distribution of special voting shares to a U.S. Shareholder that has requested all or some of the number of its Stellantis common shares be registered on the Loyalty Register and a distribution of cash in respect of Stellantis common shares could be considered together to constitute a "disproportionate distribution." Unless Stellantis has not paid cash dividends in the 36 months prior to a U.S. Shareholder's receipt of special voting shares and Stellantis does not intend to pay cash dividends in the 36 months following a U.S. Shareholder's receipt of special voting shares, Stellantis intends to treat the receipt of special voting shares as a distribution that is subject to tax as described above in "Consequences of Owning Stellantis Stock—Taxation of Dividends." The amount of the dividend should equal the fair market value of the special voting shares received. For the reasons stated above, Stellantis believes and intends to take the position that the value of each special voting share is minimal. However, because the fair market value of the special voting shares is factual and is not governed by any guidance that directly addresses such a situation, the IRS could assert that the value of the special voting shares (and thus the amount of the dividend) as determined by Stellantis is incorrect.

*Ownership of Special Voting Shares*

Stellantis believes that U.S. Shareholders holding special voting shares should not have to recognize income in respect of amounts transferred to the special voting shares dividend reserve that are not paid out as dividends. Section 305 of the Code may, in certain circumstances, require a holder of preferred shares to recognize income even if no dividends are actually received on such shares if the preferred shares are redeemable at a premium and the redemption premium results in a "constructive distribution." Preferred shares for this purpose refer to shares that do not participate in corporate growth to any significant extent. Stellantis believes that Section 305 of the Code should not apply to any amounts transferred to the special voting shares dividend reserve that are not paid out as dividends so as to require current income inclusion by U.S. Shareholders because, among other things, the special voting shares are not redeemable on a specific date and a U.S. Shareholder is only entitled to receive amounts in respect of the special voting shares upon liquidation, and even if the amounts transferred to the special voting shares dividend reserve that are not paid out as dividends are considered redemption premium, the amount of the redemption premium is likely to be minimal given that the value of each special voting share, as discussed above, is expected to be minimal. Stellantis therefore intends to take the position that the transfer of amounts to the special voting shares dividend reserve that are not paid out as dividends does not result in a "constructive distribution," and this determination is binding on all U.S. Shareholders of special voting shares other than a U.S. Shareholder that explicitly discloses its contrary determination in the manner prescribed by the applicable regulations. However, because the tax treatment of the loyalty voting structure is unclear and because Stellantis' determination is not binding on the IRS, it is possible that the IRS could disagree with Stellantis' determination and require current income inclusion in respect of such amounts transferred to the special voting shares dividend reserve that are not paid out as dividends.

*Disposition of Special Voting Shares*

The tax treatment of a U.S. Shareholder that has its special voting shares redeemed for zero consideration after removing its common shares from the Loyalty Register is unclear. It is possible that a U.S. Shareholder would recognize a loss to the extent of the U.S. Shareholder's basis in its special voting shares, which should equal (i) if the special voting shares were received in connection with the 2014 merger, the basis allocated to the special voting shares, and (ii) if the special voting shares were received after the requisite holding period on the Loyalty Register, the amount that was included in income upon receipt. Such loss would be a capital loss and would be a long-term capital loss if a U.S. Shareholder has held its special voting shares for more than one year. It is also possible that a U.S. Shareholder would not be allowed to recognize a loss upon the redemption of its special voting shares and instead a U.S. Shareholder should increase the basis in its Stellantis common shares by an amount equal to the basis in its special voting shares. Such basis increase in a U.S. Shareholder's Stellantis common shares would decrease the gain, or increase the loss, that a U.S. Shareholder would recognize upon the sale or other taxable disposition of its Stellantis common shares.

THE U.S. FEDERAL INCOME TAX TREATMENT OF THE LOYALTY VOTING STRUCTURE IS UNCLEAR AND U.S. SHAREHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS IN RESPECT OF THE CONSEQUENCES OF ACQUIRING, OWNING, AND DISPOSING OF SPECIAL VOTING SHARES.

