



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 911 756 714
Organisasjonsform: Aksjeselskap
Foretaksnavn: FORD MOTOR NORGE AS
Forretningsadresse: Lienga 2
1414 TROLLÅSEN

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Per Gunnar Berg
Dato for fastsettelse av årsregnskapet: 14.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 19.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Automotive	5	5 833 649 000	2 285 719 000
Sum inntekter		5 833 649 000	2 285 719 000
Kostnader			
Cost of sales	6	5 518 305 000	1 933 339 000
Selling, administrative, and other expenses	6	290 374 000	350 159 000
Sum kostnader		5 808 679 000	2 283 498 000
Driftsresultat		24 970 000	2 221 000
Finansinntekter og finanskostnader			
Other interest expense and finance cost, net	7	-3 537 000	-2 311 000
Sum finansinntekter		-3 537 000	-2 311 000
Other Income	8	-1 451 000	-1 626 000
Sum finanskostnader		-1 451 000	-1 626 000
Netto finans		-2 086 000	-685 000
Ordinært resultat før skattekostnad		22 884 000	1 536 000
Income tax (benefit)/expense	10	5 669 000	323 000
Ordinært resultat etter skattekostnad		17 215 000	1 213 000
Årsresultat		17 215 000	1 213 000
Remeasurement of the liability for the post-employment benefit	16	-2 202 000	-1 541 000
Less: Tax/(Tax Benefit)	21	484 000	339 000
Sum resultatkomponenter for IFRS-foretak		-1 718 000	-1 202 000
Totalresultat		15 497 000	11 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	10	132 418 000	137 453 000
Sum immaterielle eiendeler		132 418 000	137 453 000
Varige driftsmidler			
Property, plant, and equipment	15,23	5 404 000	8 314 000
Sum varige driftsmidler		5 404 000	8 314 000
Sum anleggsmidler		137 822 000	145 767 000
Omløpsmidler			
Varer			
Inventories	12	23 093 000	129 841 000
Sum varer		23 093 000	129 841 000
Fordringer			
Trade and other receivables	11	1 188 985 000	954 441 000
Other assets - current	13	3 615 000	3 206 000
Other assets - current	14	95 414 000	21 466 000
Sum fordringer		1 288 014 000	979 113 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		188 133 000	23 987 000
Sum bankinnskudd, kontanter og lignende		188 133 000	23 987 000
Sum omløpsmidler		1 499 240 000	1 132 941 000
SUM EIENDELER		1 637 062 000	1 278 708 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2021	2020
Common stock	20	32 000 000	32 000 000
Beholdning av egne aksjer	20	614 000	552 000
Sum innskutt egenkapital		32 614 000	32 552 000
Opptjent egenkapital			
Retained earnings	20	48 683 000	33 186 000
Sum opptjent egenkapital		48 683 000	33 186 000
Sum egenkapital		81 297 000	65 738 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	16	33 801 000	34 982 000
Deferred revenue	18	7 742 000	17 514 000
Provisions	19	218 146 000	210 635 000
Sum avsetninger for forpliktelser		259 689 000	263 131 000
Annen langsiktig gjeld			
Debt	23	3 375 000	5 022 000
Sum annen langsiktig gjeld		3 375 000	5 022 000
Sum langsiktig gjeld		263 064 000	268 153 000
Kortsiktig gjeld			
Leverandørgjeld	17	839 815 000	312 048 000
Income taxes payable		0	17 022 000
Deferred revenue and	18	72 850 000	210 430 000
Provisions	19	378 653 000	403 107 000
Debt	23	1 383 000	2 210 000
Sum kortsiktig gjeld		1 292 701 000	944 817 000
Sum gjeld		1 555 765 000	1 212 970 000
SUM EGENKAPITAL OG GJELD		1 637 062 000	1 278 708 000



To the General Meeting of Ford Motor Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Ford Motor Norge AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Ford Motor Norge AS



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisionsberetninger>

Oslo, 14 June 2022
PricewaterhouseCoopers AS

Gorm F. Nymark
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Nymark, Gorm Frode	BANKID	2022-06-15 16:57

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



This file is sealed with a digital signature.
The seal is a guarantee for the authenticity
of the document.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS

2021 Annual Report





DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS
INTERNATIONAL FINANCIAL REPORTING STANDARDS

Table of Contents

	<u>Page</u>
Directors' Report	2
Income Statement and Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Cash Flows	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 31 December 2021 for Ford Motor Norge AS ("the Company") prepared under International Financial Reporting Standards as adopted by the European Union.

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

Per Gunnar Berg

Geir Haugaard

Róbert Fódi

Principal Activities and Review of the Business

The company is engaged in importing and distributing Ford Motor vehicles and ancillary products in Norway.

Total market for passenger vehicles in 2021 was 176.276 units, an increase of 34.864 units or 24,65% higher versus 2020. The total commercial vehicle industry was 41.135 units, an increase of 1.703 units compared to the previous year.

In 2021 Ford became the 5th largest car brand in Norway with a total market share of 6,3%. This represents a market share increase of 2,0 pp compared to 2020. Ford achieved a passenger car market share of 5,3%, an increase of 3,0 pp compared to 2020. The Norwegian passenger car industry in 2021 was influenced by electric vehicles, representing 64,5% of the industry compared to 54,3% in 2020. In addition, Hybrids and Plug-in Hybrids represented 27,2% of the total market for passenger cars in 2021.

Ford's share of commercial vehicles was 11,7%; this is 1,5 pp lower than in 2020, behind Volkswagen and Toyota.

Ford's share of the truck and bus industry was 1,7% in 2021, this represents 98 units.

The company's total volume of 13.646 units was 77,4% higher than in 2020.

All data above is sourced from the official Norwegian car industry statistic – OFV.

Revenue

In 2021, total revenue was TNOK 5.833.649. This is an increase of TNOK 3.547.930 versus 2020.

Personnel

At year end Ford Motor Norge AS had 38 employees (2020: 40).

Working Environment

The company's working environment is satisfactory. Sick leave totaled 132 working days or 1,2% in 2021, a decrease from 468 days in 2020. This mainly relates to short-term sick leave. There are no reports of any serious accidents which have resulted in personal injury or material damage. The company has 27 male and 11 female employees and aims to be a workplace with full equality between men and women. The board of the company consists of three people.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS DIRECTORS' REPORT

Equal opportunities and inclusion

Where equal opportunities and inclusion are concerned, efforts are made to ensure that all employees receive the same opportunities for personal and professional development. New and existing personnel will be treated equally regardless of their gender, age, ethnic origin or possible disabilities. The group does not accept any form of discrimination – on the basis of gender, race, religion or orientation, for instance.

Future Developments

Ford Motor Norge AS is forecasting a total car & commercial industry (all segments) for 2022 to be slightly above the level in 2021 with some uncertainties related to the global supply of semiconductors affecting production capability for Ford.

The company plans to achieve at or above market share vs 2021, but the supply constraints might influence. Industry is expected to see minimal influence by Covid-19 in 2022. Ford has just launched several new electrified models - including Plug In Hybrid and Full Electric - this has started to reposition Ford in the Norwegian PV market, especially with Mustang Mach-E, Kuga PHEV & Explorer PHEV. Ford is "all-in on electrification" and will offer all CV's with a PHEV or BEV alternative towards end 2024 and similar for PV towards 2026. Ford will strengthen its Commercial Vehicle offering with Transit 2T Full electric in 2022 and an all-new Ford Ranger Pickup to secure continued Pickup leadership in Norway.

The impact of COVID-19, including changes in consumer behaviour, pandemic fears and market downturns, and restrictions on business and individual activities, has created significant volatility in the global economy. Recent outbreaks in certain regions, including China where lock-downs due to COVID-19 have been imposed in more than 40 cities, continue to cause intermittent COVID-19-related disruptions in our supply chain and local manufacturing operations. We also continue to face supplier disruptions due to the semi-conductor shortage. The Russia invasion of Ukraine could impact our suppliers, particularly our lower tier suppliers, as well as our operations in Europe

Financial Highlights

The company's profit before tax in 2021 was MNOK 22.9 an increase of TNOK 21.347 compared with 2020.

Total assets at 31 December 2021 were MNOK 1.637 partially offset by total liabilities of MNOK 1.556, net MNOK 81 (2020: MNOK 66). These include cash and cash equivalents of MNOK 188 (2020: MNOK 24).

The company's share capital at the end of 2021 was MNOK 32, unchanged from 2020. All shares are owned by Ford Motor Company A/S, Denmark.