***PFIC Considerations—Consequences of Holding Stellantis Stock***

Stellantis believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, but this conclusion is based on a factual determination made annually and thus is subject to uncertainty and change as a result of the recent merger. As discussed in greater detail below, if shares of Stellantis stock were to be treated as stock of a PFIC, gain realized (subject to the discussion below regarding a mark-to-market election) on the sale or other disposition of shares of Stellantis stock would not be treated as capital gain, and a U.S. Shareholder would be treated as if such U.S. Shareholder had realized such gain and certain "excess distributions" ratably over the U.S. Shareholder's holding period for its shares of Stellantis stock and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, a U.S. Shareholder's shares of Stellantis stock would be treated as stock in a PFIC if Stellantis were a PFIC at any time during such U.S. Shareholder's holding period in the shares. Dividends received from Stellantis would not be eligible for the special tax rates applicable to qualified dividend income if Stellantis were treated as a PFIC in the taxable years in which the dividends are paid or in the preceding taxable year (regardless of whether the U.S. holder held shares of Stellantis stock in such year) but instead would be taxable at rates applicable to ordinary income.

Stellantis would be a PFIC with respect to a U.S. Shareholder if for any taxable year in which the U.S. Shareholder held shares of Stellantis stock, after the application of applicable "look-through rules":

- 75 percent or more of Stellantis' gross income for the taxable year consists of "passive income" (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations); or

- at least 50 percent of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of passive income.

Because the determination whether a foreign corporation is a PFIC is primarily factual and there is little administrative or judicial authority on which to rely to make a determination, the IRS might not agree that Stellantis is not a PFIC. Moreover, no assurance can be given that Stellantis would not become a PFIC for any future taxable year if there were to be changes in Stellantis' assets, income or operations.

If Stellantis were to be treated as a PFIC for any taxable year (and regardless of whether Stellantis remains a PFIC for subsequent taxable years), each U.S. Shareholder that is treated as owning Stellantis stock for purposes of the PFIC rules (i) would be liable to pay U.S. federal income tax at the highest applicable income tax rates on (a) ordinary income upon the receipt of excess distributions (the portion of any distributions received by the U.S. Shareholder on Stellantis stock in a taxable year in excess of 125 percent of the average annual distributions received by the U.S. Shareholder in the three preceding taxable years or, if shorter, the portion of the U.S. Shareholder's holding period for the Stellantis stock that preceded the taxable year of the distribution) and (b) on any gain from the disposition of Stellantis stock, plus interest on such amounts, as if such excess distributions or gain had been recognized ratably over the U.S. Shareholder's holding period of the Stellantis stock, and (ii) may be required to annually file Form 8621 with the IRS reporting information concerning Stellantis.

If Stellantis were to be treated as a PFIC for any taxable year and provided that Stellantis common shares are treated as "marketable stock" within the meaning of applicable Treasury Regulations, which Stellantis believes will be the case, a U.S. Shareholder may make a mark-to-market election. Under a mark-to-market election, any excess of the fair market value of the Stellantis common shares at the close of any taxable year over the U.S. Shareholder's adjusted tax basis in the Stellantis common shares is included in the U.S. Shareholder's income as ordinary income. These amounts of ordinary income would not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. In addition, the excess, if any, of the U.S. Shareholder's adjusted tax basis at the close of any taxable year over the fair market value of the Stellantis common shares is deductible in an amount equal to the lesser of the amount of the excess or the amount of the net mark-to-market gains that the U.S. Shareholder included in income in prior years. A U.S. Shareholder's tax basis in Stellantis common shares would be adjusted to reflect any such income or loss. Gain realized on the sale, exchange or other disposition of Stellantis common shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of Stellantis common shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. Shareholder. It is not expected that the special voting shares would be treated as "marketable stock" and eligible for the mark-to-market election.

The adverse consequences of owning stock in a PFIC could also be mitigated if a U.S. Shareholder makes a valid "qualified electing fund" election, or QEF election, which, among other things, would require a U.S. Shareholder to include currently in income its pro rata share of the PFIC's net capital gain and ordinary earnings, based on earnings and profits as determined for U.S. federal income tax purposes. Because of the administrative burdens involved, Stellantis does not intend to provide information to its shareholders that would be required to make such election effective.

A U.S. Shareholder which holds Stellantis stock during a period when Stellantis is a PFIC will be subject to the foregoing rules for that taxable year and all subsequent taxable years with respect to that U.S. Shareholder's holding of Stellantis stock, even if Stellantis ceases to be a PFIC, subject to certain exceptions for U.S. Shareholders which made a mark-to-market or QEF election. U.S. Shareholders are strongly urged to consult their tax advisors regarding the PFIC rules, and the potential tax consequences to them if Stellantis were determined to be a PFIC.

***Information with Respect to Foreign Financial Assets***

Owners of "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000, (and in some cases, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons; (ii) financial instruments and contracts that have non-U.S. issuers or counterparties; and (iii) interests in foreign entities. U.S. Shareholders are urged to consult their tax advisors regarding the application of this legislation to their ownership of Stellantis stock.