Net cash flow from operating activities was MNOK 402, mainly driven by significant decrease on inventory balance and significant increase in accounts payable and other liabilities. Operating profit before tax came to MNOK 23 in 2021.

Proposed Dividend

The Board of Directors proposes to declare a MNOK nil dividend for 2021 (2020: MNOK nil).

Political Donations

There were no donations to political parties in 2021 (2020: nil).

Financial Risks

Market risks in Norway are low due to stable political and macroeconomic conditions. The governmental system is effective, and corruption is largely absent from political and business life. Norway has one of the world's highest GDP



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS DIRECTORS' REPORT

Financial Risks (continued)

(Gross Domestic Product) levels per head and relatively even income levels and economic growth is expected to continue to be positive despite low oil prices.

Goods imported are mainly purchased in Norwegian krone; we have immaterial exposure in Swedish kroner, Euro, British pound and U.S. dollar. The company's currency strategy is to avoid currency hedging as it is assumed that this is the most profitable strategy in the long run.

The company's credit risk is limited as it has implemented policies that require appropriate credit checks on potential customers before sales are made. Ford Norway also has a stable dealer network. There are no challenges when it comes to liquidity, and there have been few bad debt write-offs historically. Excess liquidity is placed with a finance center within the Ford Group and carries interest.

Post Balance Sheet Events

There is a significant commodity price growth and volatility in addition to major movements in the foreign exchange market as a direct consequence of the Russian war against Ukraine.

Environment and sustainability

Ford Motor Company's operations are guided by global environmental guidance and a strategy to combat climate change. The strategy is based on future expectations, such as stabilizing greenhouse gas concentrations in the atmosphere. The company has committed in the goals of Paris Climate Agreement and Glasgow Meeting's Fit for 55. Goal is to use 100 % locally produced, renewable energy in all production facilities by 2035 and to be carbon neutral by 2050. To achieve these goals, the Company works continuously to develop products with better fuel efficiency, alternative propulsion choices, improve energy efficiency of its production plants and develop smart solutions for mobility and transport. As a result of long-term efforts Ford plants and product development are issued with the global ISO 14001 environmental certificate. The Company has also reported of its sustainability actions since 1999.

Ford is investing more than \$ 30 billion globally in electrification. Europe is gradually moving towards a fully electric future, with the PV model range in 2026 consisting only of PHEV and all-electric cars, and in 2030 the passenger car range already being fully electric. The entire commercial vehicle range is also being electrified; in 2024, a pure electric option will be available for all models, and by 2030, more than two-thirds of sales are expected to be electrified. Ford is committed to the EU's emissions targets, which is also reflected in the ultra-low emission & zero emissions from Ford vehicles already now sold in Norway. Ford has a take-back and recycling network for Ford vehicles in 19 EU countries. In addition, Ford is involved in recycling collectives in 10 other European countries. All Ford cars sold in Europe are at least 85% recyclable and 95% reusable. In Norway, Ford Motor Norge AS participate in all established Automotive Importer Associations recycling programs (vehicles, tires, batteries, high energy batteries & electro components) as required by the regulations with more than a 95% recycling achievement.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the directors' report and the financial statements in accordance with Norwegian law.

Norwegian law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and as adopted by the European Union.

Management liability insurance

All board members are covered by a Directors and officers liability insurance.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS DIRECTORS' REPORT

Going Concern Basis

These financial statements have been prepared on a going concern basis on the basis that the business will continue to operate for the foreseeable future.

Research and Development

There have been no research and development expenses during the year (2020: nil).

Independent Auditors

The auditors, PricewaterhouseCoopers AS have expressed a willingness to remain as independent auditors of the company.

Board of Directors

Jun-1 -2022 *Per Gunnar Berg*
Per Gunnar Berg

Jun-1 -2022 *Geir Haugaard*
Geir Haugaard

Jun-14-2022 *Robert Fodi*
Róbert Fódi

Chairman of the Board/Managing Director

Board Member

Board Member



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS INCOME STATEMENT (in TNOK)

	Note	For the years ended December 31,	
		2021	2020
Revenues			
Automotive	5	5.833.649	2.285.719
Total revenues		5.833.649	2.285.719
Cost of sales and other expenses			
Cost of sales		5.518.305	1.933.339
Selling, administrative, and other expenses		290.374	350.159
Total costs and expenses	6	5.808.679	2.283.498
Other interest expense and finance cost, net	7	(3.537)	(2.311)
Other Income	8	1.451	1.627
Profit before income tax		22.884	1.537
Income tax expense	10	5.669	323
Net profit		17.215	1.214

STATEMENT OF COMPREHENSIVE INCOME (in TNOK)

	Note	For the years ended December 31,	
		2021	2020
Net profit		17.215	1.214
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Remeasurement of the liability for the post-employment benefit	16	(2.202)	(1.541)
Less: Tax Benefit		484	339
Total other comprehensive loss, net of tax	21	(1.718)	(1.202)
Total Comprehensive income		15.497	12

The accompanying notes are part of the financial statements.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS STATEMENT OF FINANCIAL POSITION (in TNOK)

		For the years ended December 31,	
	Note	2021	2020
ASSETS			
Cash and cash equivalents		188.133	23.987
Trade and other receivables	11	1.188.985	954.441
Inventories	12	23.093	129.841
Investment in operating leases	13	3.615	3.206
Other assets	14	95.414	21.466
Total current assets		1.499.240	1.132.941
Property, plant, and equipment	15, 23	5.404	8.314
Deferred income taxes	10	132.418	137.453
Total non-current assets		137.822	145.767
Total assets		1.637.062	1.278.708
LIABILITIES			
Accounts payable	17	839.815	312.048
Income taxes payable		-	17.022
Deferred revenue	18	72.850	210.430
Provisions	19	378.653	403.107
Debt	23	1.383	2.210
Total current liabilities		1.292.701	944.817
Deferred revenue	18	7.742	17.514
Provisions	19	218.146	210.635
Pension and other post-employment obligations	16	33.801	34.982
Debt	23	3.375	5.022
Total non-current liabilities		263.064	268.153
Total liabilities		1.555.765	1.212.970
EQUITY			
Common stock	20	32.000	32.000
Capital in excess of par value of stock		614	552
Retained earnings		48.683	33.186
Total equity		81.297	65.738
Total liabilities and equity		1.637.062	1.278.708

The accompanying notes are part of the financial statements.

Oslo, June 14th, 2022

Board of Directors

Per Gunnar Berg
Per Gunnar Berg
Chairman of the Board/Managing Director

Geir Haugaard
Geir Haugaard
Board Member

Robert Fodi
Robert Fodi
Board Member



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS STATEMENT OF CASH FLOWS (in TNOK)

	For the years ended December 31,	
	2021	2020
Cash flows from operating activities		
Net (loss)/profit	17.215	1.214
Depreciation	1.766	2.132
Share-based payment expense	62	69
Pension expense	(2.899)	(1.676)
(Increase)/Decrease in inventory	106.748	(115.524)
(Increase)/Decrease in operating lease assets	(409)	(504)
(Increase)/Decrease in trade and other receivables and other assets	(71.750)	24.560
Increase/(Decrease) in provisions	(16.943)	102.610
(Decrease)/Increase in accounts payable and other liabilities	363.598	153.556
Net change in deferred taxes	5.035	(17.180)
Net cash provided by/(used in) operating activities	402.423	149.257
Cash flows from investing activities		
Group undertakings	(236.742)	(151.873)
Net cash used in investing activities	(236.742)	(151.873)
Cash flows from financing activities		
Finance lease liabilities	(1.535)	(1.686)
Net cash provided by/(used in) financing activities	(1.535)	(1.686)
Net increase/(decrease) in cash and cash equivalents	164.146	(4.302)
Cash and cash equivalents at January 1	23.987	28.289
Net increase/(decrease) in cash and cash equivalents	164.146	(4.302)
Cash and cash equivalents at December 31	188.133	23.987



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS STATEMENT OF CHANGES IN EQUITY (in TNOK)