***Backup Withholding and Information Reporting***

Information reporting requirements for a non-corporate U.S. Shareholder, on IRS Form 1099, will apply to:

- dividend payments or other taxable distributions made to such U.S. Shareholder within the U.S.; and
- the payment of proceeds to such U.S. Shareholder from the sale of Stellantis stock effected at a U.S. office of a broker.

Additionally, backup withholding (currently at a 24 percent rate) may apply to such payments to a non-corporate U.S. Shareholder that:

- fails to provide an accurate taxpayer identification number;
- (in the case of dividends) is notified by the IRS that such U.S. Shareholder has failed to report all interest and dividends required to be shown on such U.S. Shareholder's federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

A person may obtain a refund of any amounts withheld under the backup withholding rules that exceed the person's income tax liability by properly filing a refund claim with the IRS.

**Material Netherlands Tax Consequences**

This section solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Stellantis common shares and, if applicable, Stellantis special voting shares by non-resident holders of such shares (as described below). It does not purport to describe every aspect of Dutch taxation that may be relevant to a particular holder of Stellantis common shares and, if applicable, Stellantis special voting shares. Tax matters are complex and the tax consequences to a particular holder of Stellantis common shares and, if applicable, Stellantis special voting shares will depend in part on such holder's circumstances. Accordingly, a holder is urged to consult his own tax advisor for a full understanding of the Dutch tax consequences of acquiring, owning and disposing of Stellantis common shares and, if applicable, Stellantis special voting shares in their particular circumstances, including the applicability and effect of Dutch tax laws.

Where in this section English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. Where in this section the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands.

This section assumes that Stellantis is organized and that its business will be conducted such that Stellantis is considered to be a resident of the Netherlands for purposes of the tax treaty between the Netherlands and any other jurisdiction. A change to the organizational structure or to the manner in which Stellantis conducts its business may invalidate the contents of this section, which will not be updated to reflect any such change.

This section is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Form. The tax law upon which this description is based is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this description, which will not be updated to reflect such change.

The summary in this Dutch taxation section does not address the Dutch tax consequences for a non-resident holder of Stellantis common shares and, if applicable, Stellantis special voting shares who:

i. is a person who may be deemed an owner of Stellantis common shares and, if applicable, Stellantis special voting shares for Dutch tax purposes pursuant to specific statutory attribution rules in Dutch tax law;

ii. is, although in principle subject to Dutch corporation tax, in whole or in part, specifically exempt from that tax in connection with income from Stellantis common shares and, if applicable, Stellantis special voting shares;

iii. is an investment institution as defined in the Dutch Corporation Tax Act 1969;

iv. is an entity that, although in principle subject to Dutch corporation tax, is fully or partly exempt from Dutch corporation tax;

v. owns Stellantis common shares and, if applicable, Stellantis special voting shares in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or management role;

vi. has a substantial interest in Stellantis or a deemed substantial interest in Stellantis for Dutch tax purposes. Generally, a person holds a substantial interest if (a) such person – either alone or, in the case of an individual, together with his partner or any of his relatives by blood or by marriage in the direct line (including foster-children) or of those of his partner for Dutch tax purposes – owns or is deemed to own, directly or indirectly, 5 percent or more of the shares or of any class of shares of Stellantis, or rights to acquire, directly or indirectly, such an interest in the shares of Stellantis or profit participating certificates relating to 5 percent or more of the annual profits or to 5 percent or more of the liquidation proceeds of Stellantis, or (b) such person's shares, rights to acquire shares or profit participating certificates in Stellantis are held by him following the application of a non-recognition provision. The Stellantis common shares and the Stellantis special voting shares are considered to be separate classes of shares; or

vii. is for Dutch tax purposes taxable as a corporate entity and resident of Aruba, Curaçao or Sint Maarten.

***Scope of the summary***

The summary of Dutch taxes set out in this section "Material Dutch tax consequences" only applies to a holder of Stellantis common shares and, if applicable, Stellantis special voting shares who is a non-resident holder of such shares (as described below).

For the purpose of this summary a holder of Stellantis common shares and, if applicable, Stellantis special voting shares is a non-resident holder of such shares if such holder is neither a resident nor deemed to be resident in the Netherlands for purposes of Dutch income tax or corporation tax as the case may be.