	Common Stock	Capital In Excess of Par Value of Stock	Accumulated Other Comprehensive Income/(Loss)	Retained Earnings	Total
Balance at January 1, 2020	32.000	483	-	33.174	65.657
Comprehensive income/(expense)					
Net profit	-	-	-	1.214	1.214
Other comprehensive income/(expense), net of tax	-	-	(1.202)	-	(1.202)
Reclassifications	-	-	1.202	(1.202)	-
Total Comprehensive income	-	-	-	12	12
Transactions with shareholders					
Dividends	-	-	-	-	-
Share-based compensation	-	69	-	-	69
Total transactions with shareholders	-	69	-	-	69
Balance at December 31, 2020	32.000	552	-	33.186	65.738
Balance at January 1, 2021	32.000	552	-	33.186	65.738
Comprehensive income/(expense)					
Net profit	-	-	-	17.215	17.215
Other comprehensive income/(expense), net of tax	-	-	(1.718)	-	(1.718)
Reclassifications	-	-	1.718	(1.718)	-
Total Comprehensive income	-	-	-	15.497	15.497
Transactions with shareholders					
Dividends	-	-	-	-	-
Share-based compensation	-	62	-	-	62
Total transactions with shareholders	-	62	-	-	62
Balance at December 31, 2021	32.000	614	-	48.683	81.297

The accompanying notes are part of the financial statements.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS
NOTES TO THE FINANCIAL STATEMENTS

Table of contents

NOTE 1. Background and basis of preparation	11
NOTE 2. Summary of significant accounting policies	11
NOTE 3. Critical accounting judgments, estimates, and assumptions	15
NOTE 4. New standards and interpretations	18
NOTE 5. Revenues	18
NOTE 6. Total cost of sales and selling, administrative, and other expenses	20
NOTE 7. Other interest income/(expense) and finance income/(cost), net	20
NOTE 8. Other income/(expense), net.....	20
NOTE 9. Net foreign currency exchange (losses) /gains	21
NOTE 10. Income tax benefit/(expense).....	21
NOTE 11. Trade and other receivables	23
NOTE 12. Inventories	23
NOTE 13. Investment in operating leases	23
NOTE 14. Other assets	24
NOTE 15. Property, plant, and equipment	24
NOTE 16. Employee benefits.....	26
NOTE 17. Accounts payable	29
NOTE 18. Deferred revenue and other liabilities	29
NOTE 19. Provisions.....	30
NOTE 20. Capital stock.....	31
NOTE 21. Accumulated other comprehensive income/(loss)	32
NOTE 22. Share-based payments	32
NOTE 23. Lease commitments	32
NOTE 24. Financial risk management	34
NOTE 25. Controlling parties	34
NOTE 26. Related parties transactions.....	35
NOTE 27. Segment information	36
NOTE 28. Geographic information.....	37
NOTE 29. Business combinations.....	37
NOTE 30. Discontinued operations, held-for-sale operations, and other dispositions	37
NOTE 31. Events subsequent to the reporting date	37



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND BASIS OF PREPARATION

Background

Ford Motor Norge AS was founded in 1960. The company operates as a wholesaler of passenger and commercial vehicles as well as spare parts and accessories. As a National Sales Company, Ford Motor Norge AS buys vehicles from Ford manufacturing companies and works under a transfer pricing agreement being an effective risk management mechanism.

The company's registered office is Lienga 2 - 1414 Trollåsen, Norway.

Basis of Preparation

Statement of Compliance

We prepared our financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in conformity with IFRS as adopted by the European Union. We present the financial statements on a standalone and going concern basis.

Presentation

The financial statements are presented in Norwegian Krone which is also the functional currency of the entity. All financial information has been rounded to the nearest thousands, except where otherwise indicated.

The statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are classified as current if they mature within one year.

Recognition and Measurement

The financial statements have been prepared under the historical cost basis except when IFRS explicitly requires use of fair value.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenue is generated primarily by sales of vehicles, parts and accessories. Revenue is recorded when obligations under the terms of a contract with our customer are satisfied; generally, this occurs with the transfer of control of our vehicles, parts or accessories. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods. When we give our dealers the right to return eligible parts for credit, we reduce the related revenue for expected returns.

Sales and Marketing Incentives

Sales and marketing incentives are recognized as revenue reductions in Revenues. The incentives generally take the form of cash payments to dealers and dealers' customers. The reduction to revenue is accrued at the later of the date the related vehicle is sold or the date the incentive program is both, approved and communicated. We generally estimate these accruals using incentive programs that are approved as of the balance sheet date and are expected to be effective at the beginning of the subsequent period.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Revaluation

We re-measure monetary assets and liabilities denominated in a currency that is different from Ford Motor Norge AS's functional currency. The effect of this remeasurement process is reported in *Cost of sales, Selling, administrative, and other expenses* and *Other income/(expense), net*.

Trade Receivables

Trade and other receivables consist primarily of receivables from contracts with our customers for the sale of vehicles, parts, and accessories. Trade receivables initially are recorded at the transaction amount (amortized cost) and are typically outstanding for less than 30 days. Each reporting period, we evaluate the collectability of the receivables and record an allowance for expected credit losses representing our estimate of the expected losses that result from all possible default events over the expected life of a receivable. Expected credit loss rates are applied to receivables that are grouped based on their number of days past due (aging buckets) to calculate the overall allowance. Default occurs when a receivable is 90 days or more past due. The allowance for expected credit losses is measured using a provision matrix method (simplified approach) based on the number of days a receivable is past due. A receivable is written-off when it is deemed uncollectible, and all collection efforts have been exhausted. Additions to the allowance for expected credit losses are made by recording charges to expected credit losses expense reported in *Selling, administrative, and other expenses*.

Ford 's exposure to credit risk arising from trade receivables is influenced primarily by the default risk of customer base and the risk associated with the industry and the country in which the customers operate. Our credit policy requires that credit limits be established for each external customer before the first shipment is released. The process of establishing or reaffirming credit limits considers the financial conditions and creditworthiness of the customer based on information such as current and historical financial statements, credit agency reports, and trade references. The credit limits are monitored and reviewed at least annually. Sales exceeding the limits are placed on hold, if necessary, to limit risk.

The carrying amount of trade receivables represents the maximum credit exposure. Ford may require a mortgage collateral from certain dealers for vehicle sales. In a few markets, we may require bank guarantees for direct sales or service parts for certain trade receivables. Ford does not have trade receivables and contract assets for which no loss allowance is recognized because of collateral.

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, items recognized directly in equity, or items recognized in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred Taxes

Deferred tax is recognized for temporary differences that exist between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the way the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In determining the amount of current and deferred tax the company has no uncertain tax positions to take into consideration.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Presentation of Sales and Sales-Related Taxes

We collect and remit taxes assessed by the Norwegian government that are both imposed on and concurrent with a revenue-producing transaction between us and our customers. These taxes may include, but are not limited to, sales, use, value-added, and some excise taxes. We report the collection of these taxes on a net basis (excluded from revenues).

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in local bank accounts available upon demand and are recognized at nominal value.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is determined by methods approximating the first-in first-out ("FIFO") principle and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Property, Plant, and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and impairments. We capitalize new assets when we expect to use the asset for more than one year. Routine maintenance and repair costs are expensed when incurred.

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of the property, plant and equipment taking into consideration our best estimate of its residual value.

Property and equipment are depreciated primarily using the straight-line method over the estimated useful life of the asset. Useful lives range from 6 to 14.5 years. The estimated useful lives generally are 14.5 years for machinery and equipment.

Investment in Operating Leases and Lease Commitments

We determine the classification of leases as operating or finance at the inception of the lease. A lease that transfers substantially all risks and rewards of ownership of the asset to the lessee is classified as a finance lease. All other leases are classified as operating leases.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in operating leases on our statement of financial position consists primarily of lease contracts for vehicles with management. We initially record the value of the operating lease at the amount we pay to purchase the vehicle or equipment, less any rebates we provide the vehicle owner plus, any direct costs to originate the lease. We evaluate the carrying value of vehicles under active operating lease for potential impairment at the end of each reporting period.

Leases are recognized as a right-of-use asset and a corresponding liability at the date in which the leased asset is available for use. The right-of-use assets and lease liabilities are reported in *Property, plant and equipment* and *Debt*, respectively, on our balance sheet.

Employee Benefits

We provide short-term and long-term benefits to our employees.

Short-term employee benefit obligations generally take on the form of salaries, bonuses and profit sharing and are measured on an undiscounted basis. We generally expense short-term benefits in the period the related benefit is provided.

Long-term employee benefit obligations generally take on the form of post-employment benefits.

Defined benefit pensions are measured based on the present value of projected future benefit payments for all participants for services rendered to-date. The measurement of projected future benefits is dependent on the provisions of each specific plan, demographics of the group covered by the plan and other key measurement assumptions. For plans that provide benefits dependent on salary assumptions, we include a projection of salary growth in our measurements. No assumption is made regarding any potential changes to benefit provisions beyond those to which we are presently committed (e.g., in existing labor contracts).

The net periodic benefit costs associated with the company's defined benefit pension plans are determined using assumptions regarding the benefit obligation and the plan assets (where applicable) as of the beginning of each year. Net periodic benefit costs are recorded in *Cost of sales* and *Selling, administrative, and other expenses*.

The funded status of the benefit plans, which represents the difference between the benefit obligation and fair value of plan assets, is calculated on a plan-by-plan basis. The benefit obligation and related funded status are determined using assumptions as of the end of each year. The impact of plan amendments and actuarial gains and losses are recorded in *Accumulated other comprehensive income/(loss)* and then reclassified to retained earnings at the end of the year.

Curtailment gains or losses are recorded when an event occurs that significantly reduces the number of employees covered by the plan. We record a curtailment gain when the employees who are entitled to the benefits terminate their employment; we record a curtailment loss when it becomes probable a loss will occur.

Ford Motor Norge AS shall recognize a settlement gain or loss in the period in which a transaction that permits derecognition of the net defined benefit liability. The gain or loss on a settlement shall comprise: (a) the present value of the obligation being settled, as determined on the date of the settlement; and (b) the settlement price, including any assets transferred and/or payments made.

Ford Motor Norge AS shall re-measure the plan as of the date of the action if there is a significant curtailment or settlement.

Our policy for funded pension plans is to contribute annually, at a minimum, amounts required by applicable laws and regulations. We may make contributions beyond those legally required.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

A *provision* is recognized if, as a result of a past event, we have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. We record provisions for warranty, dealer and customer claims and similar matters.

Due to the inherent uncertainty of the amount and timing of expected payments, we measure our provisions using patterned estimation models that take into consideration historical experience with similar matters, recent facts and circumstances, as well as assumptions about current trends. Each measurement reflects our best assumptions at each reporting period, but the ultimate outcome of any matter could result in an amount different than the amount we have accrued and/or disclosed.

Provisions expected to be paid in a period of greater than one year are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense in *Other interest income/(expense) and finance income/(cost), net*.

Warranties and Product Recalls

We accrue obligations for warranty costs and field service actions (i.e., safety recalls, emission recalls, and other product campaigns) at the time of sale. We establish estimates for warranty and field service action obligations using a patterned estimation model using historical information regarding the nature, frequency, and average cost of claims for each vehicle line by model year. We re-evaluate the adequacy of our accruals on a regular basis and any revisions to our estimated obligation for warranties and field service actions are reported as *Changes in accrual related to pre-existing warranties*.

Dealer and Customer Claims

We accrue for dealer and customer claims related to incentive programs that are approved as of the reporting date and are expected to be effective at the beginning of the subsequent period.

Share-Based Payments

Share-based payment arrangements include awards that will be settled by the delivery of shares. The shares are measured at fair value on the grant date. The fair value of the awards that employees are expected to earn is recognized as compensation cost over the vesting period. Changes in the number of awards that employees are expected to earn are recognized in profit or loss over the vesting period.

We measure the fair value of stock options using an option-pricing model and the fair value of restricted stock units using the closing market price of our Common Stock on the grant date.

NOTE 3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (Continued)

We consider an accounting estimate to be significant if: 1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and 2) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

The Management of the ultimate parent company has discussed the development and selection of these critical accounting estimates with the Audit Committee of our Board of Directors. In addition, there are other items within our financial statements that require estimation but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements.

Warranty and Product Recalls

Nature of Estimates Required. We provide warranties on the products we sell. Separately, we also periodically perform field service actions related to safety recalls, emission recalls and other product campaigns. Pursuant to these warranties and field service actions, we will repair, replace or adjust all parts on a vehicle that are defective in factory-supplied materials or workmanship. We accrue the estimated cost of both, basic warranty coverages and field service actions at the time of sale.

Assumptions and Approach Used. We establish estimates for warranty and field service action obligations using a patterned estimation model. We use historical information regarding the nature, frequency and average cost of claims for each vehicle line by model year. We re-evaluate our estimate of warranty and field service obligations on a regular basis. Experience has shown that the initial data for any given model year may be volatile; therefore, our process relies on long-term historical averages until enough data are available. As actual experience becomes available, we use the data to modify the historical averages in order to ensure that the estimate is within the range of likely outcomes. We then compare the resulting accruals with present spending rates to ensure that the balances are adequate to meet expected future obligations. Based on these data, we revise our estimates as necessary. Warranty coverages vary; therefore, our warranty accruals vary depending on the type of product and the geographic location of its sale for specific periods of time and/or mileage. Field service actions are distinguishable from warranties in that they may occur in periods beyond the basic warranty coverage period. Our best estimate of the obligation related to field service actions includes expected future payments related to vehicles produced in the most recent eight model years and announced field service actions for vehicles produced before this period

Due to the uncertainty and potential volatility of these factors, changes in our assumptions could materially affect our financial condition and results of operations. See Note 19 of the Notes to the Financial Statements for information regarding warranty and product recall related costs.

Pensions

Nature of Estimates Required. The estimation of our defined benefit pension plan obligations and expenses requires that we make use of estimates of the present value of projected future payments to all participants, taking into consideration the likelihood of potential future events such as demographic experience and health care cost increases. Plan obligations and expenses are based on existing retirement plan provisions. No assumption is made regarding any potential future changes to benefit provisions beyond those to which we are presently committed (e.g., in existing labor contracts).

Assumptions and Approach Used. The assumptions used in developing the required estimates include the following key factors:

- *Discount rates.* Our discount rate assumption is based primarily on the results of a cash flow matching analysis, which matches the future cash outflows for each major plan to a yield curve based on high-quality bonds specific to the country of the plan. Benefit payments are discounted at the rates on the curve and a single discount rate specific to the plan is determined.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (Continued)

- *Salary growth.* Our salary growth assumption reflects our long-term actual experience, outlook and assumed inflation.
- *Inflation.* Our inflation assumption is based on an evaluation of external market indicators, including real gross domestic product growth and central bank inflation targets.
- *Expected contributions.* Our expected amount and timing of contributions is based on an assessment of minimum requirements, cash availability and other considerations (e.g., funded status, avoidance of regulatory premiums and levies and tax efficiency).
- *Retirement rates.* Retirement rates are developed to reflect actual and projected plan experience.
- *Mortality rates.* Mortality rates are developed to reflect actual and projected plan experience.

Assumptions are set at each year end and are generally not changed unless there is a major plan event such as a significant curtailment or settlement that would trigger a plan remeasurement.

The effects of actual results differing from our assumptions and the effects of changing assumptions are recognized in *Accumulated Other Comprehensive Income/(Loss)* on our balance sheet.

See Note 16 for more information regarding pension costs and assumptions.

Income Taxes

Nature of Estimates Required. We must make estimates and apply judgment in determining the provision for income taxes for financial reporting purposes. We make these estimates and judgments primarily in the following areas: (i) the calculation of tax credits, and (ii) the calculation of differences in the timing of recognition of revenue and expense for tax and financial statement purposes that will ultimately be reported in tax returns. Changes in these estimates and judgments may result in a material increase or decrease to our tax provision, which would be recorded in the period in which the change occurs.

Assumptions and Approach Used. We are subject to the income tax laws and regulations of the Norwegian tax jurisdiction. We must assess the likelihood that we will be able to recover our deferred tax assets against future sources of taxable income. IFRS recognizes deferred tax assets to the extent that it is more likely than not (defined as a likelihood of more than 50%) that sufficient taxable profits will be available to utilize the deductible temporary difference or unused tax losses.

Changes in our judgment regarding the ability to recover our deferred tax assets are reflected in our tax provision in the periods in which the changes occur.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. NEW STANDARDS AND INTERPRETATIONS

Adoption of New Accounting Standards

We adopted the following amendments during 2021, which did not have a material impact on our financial statements or financial statement disclosures:

<u>Amendments</u>	<u>Effective Date</u>
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 4, 7, 9, 16 and IAS39)	January 1, 2021
Property, Plant and Equipment Proceeds Before Intended Use (Amendment to IAS16)	January 1, 2021

Accounting Standards Issued But Not Yet Adopted

The following represent the standards and amendments that are applicable to Ford, none of which are expected to have a material impact to our financial statements or financial statement disclosures:

Insurance Contracts (effective January 1, 2023). The new standard is meant to address the differences in accounting treatment across jurisdictions and insurance products, which made it difficult for investors and analysts to understand and compare insurers' results. The majority of the change relates to long duration contracts.