***Taxes on income and capital gains***

*Non-resident holders of Stellantis common shares and, if applicable, Stellantis special voting* shares

*Individuals*

A non-resident holder of Stellantis common shares and, if applicable, Stellantis special voting shares will not be subject to Dutch income tax in respect of any benefits derived or deemed to be derived from or in connection with Stellantis common shares and, if applicable, Stellantis special voting shares, except if:

i. he derives profits from an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, and such enterprise is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Stellantis common shares and, if applicable, Stellantis special voting shares are attributable to such permanent establishment or permanent representative;

ii. he derives benefits or is deemed to derive benefits from or in connection with Stellantis common shares and, if applicable, Stellantis special voting shares that are taxable as benefits from miscellaneous activities performed in the Netherlands; or

iii. he derives profits pursuant to the entitlement to a share in the profits of an enterprise, other than as a holder of securities, which is effectively managed in the Netherlands and to which enterprise his Stellantis common shares and, if applicable, Stellantis special voting shares are attributable.

*Corporate entities*

If a non-resident holder of Stellantis common shares and, if applicable, Stellantis special voting shares is a corporate entity, or an entity including an association, a partnership and a mutual fund, taxable as a corporate entity, it will not be subject to Dutch corporation tax in respect of any benefits derived or deemed to be derived from or in connection with Stellantis common shares and, if applicable, Stellantis special voting shares, except if:

i. it derives profits from an enterprise directly which is carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and to which permanent establishment or permanent representative its Stellantis common shares and, if applicable, Stellantis special voting shares are attributable; or

ii. it derives profits pursuant to a co-entitlement to the net value of an enterprise which is managed in the Netherlands, other than as a holder of securities, and to which enterprise its Stellantis common shares and, if applicable, Stellantis special voting shares are attributable.

General

A non-resident holder of Stellantis common shares and, if applicable, Stellantis special voting shares will for Dutch tax purposes not carry on or be deemed to carry on an enterprise, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands by reason only of the execution and/or enforcement of the documents relating to the issue of Stellantis common shares and, if applicable, Stellantis special voting shares or the performance by Stellantis of its obligations under such documents or under the Stellantis common shares and, if applicable, Stellantis special voting shares.

***Dividend withholding tax***

Stellantis is generally required to withhold Dutch dividend withholding tax at a rate of 15 percent from dividends distributed by it, subject to possible relief under Dutch domestic law, the Treaty on the Functioning of the European Union or an applicable Dutch income tax treaty depending on a particular holder of Stellantis common shares and, if applicable, Stellantis special voting shares individual circumstances.

The concept "dividends distributed by Stellantis " as used in this Dutch section paragraph includes, but is not limited to, the following:

- distributions in cash or in kind, deemed and constructive distributions and repayments of capital not recognized as paid-in for Dutch dividend withholding tax purposes;

- liquidation proceeds and proceeds of repurchase or redemption of Stellantis common shares and, if applicable, Stellantis special voting shares in excess of the average capital recognized as paid-in for Dutch dividend withholding tax purposes;

- the par value of Stellantis common shares and, if applicable, Stellantis special voting shares issued by Stellantis to a holder of Stellantis common shares and, if applicable, Stellantis special voting shares or an increase of the par value of Stellantis common shares or Stellantis special voting shares, as the case may be, to the extent that it does not appear that a contribution, recognized for Dutch dividend withholding tax purposes, has been made or will be made; and

- partial repayment of capital, recognized as paid-in for Dutch dividend withholding tax purposes, if and to the extent that there are net profits, unless (a) the general meeting of Stellantis’ shareholders has resolved in advance to make such repayment and (b) the par value of the Stellantis common shares or Stellantis special voting shares concerned, as the case may be, has been reduced by an equal amount by way of an amendment to Stellantis’ articles of association.

***Additional withholding tax***

As from January 1, 2024, an additional Dutch withholding tax may apply with respect to dividends distributed or deemed to be distributed by Stellantis if the dividends are distributed or deemed to be distributed to a shareholder that has a controlling interest in Stellantis NV, and (i) is resident in a low-tax or non-cooperative jurisdiction as specifically listed in an annually updated Dutch regulation, (ii) has a permanent establishment in any such jurisdiction to which the dividend is attributable, (iii) is neither resident in the Netherlands nor in a low-tax or non-cooperative jurisdiction, and is entitled to the dividend with the main purpose or one of the main purposes to avoid withholding tax of another person, (iv) is a hybrid entity, or (v) is not resident in any jurisdiction, within the meaning of the Dutch Withholding Tax Act 2021. The additional Dutch withholding tax rate will be equal to the highest Dutch corporate income tax rate at the time of the dividend payment, which is currently 25.8 percent. Subject to further conditions, the additional Dutch withholding tax on dividends may be reduced by any regular Dutch dividend withholding tax withheld in respect of the same dividend distribution.

***Gift and inheritance taxes***

No Dutch gift tax or Dutch inheritance tax will arise with respect to an acquisition or deemed acquisition of Stellantis common shares and, if applicable, Stellantis special voting shares by way of gift by, or upon the death of, a holder of Stellantis common shares and, if applicable, Stellantis special voting shares who is neither resident nor deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax except if, in the event of a gift whilst not being a resident nor being a deemed resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, the holder of Stellantis common shares and, if applicable, Stellantis special voting shares becomes a resident or a deemed resident in the Netherlands and dies within 180 days after the date of the gift.

For purposes of Dutch gift tax and Dutch inheritance tax, a gift of Stellantis common shares and, if applicable, Stellantis special voting shares made under a condition precedent is deemed to be made at the time the condition precedent is satisfied.

***Value Added Tax***

No Dutch value added tax will arise in respect of any payment in consideration for the issue of Stellantis common shares and, if applicable, Stellantis special voting shares.

***Registration taxes and duties***

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with a transfer of Stellantis common shares and, if applicable, Stellantis special voting shares.

## Exhibits

| Exhibit Number | Description of Documents |
|---|---|
| 1.1 | English translation of the Articles of Association of Stellantis N.V. (incorporated by reference to Exhibit 1.1 to Annual Report on Form 20-F filed with the SEC on February 25, 2022, File No. 001-36675) |
| 1.2 | English translation of the Deed of Incorporation of Stellantis N.V. (incorporated by reference to Exhibit 3.2 to Registration Statement on Form F-4, filed with the SEC on July 3, 2014, File No. 333-197229) |
| 2.1 | Description of the Registrant's Securities Registered Pursuant to Section 12 of the Exchange Act |
| | Certain long-term debt instruments, none of which relates to indebtedness that exceeds 10% of the consolidated assets of Stellantis N.V., have not been filed as exhibits to this Form 20-F. Stellantis N.V. agrees to furnish the Securities and Exchange Commission, upon its request, a copy of any instrument defining the rights of holders of long-term debt of Stellantis N.V. and its consolidated subsidiaries. |
| 4.1 | Stellantis N.V. Equity Incentive Plan 2021-2025 (incorporated by reference to Exhibit 4.3 to Registration Statement on Form S-8, filed with the SEC on May 5, 2021, File No. 333-255788) |
| 4.2 | Stellantis N.V. Remuneration Policy (incorporated by reference to Exhibit 99.4 to Form 6-K, filed with the SEC on March 9, 2021, File No. 001-36675) |
| 4.3 | Undertaking Letter, dated December 17, 2019, by and between Exor N.V. and Fiat Chrysler Automobiles N.V. (incorporated by reference to Exhibit 4.4 to Annual Report on Form 20-F, filed with the SEC on February 25, 2020, File No. 001-36675) |
| 4.4 | Undertaking Letter, dated December 17, 2019, by and among Establissements Peugeot Freres S.A., FFP S.A. and Peugeot S.A. (incorporated by reference to Exhibit 4.5 to Annual Report on Form 20-F, filed with the SEC on February 25, 2020, File No. 001-36675) |
| 4.5 | Undertaking Letter, dated December 17, 2019, by and among Dongfeng Motor Group Company Ltd., Dongfeng Motor (Hong Kong) International Co Ltd. and Peugeot S.A. (incorporated by reference to Exhibit 4.6 to Annual Report on Form 20-F, filed with the SEC on February 25, 2020, File No. 001-36675) |
| 4.6 | Undertaking Letter, dated December 17, 2019, by and among Bpifrance Participations S.A., Lion Participations S.A.S. and Peugeot S.A. (incorporated by reference to Exhibit 4.7 to Annual Report on Form 20-F, filed with the SEC on February 25, 2020, File No. 001-36675) |
| 8.1 | Subsidiaries |
| 12.1 | Section 302 Certification of the Chief Executive Officer |
| 12.2 | Section 302 Certification of the Chief Financial Officer |
| 13.1 | Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 13.2 | Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 15.1 | Letter of EY S.p.A. |
| 23.1 | Consent of EY S.p.A. |
| 97.1 | Stellantis N.V. Clawback Policy |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |

## FORM 20-F CROSS REFERENCE

The table below sets out the location within the document of the information required by the SEC for annual reports on Form 20-F. The exact location is included in the column "Cross Reference". The column "Page" refers to the starting page of the section (or sub-section) for reference only.


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## SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

STELLANTIS N.V.

*(Registrant)*

By: /s/ Natalie Knight

Name: Natalie Knight
Title: Chief Financial Officer

Date: February 22, 2024