The International Accounting Standards Board ("IASB") has also issued the following amendments, which are not expected to have a material impact to our financial statements or financial statement disclosures:

<u>Amendments</u>	<u>Effective Date</u>
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS12)	December 31, 2022
Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)	January 1, 2023
Definition of Accounting Estimates (Amendment to IAS 8)	January 1, 2023
Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023

NOTE 5. REVENUES

Amounts included in Revenues on our income statement were as follows (in TNOK):

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Sales of new vehicles, parts, and accessories	5.761.208	2.248.184
Sales of vehicles previously leased under operating leases	45.610	9.202
Other (a)	26.831	28.333
Total revenues	5.833.649	2.285.719

(a) Other includes extended service plan revenue of MNOK 20 for the year ended December 31, 2021 (2020: MNOK 22)

There are three dealer groups that the company had sales to in 2021; each of them represents more than 10% of the Company's total revenue: RhøneSelmer, Sulland and Kverneland.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. REVENUES (Continued)

Revenue is recognized when obligations under the terms of a contract with our customer are satisfied; generally, this occurs with the transfer of control of our vehicles, parts, accessories or services. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. The transaction price is allocated to each performance obligation based on the relative standalone selling price at contract inception for each performance obligation. Sales, value add, and other taxes we collect concurrent with revenue-producing activities are excluded from revenue. The expected costs associated with our base warranties and field service actions continue to be recognized as expense when the products are sold (see Note 3). We recognize revenue for vehicle service contracts that extend mechanical and maintenance coverages beyond our base warranties over the life of the contract. We do not have any material significant payment terms as payment is received at or shortly after the point of sale.

Vehicles, Parts and Accessories. For the majority of vehicles, parts and accessories, we transfer control and recognize a sale when we ship the product from our manufacturing facility to our customer (dealers and distributors). We receive cash equal to the invoice price for vehicle sales when the wholesaled vehicles arrive Norwegian harbor. All wholesaled vehicles are financed by Santander Consumer Bank. The dealers settle directly to Santander when they sell the vehicles to the retail customer. Payment terms on part sales to dealers, distributors, and retailers range from 25 to 55 days. The amount of consideration we receive and revenue we recognize varies with changes in marketing incentives and returns we offer to our customers and their customers. When we give our dealers the right to return eligible parts and accessories, we estimate the expected returns based on an analysis of historical experience. We adjust our estimate of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the consideration becomes fixed.

Used Vehicles. We sell our used vehicles to one of our dealers. Proceeds from the sale of these vehicles are recognized in revenues upon transfer of control of the vehicle to the customer and the related vehicle carrying value is recognized in Cost of sales.

Extended Service Contracts. We sell separately priced service contracts that extend mechanical and maintenance coverages beyond our base warranty agreements to vehicle owners. The separately priced service contracts range from 12 to 120 months. We receive payment at the inception of the contract and recognize revenue over the term of the agreement in proportion to the costs expected to be incurred in satisfying the obligations under the contract. At December 31st, 2020, MNOK 30.2 of unearned revenue associated with outstanding contracts was reported in other liabilities and deferred revenue, MNOK 5.2 of this was recognized as revenue during 2021.

At December 31, 2021, the unearned amount was MNOK 19. We expect to recognize approximately MNOK 7 of the unearned amount in 2022, MNOK 6 in 2023, and MNOK 6 thereafter. We record a premium deficiency reserve to the extent we estimate the future costs associated with these contracts exceed the unrecognized revenue. Amounts paid to dealers to obtain these contracts are deferred and recorded as other assets. These costs are amortized to expense consistent with how the related revenue is recognized. We had a balance of nil in deferred costs as of December 31, 2021.

Other revenue. Other revenue consists primarily of net commissions received for serving as the agent in facilitating the sale of a third party's products or services to our customers. We transfer control and recognize the net commission when the products are delivered to our customer (dealer and distributor).



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. TOTAL COST OF SALES AND SELLING, ADMINISTRATIVE, AND OTHER EXPENSES

Amounts included in *Cost of sales and selling, administrative, and other expenses* on our income statement were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Purchase of new vehicles, parts and accessories	5.466.836	1.904.825
Depreciation	1.766	2.132
Warranty	207.364	259.988
Advertising	44.019	61.979
Other	88.694	54.574
Total cost of sales and selling, administrative, and other expenses	5.808.679	2.283.498

NOTE 7. OTHER INTEREST INCOME/(EXPENSE) AND FINANCE INCOME/(COST), NET

Amounts included in *Other interest income / (expense) and finance income/(cost), net* on our income statement were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Interest income	-	194
Interest expense	(3.537)	(2.505)
Total other interest (expense)/income, net	(3.537)	(2.311)

NOTE 8. OTHER INCOME/(EXPENSE), NET

Amounts included in *Other income / (expense), net* on our income statement were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Commission	1.451	1.627
Total	1.451	1.627



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. NET FOREIGN CURRENCY EXCHANGE (LOSSES) /GAINS

Net foreign currency exchange (losses) /gains are recognized on our income statement, in the Selling, administrative and other expenses, as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Net foreign currency exchange	15.071	9.772
Net foreign currency exchange (losses) /gains	15.071	9.772

NOTE 10. INCOME TAX BENEFIT/(EXPENSE)

The *Income tax benefit/(expense)* on our income statement was estimated as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Current		
Current tax on profits for the year	-	(17.164)
Change in estimates related to prior years	(150)	15
Total current	(150)	(17.149)
Deferred		
Origination and reversal of temporary differences	(20.368)	17.165
Changes in tax losses carried forward	15.333	-
Changes in the remeasurement effects recognized in OCI	(484)	(339)
Impact of change in tax rate	-	-
Total deferred	(5.519)	16.826
Income tax benefit/(expense)	(5.669)	(323)

Income tax paid during the year ended December 31st, 2021, amounts to 17.172 TNOK (nil in 2020). The amount of reported income taxes in the statement of comprehensive income reconciled with income taxes calculated using Ford Motor Norge AS's applicable tax rate was as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Income before income taxes	22.884	1.537
Tax calculated at domestic tax rates applicable to profits (2021 – 22% and 2020 – 22%).	(5.034)	(338)
Tax effects of:		
(Expenses)/Income not taxable/(deductible) for tax purposes	(635)	15
Income tax benefit/(expense)	(5.669)	(323)
Effective tax rate	25%	21%



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. INCOME TAX BENEFIT/(EXPENSE) (Continued)

The deferred tax amounts shown on the balance sheet at December 31 were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Deferred tax assets	132.418	137.453
Deferred tax liabilities	-	-
Net deferred tax assets	132.418	137.453

Deferred taxes by major category at December 31 were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Deferred tax assets		
Tax loss carried forward	15.333	-
Deferred tax assets	-	-
Fixed Asset	(82)	(130)
Inventory	12	2.197
Warranty	88.827	93.961
Pensions	7.436	7.696
Provisions	20.870	33.735
Other	22	(6)
Total deferred tax assets	132.418	137.453
Less: valuation allowance	-	-
Total deferred tax assets	132.418	137.453
Deferred tax liabilities		
Other	-	-
Total deferred tax liabilities	-	-
Net deferred tax assets	132.418	137.453

The current and non-current portions of deferred income taxes expected to be recovered or settled within and after one year at December 31 were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Deferred tax assets		
Current portion	-	-
Non-current portion	132.418	137.453
Total deferred tax asset	132.418	137.453
Net deferred tax assets	132.418	137.453



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. TRADE AND OTHER RECEIVABLES

Trade and other receivables, net on our statement of financial position were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Trade receivables	280.267	252.648
Amounts owed by group undertakings & Joint ventures	906.972	701.793
Other	1.746	-
Total	1.188.985	954.441

Amounts owed by group undertakings are unsecured; elements bear interest at a variable rate which is capitalized monthly and are repayable on demand. All trade and other receivables fall due within one year and the fair value is approximate to the carrying value. Amounts overdue do not have a material impact on these financial statements.

NOTE 12. INVENTORIES

Inventories on our statement of financial position were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Finished Products	3.550	109.828
Company Service Vehicles	19.543	20.013
Total	23.093	129.841

The decrease in inventory during 2021 is mainly due to the vehicles affected by a battery issue in last year.

The impairment of inventories for the year ended December 31, 2021 is 56 TNOK (9.985 TNOK in 2020).

NOTE 13. INVESTMENT IN OPERATING LEASES

Net investment in operating leases consists primarily of lease contracts for vehicles with management with terms of 6-12 months or less. Payment extensions may be requested by management and are generally limited to a maximum of six months over the term of the lease. A lease can be terminated at any time by satisfying the obligations under the lease agreement. Early termination programs may be occasionally offered to eligible lessees. At the end of the lease, management returns the vehicle or may have the option to buy the leased vehicle. In the case of a contract default and repossession, management typically remains liable for any deficiency between net auction proceeds and the defaulted contract obligations, including any repossession-related expenses.

Revenue from rental payments received on operating leases is recognized on a straight-line basis over the term of the lease. The accrual of revenue on operating leases is discontinued at the time an account is determined to be uncollectible.

Depreciation expense on vehicles subject to operating leases is recognized on a straight-line basis in an amount necessary to reduce the leased vehicle value to its estimated residual value at the end of the lease term. Our policy is to promptly sell returned off-lease vehicles. We evaluate our depreciation for leased vehicles on a regular basis taking



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. INVESTMENT IN OPERATING LEASES (Continued)

into consideration various assumptions, such as expected residual values at lease termination and the estimated number of vehicles that will be returned to us. Adjustments to depreciation expense reflecting revised estimates of expected residual values at the end of the lease terms are recorded prospectively on a straight-line basis. Upon disposition of the vehicle, the difference between net book value and actual proceeds is recorded as an adjustment to Depreciation on vehicles subject to operating leases.

Accumulated depreciation reduces the value of the vehicles from their initial production value to their expected residual value at the end of the lease, with the associated depreciation expense recognized on a straight-line basis over the term of the lease. At the time of purchase, we establish the expected residual value for the vehicle based on recent auction values, return volumes for our leased vehicles, industry-wide used vehicle prices, marketing incentive plans, and vehicle quality data. We monitor residual values each month and review the accuracy of our accumulated depreciation on a quarterly basis.

Investment in operating leases on our statement of financial position was as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Investment in operating leases	3.615	3.206
Total	3.615	3.206
Current portion	3.615	3.206
Non-current portion	-	-
Total	3.615	3.206

Company Service Vehicles which have an income stream, have been transferred to Investment in Operating Leases from Fixed Assets to better reflect the use of the assets.

NOTE 14. OTHER ASSETS

Other assets on our statement of financial position were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Prepayments	95.414	21.466
	95.414	21.466

All other assets fall due within one year and the fair value is approximate to the carrying value.

The increase in 2021 corresponds to a higher number of hedge contracts in gain position.

NOTE 15. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment includes machinery and equipment, vehicles and other assets that we use in our normal operations. Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of the property, plant, and equipment, taking into consideration our best estimate of its residual value.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. PROPERTY, PLANT, AND EQUIPMENT (Continued)

Useful lives range from 6 to 14.5 years. The estimated useful lives generally are 14.5 years for machinery and equipment.

Changes in Property, plant, and equipment balances on our statement of financial position were as follows (in TNOK):

	For the year ended December 31, 2021	
	Machinery, Equipment and Other	Total
Cost		
Beginning balance	9.025	9.025
Reclassifications	-	-
Additions	-	-
Disposals	(3.273)	(3.273)
Ending balance	5.752	5.752
Accumulated depreciation and impairment		
Beginning balance	(7.943)	(7.943)
Reclassifications	-	-
Depreciation	(319)	(319)
Disposals	3.273	3.273
Ending balance	(4.989)	(4.989)
Total as at December 2021	763	763

	For the year ended December 31, 2020	
	Machinery, Equipment and Other	Total
Cost		
Beginning balance	9.025	9.025
Reclassifications (a)	-	-
Additions	-	-
Disposals	-	-
Ending balance	9.025	9.025
Accumulated depreciation and impairment		
Beginning balance	(7.497)	(7.497)
Reclassifications	-	-
Depreciation	(446)	(446)
Disposals	-	-
Ending balance	(7.943)	(7.943)
Total as at December 2020	1.082	1.082

There are no assets under finance lease arrangements included in Property, plant, and equipment.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. EMPLOYEE BENEFITS

We provide retirement benefits including the following:

Defined Benefit Pension Plans. We have defined benefit pension plans covering some of our employees. Our defined benefit plans are closed to new participants. In general, our defined benefit pension plans are funded (i.e., have restricted assets from which benefits are paid). Our unfunded defined benefit pension plans are treated on a "pay as you go" basis with benefit payments from general company cash.

Defined Contribution and Savings Plans. We have also established defined contribution and savings plans for our employees. Contributions to these plans, if any, are made from general company cash and are expensed as incurred. The expense for our defined contribution and savings plans was TNOK 1.418 and TNOK 865 for the years ended December 31, 2021, and 2020.

The company's pension schemes comply with Norwegian law of mandatory occupational pension.

Assumptions

The assumptions used to determine expense and benefit obligations were as follows (in TNOK):

	Pension Benefits			
	Pension Plans (Funded)		Pension Plans (Unfunded)	
	2021	2020	2021	2020
Weighted average assumptions used to measure our benefit obligations and plan assets at December 31				
Discount rate	1,50%	1,50%	1,50%	1,50%
Average rate of increase in compensation	2,00%	2,00%	2,00%	2,00%
Assumptions used to determine net benefit cost for the year ended December 31				
Discount rate	1,50%	2,00%	1,50%	2,00%
Average rate of increase in compensation	2,50%	2,50%	2,50%	2,50%

Benefit Plans - Expense and Status (in TNOK):

	Pension Benefits			
	Pension Plans (Funded)		Pension Plans (Unfunded)	
	2021	2020	2021	2020
(Income)/Expense				
Current service cost	1.245	1.523	-	-
Interest expense/(income)	12	31	494	654
Net expense/(income)	1.257	1.554	494	654
Remeasurements				
(Gain)/loss from changes in discount rates	-	5.506	-	1.561
(Gain)/loss from changes in financial assumptions	1.462	(7.756)	-	-
Experience DBO (gains)/losses	943	4.805	460	432
Experience Assets (gains)/losses	(1.375)	(3.261)	-	-
Investment management cost	779	615	-	-
Other actuarial (gains)/ losses	(67)	(361)	-	-
Total remeasurements	1.742	(452)	460	1.993
Total	2.999	1.102	954	2.647



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. EMPLOYEE BENEFITS (Continued)

The net expense/(income) and rereasurement cost for our defined benefit pension plan for the years ended December 31, were as follows (in TNOK):

	Pension Benefits			
	Pension Plans (Funded)		Pension Plans (Unfunded)	
	2021	2020	2021	2020
Change in benefit obligation				
Benefit obligation at January 1	59.768	57.998	34.159	33.906
Current service cost	1.211	1.491	-	-
Interest expense	878	1.133	495	654
Past service cost	-	-	-	-
Settlement and loss (gain) on settlement	-	-	-	-
Benefits paid	(3.093)	(3.138)	(2.395)	(2.394)
(Gain)/loss from changes in discount rates	-	5.506	-	1.561
(Gain)/loss from changes in financial assumptions	1.462	(7.756)	-	-
Experience (gains)/losses	943	4.805	460	432
Foreign currency translation and other	(347)	(271)	-	-
Benefit obligation at December 31	60.822	59.768	32.719	34.159
Change in plan assets				
Fair value of plan assets at January 1	58.945	56.448	-	-
Interest income	831	1.069	-	-
Settlement	-	-	-	-
Company contributions	2.808	2.191	-	-
Benefits paid	(3.093)	(3.138)	-	-
Payroll tax of employer contribution, assets	(347)	(271)	-	-
Investment management cost	(779)	(615)	-	-
Experience Assets (gains)/losses	1.375	3.261	-	-
Fair value of plan assets at December 31	59.740	58.945	-	-
Total	(1.082)	(823)	(32.719)	(34.159)
Amounts recognized on the statement of financial position				
Prepaid assets		-	-	-
Accrued liabilities	1.082	823	32.719	34.159
Total	1.082	823	32.719	34.159

Pension Plan Contributions

In 2021, we contributed TNOK 2.808 (2020: TNOK 2.191) to our funded pension plans (most of which were mandatory contributions) and made TNOK 2.395 (2020: TNOK 2.394) of benefit payments to participants in unfunded plans. During 2022, we expect to contribute TNOK 2.850 from cash and cash equivalents to our funded pension plans (most of which are mandatory contributions) and to make TNOK 2.394 of benefit payments to participants in unfunded plans, for a total of TNOK 5.244.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. EMPLOYEE BENEFITS (continued)

Estimated Future Pension Benefit Payments (in TNOK)

	Gross Benefit Payments	
	Pension Plans (Funded)	Pension Plans (Unfunded)
2022	3.312	2.394
2023	3.404	2.394
2024	3.404	2.394
2025	3.404	2.394
2026	3.504	2.394
2027-2031	17.520	2.394

There are no current expectations to receive a refund from the defined benefit scheme.

Risks

Substantial pension liabilities impairing liquidity or financial condition. If our cash flows and capital resources were insufficient to fund our pension obligations, we could be forced to suspend dividend payments or seek additional capital.

Worse-than-assumed economic and demographic experience for postretirement benefit plans (e.g., discount rates). The measurement of our obligations, costs, and liabilities associated with benefits pursuant to our post-retirement benefit plans requires that we estimate the present value of projected future payments to all participants. We use many assumptions in calculating these estimates, including assumptions related to discount rates and demographic experience (e.g., mortality and retirement rates). To the extent actual results are less favorable than our assumptions, there could be a substantial adverse impact on our financial condition and results of operations.

Pension Plan Asset Information

Investment Objective and Strategies. All assets are externally managed, and most assets are actively managed. Managers are not permitted to invest outside of the asset class (e.g., fixed income, public equity, alternatives) or strategy for which they have been appointed. We use investment guidelines and recurring audits as tools to ensure investment managers invest solely within the investment strategy they have been provided.

Fair Value of Plan Assets. Pension assets are recorded at fair value, and include primarily fixed income and equity securities, derivatives, and alternative investments, which include hedge funds, private equity, and real estate.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 17. ACCOUNTS PAYABLE

Accounts payable on our statement of financial position were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Trade payables	113.752	99.570
Amounts owed to group undertakings	726.063	203.885
Other	-	8.593
Total	839.815	312.048

The fair value of *accounts payable* is approximate to the carrying value and measured at amortized cost.

NOTE 18. DEFERRED REVENUE AND OTHER LIABILITIES

Deferred revenue and other liabilities on our statement of financial position were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Deferred revenue	42.640	212.420
Social security and other taxes	2.523	2.554
Other	35.429	12.970
Total	80.592	227.944
Current portion	72.850	210.430
Non-current portion	7.742	17.514
Total	80.592	227.944

Deferred revenue relates to revenue received in relation to Extended Service Plans. Revenue is deferred and recognized to income on a straight-line basis over the contract period except in those circumstances where sufficient historical evidence indicates that the costs of performing the services under the contract are incurred on another than a straight-line basis. In those circumstances, revenue is recognized over the contract period in proportion to the costs expected to be incurred in performing services under the contract.

The fair value of *deferred revenue and other liabilities* is approximate to the carrying value.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. PROVISIONS

Provisions on our statement of financial position were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Warranties	403.760	427.094
Dealer and customer claims	192.805	185.208
Other	234	1.440
Total	596.799	613.742

	For the years ended December 31,	
	2021	2020
Current portion	378.653	403.107
Non-current portion	218.146	210.635
Total	596.799	613.742

Warranty and Product Recalls

We accrue obligations for warranty costs and field service actions (i.e. safety recalls, emission recalls, and other product campaigns) at the time of sale. We establish estimates for warranty and field service action obligations using a patterned estimation model using historical information regarding the nature, frequency, and average cost of claims for each vehicle line by model year. We re-evaluate the adequacy of our accruals on a regular basis and any revisions to our estimated obligation for warranties and field service actions are reported as *Changes in accrual related to pre-existing warranties* in the table below.

The changes in provisions for warranties were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Beginning balance	427.094	314.324
Provisions made	289.418	307.598
Changes related to pre-existing provisions	(46.496)	(36.413)
Payments made	(266.256)	(158.415)
Other movements	-	-
Ending balance	403.760	427.094

	For the years ended December 31,	
	2021	2020
Current portion	185.614	216.459
Non-current portion	218.146	210.635
Total	403.760	427.094



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. PROVISIONS (Continued)

Dealer and customer claims

We accrue for dealer and customer claims related to incentive programs that are approved as of the reporting date and are expected to be effective at the beginning of the subsequent period.

The changes in provisions for dealer and customer claims were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Beginning balance	185.208	195.705
Provisions made	49.827	14.029
Changes related to pre-existing provisions	(14.754)	(17.498)
Payments made	(27.476)	(7.028)
Other movements	-	-
Ending balance	192.805	185.208

	For the years ended December 31,	
	2021	2020
Current portion	192.805	185.208
Non-current portion	-	-
Total	192.805	185.208

NOTE 20. CAPITAL STOCK

The number of *Common Stock* shares outstanding as at December 31 was as follows (in thousands):

	For the years ended December 31,	
	2021	2020
Beginning balance	64.000	64.000
Shares issued	-	-
Shares reacquired	-	-
Ending balance	64.000	64.000

Par value per share is NOK 500 and all shares are fully paid.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 21. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

The changes in the accumulated balances for each component of Accumulated other comprehensive income/(loss) attributable to Ford Motor Norge AS were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Pension and other post-retirement benefits		
Beginning balance	-	-
Gains/(Losses) arising during the period	(2.202)	(1.541)
Less: (Tax)/Tax benefit	484	339
Other comprehensive income/(loss), net of tax	(1.718)	(1.202)
Reclassification to retained earnings, net of tax	1.718	1.202
Total AOCI ending balance at December 31	-	-

NOTE 22. SHARE-BASED PAYMENTS

Ford Motor Norge AS's ultimate parent company issues restricted stock units ("RSUs") to our employees, which consist of time-based and performance-based awards. RSUs provide the recipients with the right to shares of Common Stock following a specified performance period and/or vesting period. Time-based awards generally have a vesting feature whereby one-third of each grant of RSUs vests after the first anniversary of the grant date, one-third after the second anniversary, and one-third after the third anniversary. Performance-based RSUs vest at the end of the specified performance period, generally three years, assuming required metrics are met. Performance-based RSUs have two components: one based on Ford's internal financial performance metrics, and the other based on Ford's total shareholder return relative to total shareholder returns of an industrial and automotive peer group. We issue new shares of Common Stock upon vesting of RSUs. All awards issued under the incentive plan are equity settled.

The fair value of both the time-based and the portion of the performance based RSUs pertaining to internal performance metrics is determined using the closing price of our Common Stock. The fair value of time-based RSUs is expensed over the shorter of the vesting period, using the graded vesting method, or the time period an employee becomes eligible to retain the award at retirement. The fair value of performance based RSUs is expensed when it is probable and estimable as measured against the performance metrics over the shorter of the performance or required service periods. Expense is recorded in Selling, administrative, and other expenses.

The expense recorded in Ford Motor Norge AS in relation to Share-Based payments was TNOK 62 and TNOK 69 for the years ended December 31, 2021 and 2020, respectively.

NOTE 23. LEASE COMMITMENTS

We lease land, office space and equipment under agreements with contractual periods ranging from less than one year to 5 years, there is an option to extend. We include options that we are reasonably certain to exercise in our evaluation of the lease term after considering all relevant economic and financial factors. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations.

We do not separate the non-lease components (e.g., maintenance and operating services) from the lease components to which they relate. Instead, non-lease components are included in the measurement of the lease liabilities.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 23. LEASE COMMITMENTS (Continued)

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. The office rent lease contains a variable element in form of a 2% index increase per year. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

We calculate the initial lease liability as the present value of fixed payments not yet paid and variable payments that are based on a market rate or an index (e.g. CPI), measured at commencement. The majority of our leases are discounted using our incremental borrowing rate because the rate implicit in the lease is not readily determinable. All other variable payments are expensed as incurred.

Lease right-of-use assets at December 31 were as follows (in TNOK):

	2021		
	Land and Buildings	Machinery, Equipment, and Other	Total
Cost	8.796	262	9.058
Accumulated depreciation	(4.214)	(203)	(4.417)
Accumulated impairment	-	-	-
Net carrying amount	4.582	59	4.641

	2020		
	Land and Buildings	Machinery, Equipment, and Other	Total
Cost	9.956	592	10.548
Accumulated depreciation	(2.958)	(358)	(3.316)
Accumulated impairment	-	-	-
Net carrying amount	6.998	234	7.232

Minimum non-cancellable operating lease commitments at December 31, 2021 and 2020 were as follows (in TNOK):

	2021	2020
Within 1 year	1.528	2.210
After 1 year and within 2 years	1.518	1.529
After 2 years and within 3 years	1.492	1.529
After 3 years and within 4 years	496	1.500
After 4 years and within 5 years	-	500
After 5 years	-	-
Total	5.034	7.268
Less: Present value discount	(276)	(36)
Total lease liabilities	4.758	7.232

Supplemental cash flow information related to leases for the years ended December 31 was as follows (in TNOK):

	2021	2020
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows	-	-
Financing cash flows	1.535	1.686
Total cash paid	1.535	1.686



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 23. LEASE COMMITMENTS (Continued)

The components of lease expense for the years ended December 31 were as follows (in TNOK):

	<u>2021</u>	<u>2020</u>
Depreciation		
Land and buildings	1.377	1.512
Machinery, equipment, and other	70	174
Total depreciation	<u>1.447</u>	<u>1.686</u>
Other Lease Expenses		
Interest expense	206	24
Total other lease expenses	<u>206</u>	<u>24</u>

NOTE 24. FINANCIAL RISK MANAGEMENT

Ford Motor Norge AS is exposed to a variety of risks in the normal course of its business. Its financial condition depends on the extent to which it effectively identifies, assesses, monitors, and manages these risks. The principal types of risk to which the Company is exposed include:

- Market risk
- Liquidity risk
- Credit risk

Ford Motor Company, the ultimate parent company of Ford Motor Norge AS, manages each of these types of risk on a global consolidated basis in the context of its contribution to its overall risk. It makes business decisions on a risk-adjusted basis and prices its services consistent with these risks.

Ford's global risk management policies are established to identify and analyze the risk exposures, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly at a global consolidated level to reflect changes in market conditions and Ford's activities.

Changes in interest rates or exchange rates do not have a material impact to the financial position of Ford Motor Norge AS.

NOTE 25. CONTROLLING PARTIES

The company's immediate parent company is Ford Motor Company A/S located in Denmark. The ultimate parent company and controlling party is Ford Motor Company, a company incorporated in the State of Delaware in the USA, which is the parent undertaking of the largest group to consolidate these financial statements. Copy of the ultimate parent company's financial statements may be obtained from: Ford Motor Company, One American Road.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 26. RELATED PARTIES TRANSACTIONS

Our related parties include group undertakings, joint ventures of the ultimate parent company and key management personnel.

Transactions with our group undertakings and joint ventures of our ultimate parent company

In the ordinary course of business, we buy from/sell various products and services including vehicles, parts, and components to/from group undertakings and joint ventures of the ultimate parent company.

The income statement effects of transactions with entities under the control of the ultimate parent company and joint ventures of the ultimate parent company were as follows (in TNOK):

	For the years ended December 31,			
	2021		2020	
	Entities under the control of ultimate parent company	Joint Ventures with the ultimate parent company	Entities under the control of ultimate parent company	Joint Ventures with the ultimate parent company
Sales included in <i>Revenue</i>	-	-	4.087	-
Purchases included in <i>Cost of sales</i>	5.466.836	-	1.904.825	-

The effect of transactions with entities under the control of the ultimate parent company and joint ventures of the ultimate parent company on the statement of financial position was as follows (in TNOK):

	For the years ended December 31,			
	Entities under the control of ultimate parent company	Joint Ventures with the ultimate parent company	Entities under the control of ultimate parent company	Joint Ventures with the ultimate parent company
Trade and other receivables	906.972	-	701.793	-
Trade and other payables	726.063	-	203.885	-

Transactions with key management personnel

Key management personnel are the Board of Directors. Compensation costs for key management personnel were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Salaries and other short-term benefits	2.714	2.639
Retirement, and other post-employment and other long-term benefits	468	513
Share-based compensation	62	69
Other compensation	-	-
Total compensation	3.244	3.221



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS NOTES TO THE FINANCIAL STATEMENTS

NOTE 26. RELATED PARTIES TRANSACTIONS (Continued)

During the year nil Directors (2020: nil Directors) exercised share options in the ultimate parent company and 1 Director (2020: 1 Director) was eligible to receive shares in the ultimate parent company under a long-term incentive program.

There were no other transactions with key management personnel during 2021. All transactions were on an arm's length basis.

NOTE 27. SEGMENT INFORMATION

Our operating activity consists of the Automotive sector. Segment selection is based on the organizational structure we use to evaluate performance and make decisions on resource allocation, as well as availability and materiality of separate financial results consistent with that structure.

Automotive segment results are presented on a "where-sold," absolute-cost basis, which reflects the profit/(loss) on the sale within the segment in which the ultimate sale is made to our external customers. The presentation generally includes the effect of legal entity transfer prices within the Automotive sector for vehicles, components, and product engineering.

Key operating data for our business segment for the years ended or at December 31 were as follows (in TNOK):

	For the years ended December 31,	
	2021	2020
Revenue	5.833.649	2.285.719
(Loss)/Profit before income tax	22.884	1.537
Other disclosures:		
Depreciation	1.766	2.132
Other interest income/(expense) and finance income/(cost), net	(3.537)	(2.311)
Total assets as at 31 December	1.637.062	1.278.708

Employment costs (in TNOK):

	For the years ended December 31,	
	2021	2020
Wages and salaries	27.880	26.049
Social security costs	4.564	4.068
Pension costs	2.610	2.790
Other	10.373	10.612
Total	45.427	43.519

Total number of employees as at December 31, 2021 and 2020 were 38 and 40 respectively.

Auditors fees

Auditors' remuneration for the statutory audit of the company's annual financial statements was TNOK 269 (2020: TNOK 269). Auditors have not provided other services than the ones already mentioned.



DocuSign Envelope ID: B6A30465-4977-43D6-B29D-55E76EF5FE10

FORD MOTOR NORGE AS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 28. GEOGRAPHIC INFORMATION

Total company revenues increased, and non-current assets decreased in Norway.

NOTE 29. BUSINESS COMBINATIONS

No transactions were undertaken in 2021 (neither in 2020) that would qualify as Business Combinations.

NOTE 30. DISCONTINUED OPERATIONS, HELD-FOR-SALE OPERATIONS, AND OTHER DISPOSITIONS

No transactions were undertaken in 2021 (neither in 2020) that would qualify as a discontinued operation, held-for-sale operation or other disposition.

NOTE 31. EVENTS SUBSEQUENT TO THE REPORTING DATE

No subsequent events were considered at year-end.



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
14.04.2016

Vår dato
18.04.2016

Telefon
977 59 464

Deres referanse
Anne Line O'Donnell

Vår referanse
2011/1210431

FORD MOTOR NORGE AS
Postboks 514
1411 KOLBOTN

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Ford Motor Norge AS, org.nr. 911 756 714

- Vi viser til deres brev av 14. april 2016 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Ford Motor Norge AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Ford Motor Norge ASA tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Ford Motor Norge AS eies 100 % av Ford Motor Company A/S, København. Sistnevnte er datterselskap i Ford Motor Company konsernet, som er et amerikansk registrert selskap. Ford Motor Company er notert på NYSE og bruker engelsk i all informasjon som formidles til aksjonærene. Språket som benyttes i formell kommunikasjon innad i Ford Motor Company konsernet er i all hovedsak engelsk. Ford Motor Company produserer og selger biler, service og utstyr på det internasjonale markedet. Selskapet utfører markedsførings-, salgs- og distribusjonsfunksjoner på vegne av Ford Motor Company konsernet og kjøper i hovedsak varer fra Tyskland, Spania, Tyrkia og USA og videreselger disse på det norske markedet. Selskapet utarbeider i dag årsregnskap og årsberetning på engelsk siden eiere, styremedlemmer og eksterne interessenter ønsker informasjonen på engelsk. Videre konsolideres regnskapene fra det norske selskapet opp i konsernet og det er derfor nødvendig å utarbeide årsregnskapet på engelsk for å sikre konsistent informasjon mellom selskapsregnskapet og konsernregnskapet. Årsregnskap og årsberetning for selskapet blir hvert år også utarbeidet på norsk for å tilfredsstille kravet i regnskapsloven.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.”*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse
Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr: 996250318
E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et datterselskap av et utenlandsk selskap og at eierkretsen således er begrenset. Videre er det vektlagt at konsernet er internasjonalt, at konsernets arbeidsspråk er engelsk og at all kommunikasjon til eierne foregår på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer