

NAVISTAR[®]
FINANCIAL

ACCELERATING
SUSTAINABLE

MOBILITY

2022 ANNUAL REPORT

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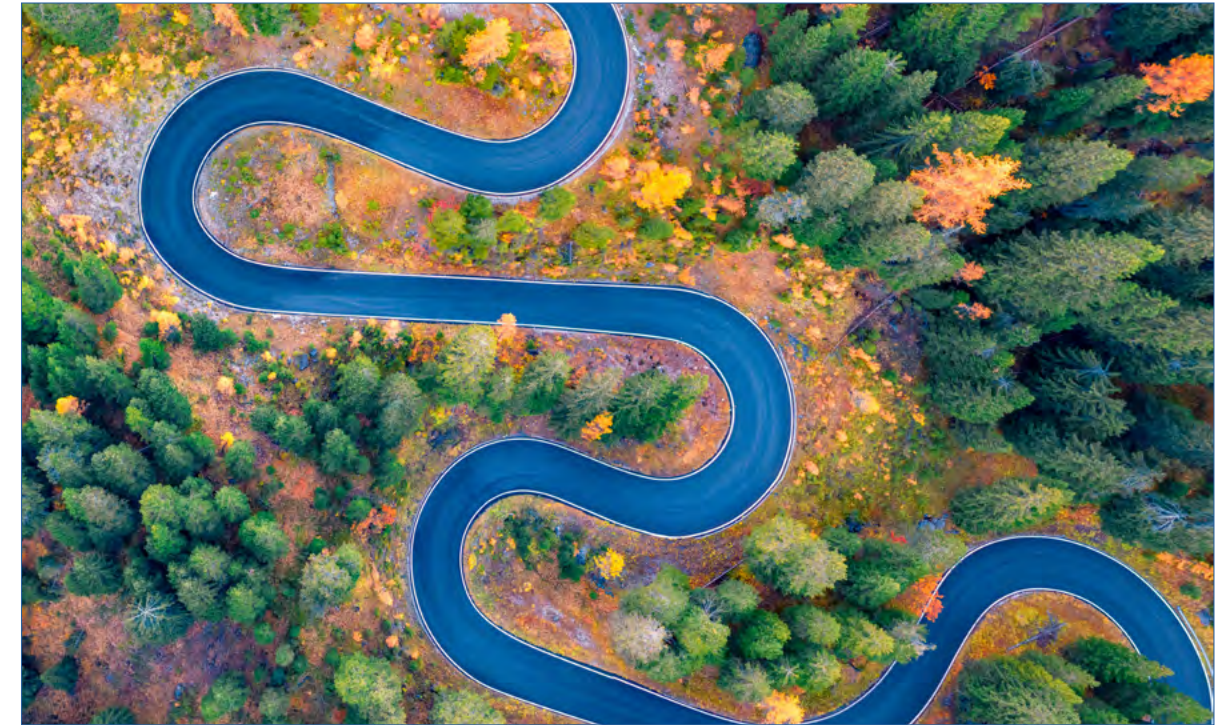
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01

2022 IN NUMBERS



MANAGED PORTFOLIO

P\$14,921

AUTHORIZED LINES OF CREDIT

P\$16,701

SHAREHOLDERS EQUITY

P\$5,838

INTEREST INCOME

P\$1,506

ROE

16.12%

VEHICLES FINANCED

2,013

OPERATING INCOME

P\$1,125

ROA

6.30%

CLIENTS

612

Notes:
All figures in millions of pesos unless otherwise indicated.
Figures based on audited financial statements.

02

LETTER FROM THE EXECUTIVE CHAIRMAN

OF THE BOARD

DEAR INVESTORS,

With this annual report, I am pleased to communicate the company's financial and operating results for the year 2022, as well as our **progress toward the 2022-2025 strategic plan**. This strategic plan lays the foundations for a future based on a sustainable, profitable business model, in which we help our clients reduce the carbon footprint of their own operations. Another important part of our strategy is strengthening the culture and leadership of our organization around the company's vision and values.

The company obtained very good financial and operating results in 2022. We closed the year with net income of 889 million pesos, a 6.12% return on assets **—the**

best indicator in the last 10 years— and an RoE of 16%. Our leverage, capital adequacy and portfolio quality metrics have all strengthened since the pandemic.

We also made significant progress in our plan to prepare for the future. With the **program of process digitalization**, we made new services available to our clients on the company's website, strengthening our self-service model. We introduced online loan applications and gave clients the option of digitally signing documents for signing and drawing on their credit. With all of this, we have improved response times, saving money and improving productivity for the company as well as our



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clients. We also focused on developing talent and acquiring technology, making rapid inroads in data analysis for the automation of business processes and decisions.

We were able to strengthen our funding structure during the year. We received a long-term rating of MxAAA and a short-term rating of mxF1+ from Fitch Ratings. Thanks to the confidence of the investing public, we succeeded in placing 2 billion pesos on the market at long term under a dual unsecured bond program. At the same time, we consolidated our long-term credit lines with commercial banks. This enables us to keep our debt payments at a level commensurate with our income.

Working together with our business partners, Nacional Financiera and Bancomex, we maintained our commitment to the health of the domestic economy, specifically by helping modernize automotive transport and supporting the export industry through financing to micro, small and mid-sized companies. Today, we have more than 9 billion pesos in available lines to support a rising flow of credit for automotive transport.

We know that the automotive transport industry that we serve has opportunities for improvement in terms of carbon emissions. It is vitally important to offset these emissions through concrete, high impact projects. To this end, we began to **design a sustainability program (ESG)** for the company, which will be announced in 2023. In the meantime, we developed financing and leasing

plans to support an upgrade of the vehicular fleet with International® trucks and buses built with cutting-edge technology in diesel engines and electric vehicles. We also launched the new International® S13 Integrated Powertrain truck engine, which reduces diesel consumption by around 15%, and the mid-sized eMV series truck, the first 100% electric truck produced in Mexico.

We could not have achieved any of this, nor can we pursue the future we see for ourselves, without a **solid organizational culture and leadership**. We are committed to the development and talent of our people, and to giving them opportunities for growth. We maintain an ongoing program of work environment improvement and skill building, in which the corporate Navistar University program plays a very important role. I'm also pleased to announce that for the 15th year in a row, we earned recognition from the Top Companies program as **one of the best places to work in Mexico**.

I'd like to end this letter with a sincere thanks to our employees, who give their all day in and day out to achieve our goals. Without them, these exceptional results would not have been possible. I am also grateful to our distributors, who play an important role in promoting and selling our products in various sectors of the economy; to our commercial partners in private banking and the development banks, who play a crucial role in the company's financial performance; and to you, the investing public, for the trust you have placed in us year after year.

JOSÉ ALFREDO CHACÓN PÉREZ
CEO and Chairman of the Board of Directors
Navistar Financial S.A de C.V. SOFOM, E.R

Notes:
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COMPARISON

OF KEY INDICATORS

2021 - 2022

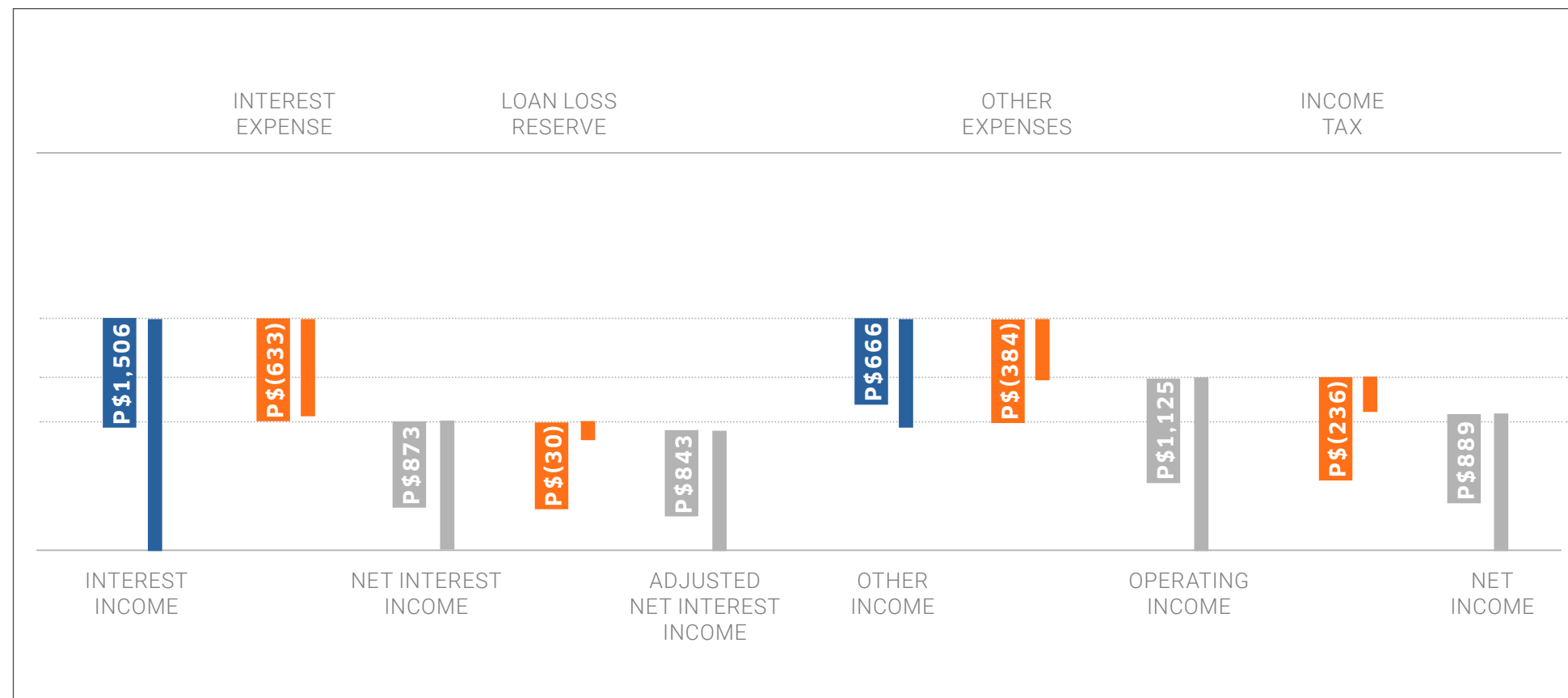
KEY FINANCIAL INFORMATION	2022	2021	CHANGE IN PESOS	CHANGE IN %
MANAGED PORTFOLIO	P\$14,921	P\$13,168	P\$1,753	13%
INTEREST INCOME	P\$1,506	P\$1,352	P\$154	11%
OPERATING INCOME	P\$1,125	P\$640	P\$485	76%
AUTHORIZED CREDIT LINES	P\$16,701	P\$13,321	P\$3,380	25%
SHAREHOLDERS EQUITY	P\$5,838	P\$5,263		11%
ROE	16.12%	8.92%		81%
ROA	6.30%	3.02%		109%

Notes:
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Figures based on audited financial statements.



INCOME STATEMENT

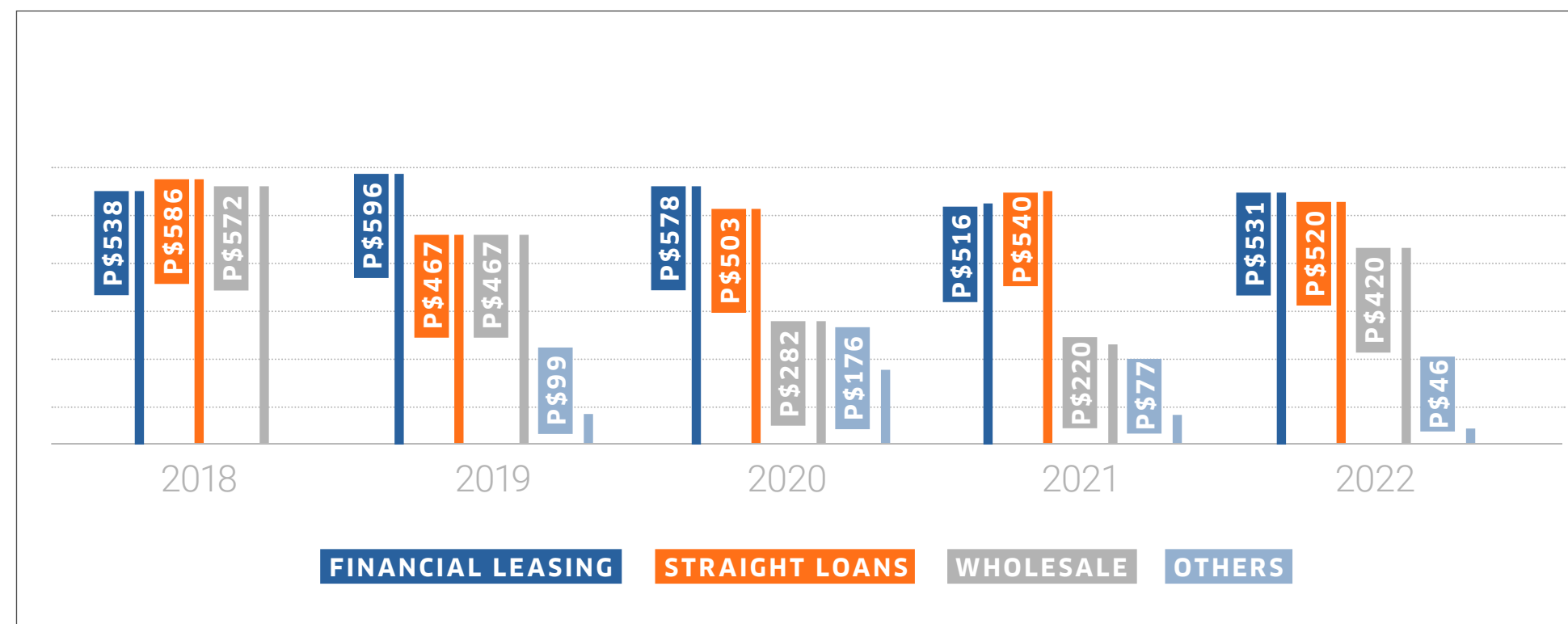
ANALYSIS OF MAIN LINES



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INTEREST INCOME

- At the close of 2022, interest income was equivalent to P\$2,172, which include P\$1,506 in income from interest payments, P\$218 from commissions and fees earned, P\$2 from market related income, P\$284 from income relating to net operating leases and P\$162 from other total operating income.
- In 2022, the company's revenues recovered significantly over the preceding year. This growth was primarily the result of an increase in wholesale lending, which rose by 86% over 2021.
- A clear trend change took place between 2021 and 2022, one example of which was that we began placing fleet financing for corporate clients, which opens a high-potential market to our company.



INTEREST EXPENSE

- Interest expense totaled P\$633, equivalent to 29% of revenues.

NET INTEREST INCOME

- In 2022, net interest income totaled \$873,502 million pesos, compared to \$875,207 million in 2021,

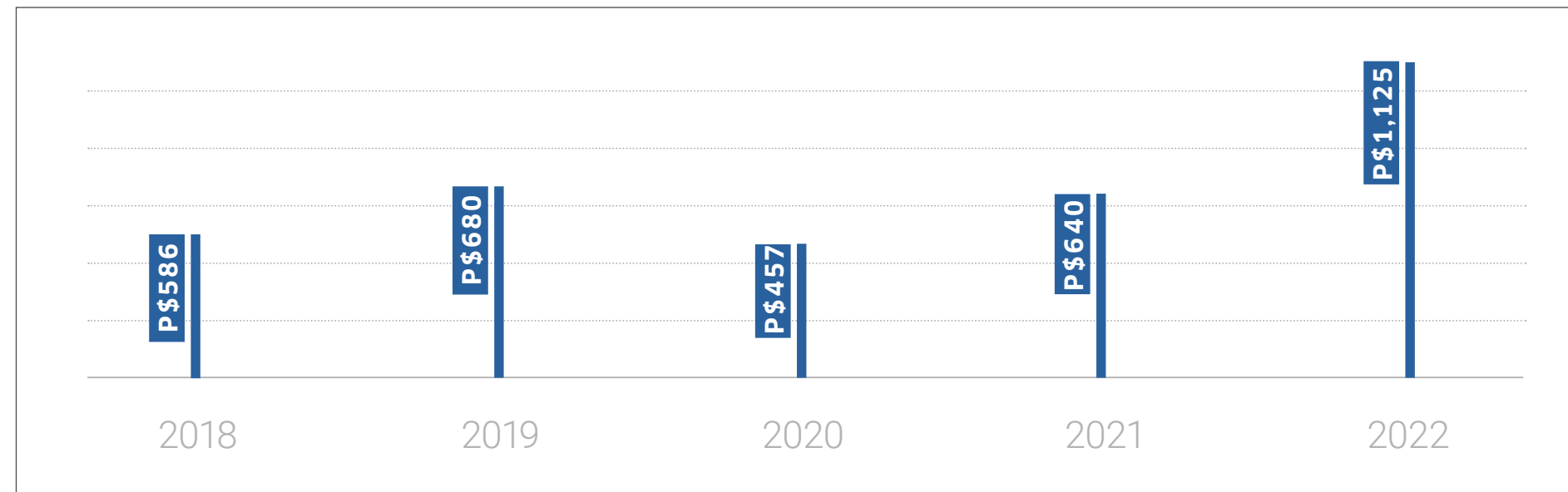
basically stable on a year-to-year basis. Because the central bank's monetary policy resulted in a series of hikes in the base funding rate (the TIIE) during the year, our funding cost actually increased by 27% compared to the preceding year; so it is remarkable that our net interest income was not affected in the same proportion.



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Figures based on audited financial statements.

PRETAX INCOME

- Navistar Financial Mexico had a stellar year in 2022, reporting record-high pretax profits. This continuing positive trend reflects a swift and uninterrupted recovery of our operations from the economic problems caused by the pandemic and our resilience during the crisis currently underway in the global economy.



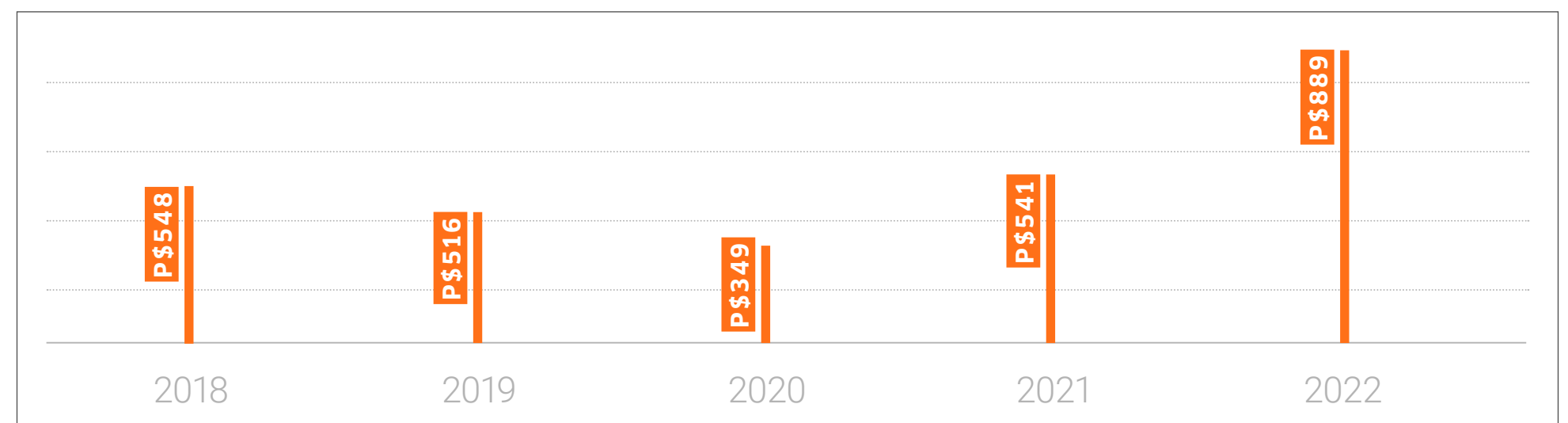
INCOME TAXES

- Our income tax charge declined again in 2022, ending the year at a net P\$889.



NET INCOME

- At the bottom line, our 2022 profits rose 64% over 2021, and were 2.5 times higher than the 2020 result.



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BALANCE SHEET

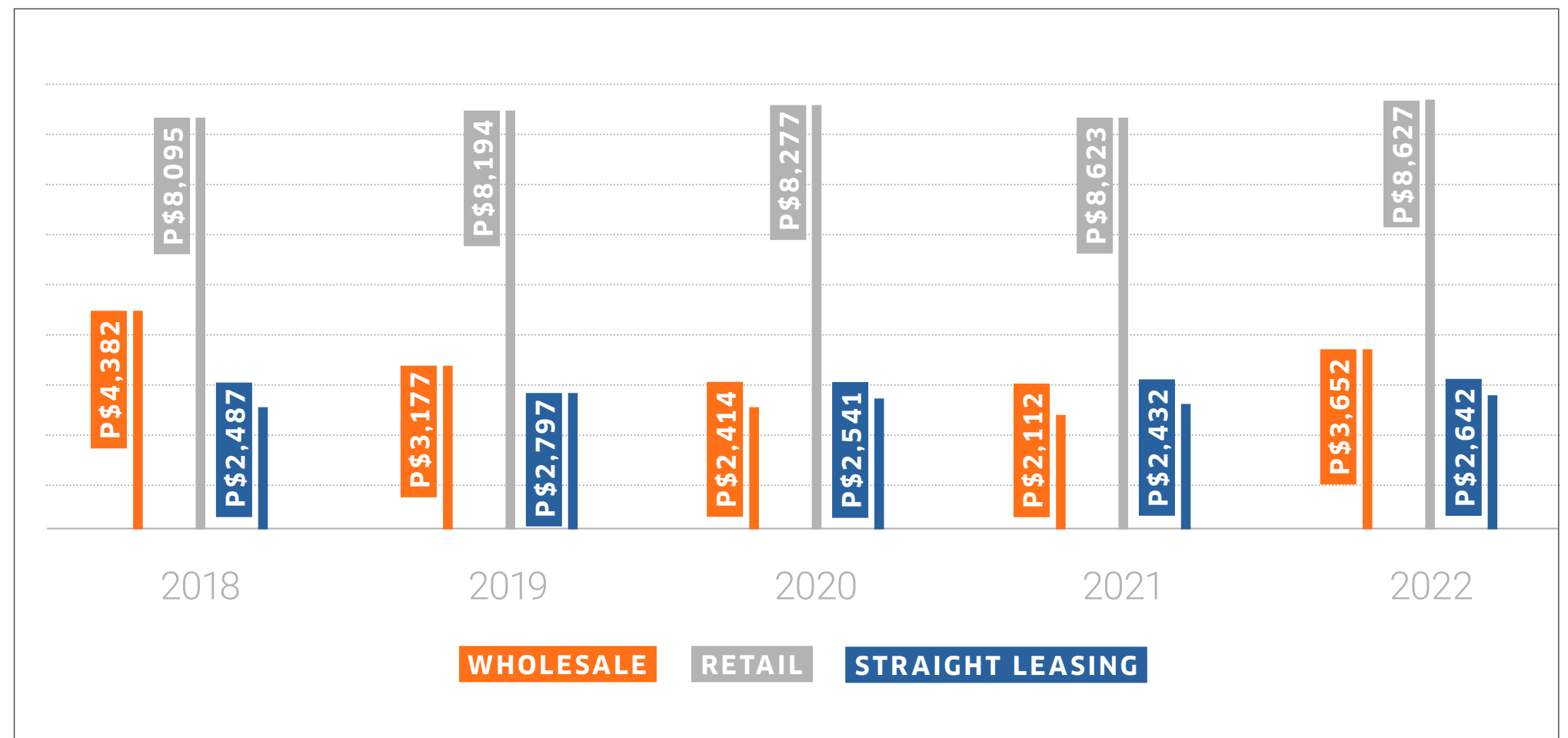
ANALYSIS OF MAIN LINES

ASSETS

The company's assets consist primarily of its portfolio value. The following analysis presents a more detailed picture of our portfolio's health, diversification and strength from 2018 to the close of 2022.

MANAGED PORTFOLIO

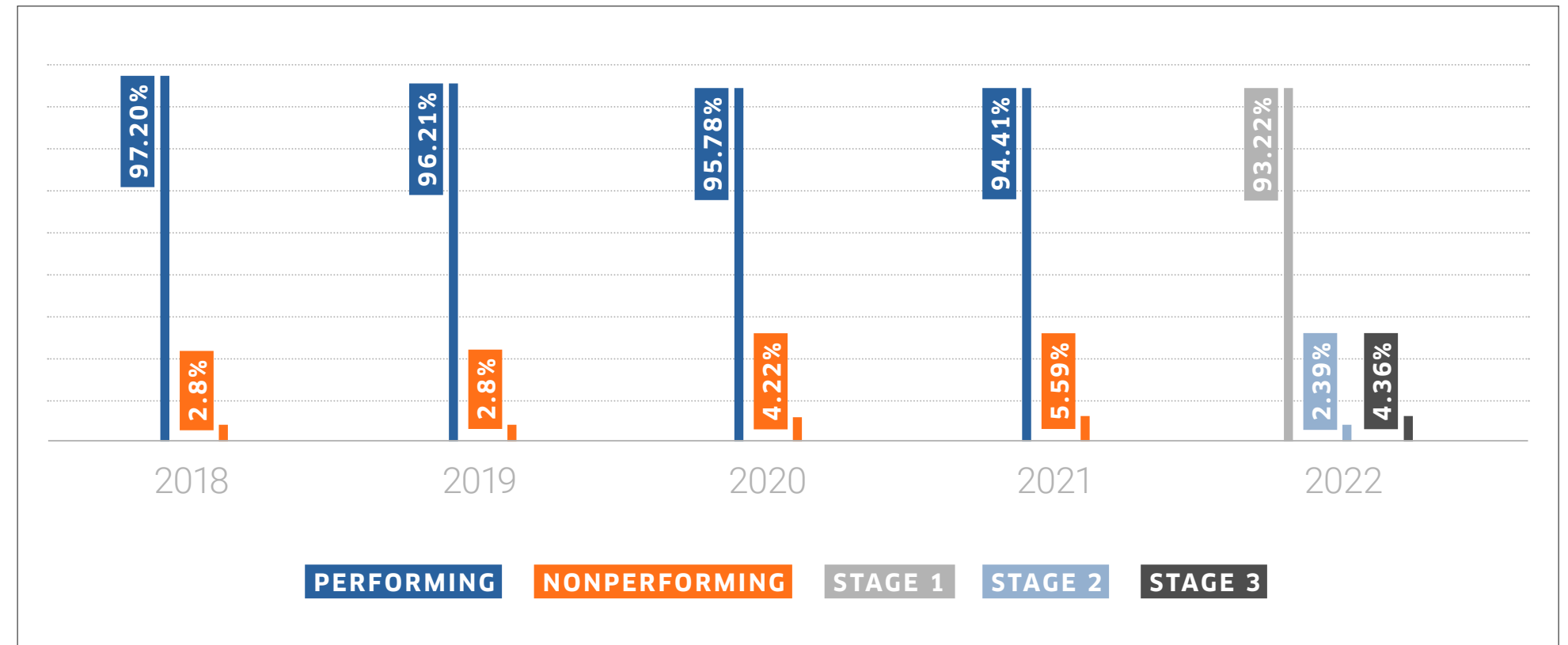
- At the close of 2022, our managed portfolio grew to levels higher than in the pre-pandemic period, despite the shortage of semiconductors and the war between Ukraine and Russia, which have affected many industries, not the least of which was the transportation industry. A substantial part of our portfolio growth can be attributed to a strong recovery in sales in the wholesale distributors' network.



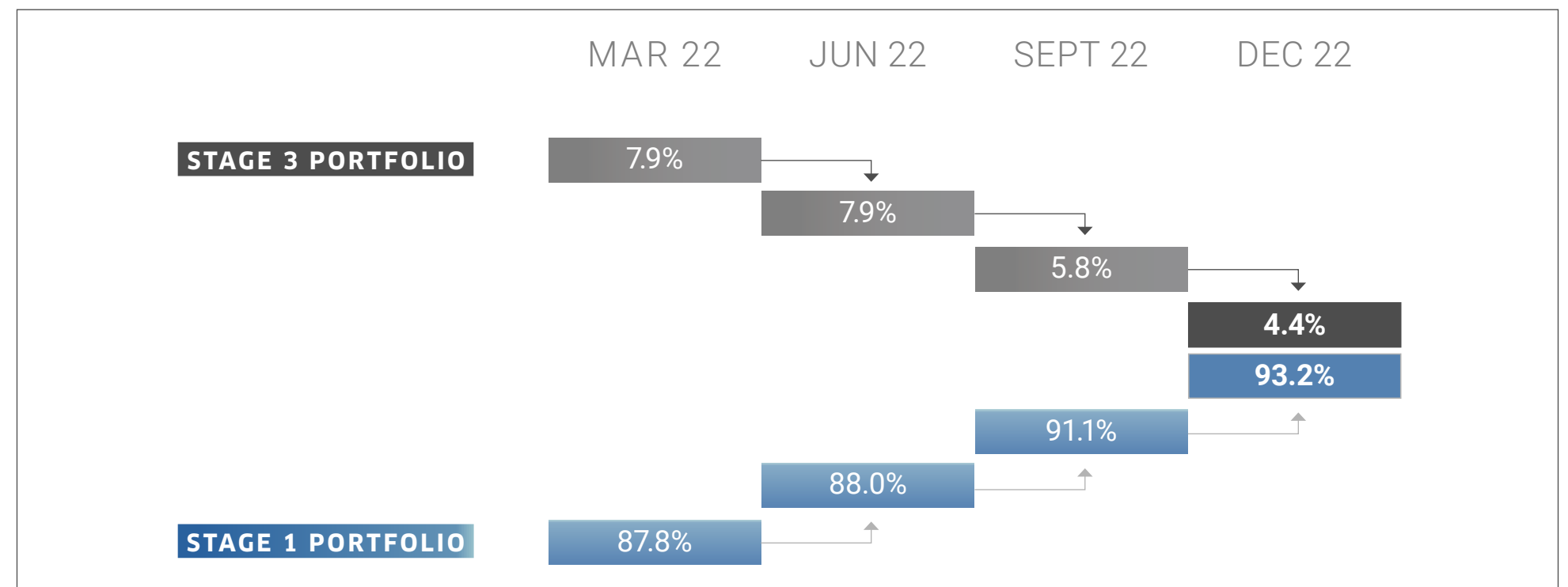
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PORTFOLIO BY RISK LEVEL (IFRS 9)

- Starting in January 2022, new accounting standards took effect for the Mexican financial system, consistent with International Financial Reporting Standards (IFRS), including changes in the financial statements and main indicators to align with IFRS 9 rules. In order to incorporate best international practices in our methodology for efficiently managing credit risk, we adopted the classification of our loan portfolio into Stage 1, 2, and 3 risk levels, and incorporated a new model of expected losses for each stage. With this, we can more reliably calculate the impairment of financial instruments.



- In 2022, Navistar Financial Mexico strengthened its stage 1 portfolio, which grew from 87.8% to 93.3% of the total, reflected in turn in a reduction of the stage 3 portion of the portfolio to 4.4% at the close of December 2022.



Notes:
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Figures based on audited financial statements.



- 6 TAMAULIPAS
- 7 GUANAJUATO
- 8 JALISCO
- 9 SAN LUIS POTOSÍ
- 10 QUERÉTARO

PORTFOLIO BY STATE

- Our managed portfolio includes loans in 32 states of Mexico, the largest of which in terms of portfolio concentration are Mexico State, with 19.70%, Nuevo Leon, with 13.82%, Mexico City with 8.67%, Michoacan with 5.95%, and Coahuila, 5.80%.

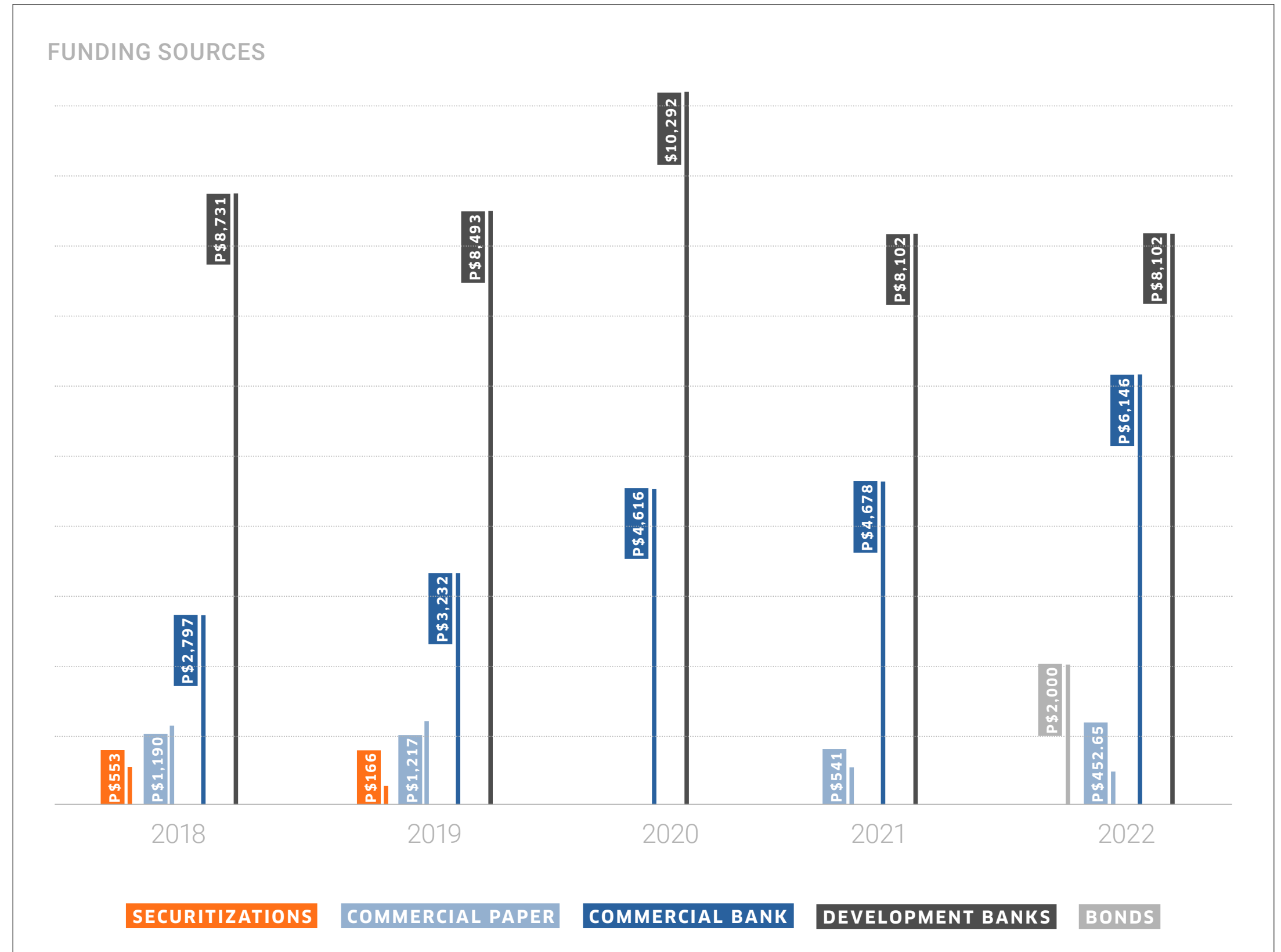
- 1 MEXICO STATE **19.70%**
- 2 NUEVO LEÓN **13.82%**
- 3 MEXICO CITY **8.67%**
- 4 MICHOACÁN **5.95%**
- 5 COAHUILA **5.80%**

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LIABILITIES

FUNDING SOURCES

- As with our assets, the main component of the company's liabilities is the debt used to fund our portfolio. The following graph shows how this debt breaks down.
- In 2022, Navistar Financial Mexico achieved a historic milestone, placing a dual short- and long-term program of unsecured debt totaling P\$8,000, of which we have already drawn P\$2,000. This program will support the company's growth and help it achieve its goals and strategy.



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RATINGS

The following are the ratings Navistar Financial Mexico has received, which make it possible for us to access highly competitive rates and lines of credit.

S&P Global Ratings

<p>Long-term rating mxAA+</p> <p>Short-term rating mxA-1+</p>
<p>Asset administrator rating Above average</p> <p>02</p>
<ul style="list-style-type: none"> • Navistar Financial Mexico will continue to serve as an important vehicle for the development of the Traton SE group's strategy in Mexico and in the region. • NFM's loan portfolio is projected to return to pre pandemic levels in the next 18 months. <p>01</p>

VERUM

<p>Long-term rating AAA / M</p> <p>Short-term rating 1+ / M</p>
<ul style="list-style-type: none"> • NFM has shown consistently positive financial performance, with orderly growth, along with an equity capital base that has grown stronger in recent periods. <p>03</p>



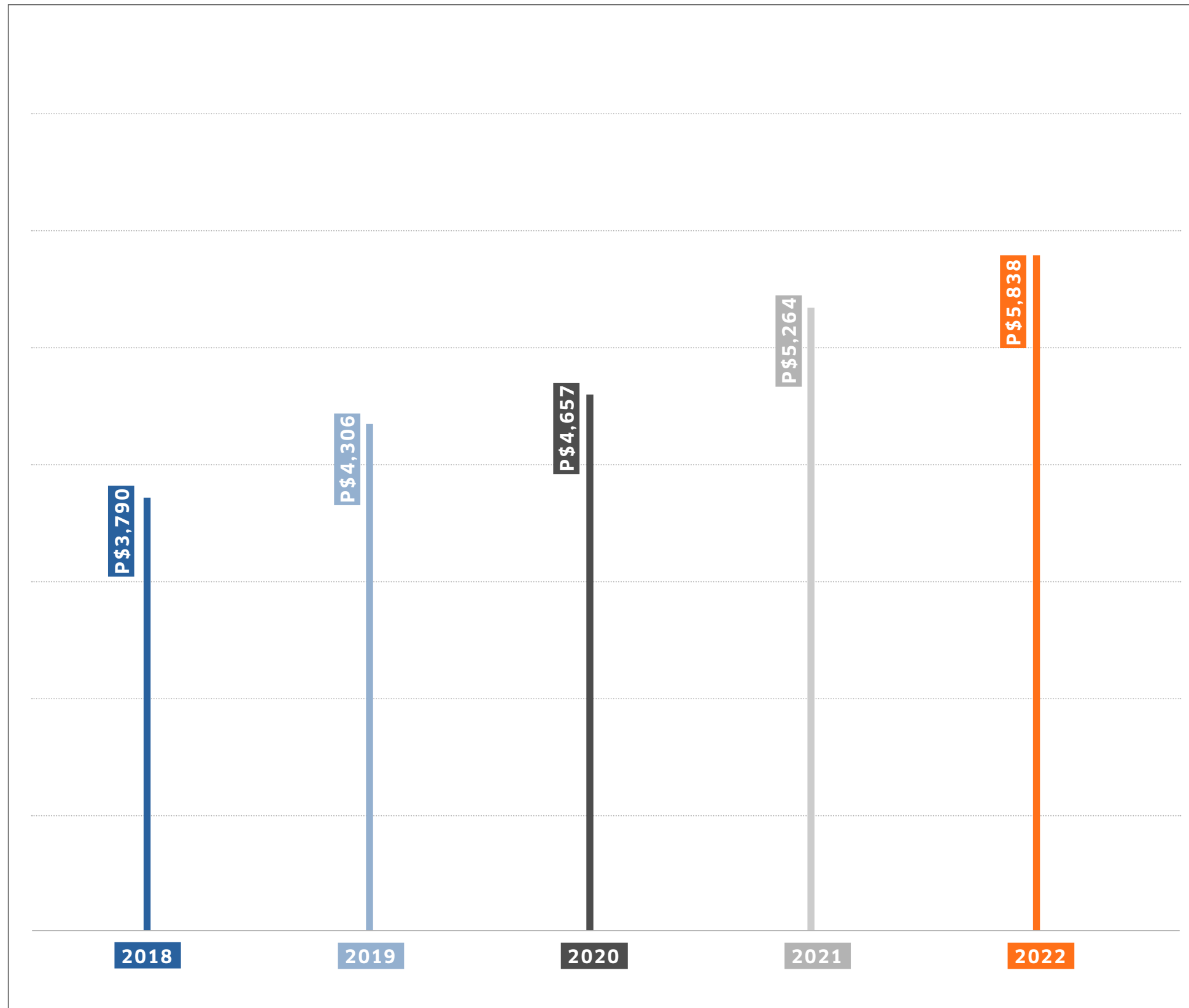
<p>Long-term rating HR AAA</p> <p>Short-term rating HR + 1</p>
<ul style="list-style-type: none"> • NFM has a strong solvency position, supported by steady growth in its net income. • In ESG criteria, NFM has environmental factors in Average range, and social factors in the Superior range. <p>04</p>

FitchRatings

<p>Long-term rating mxAAA</p> <p>Short-term rating mxF1+</p>
<ul style="list-style-type: none"> • Fitch assigns high importance to the company's operating synergies and integration of administrative processes with its parent company. • NFM plays a key strategic role for Triton, driving growth in the region. <p>05</p>

- 01** S&P Global Rating (November 2022) Press release.
- 02** S&P Global Rating (August 2021) Press release.
- 03** PCR Verum (September 2022) Press release.
- 04** HR Ratings (December 2022) Navistar Financial S.A. de C.V., SOFOM, E.R.
- 05** Fitch Ratings (December 2022) Rating report.

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CAPITAL

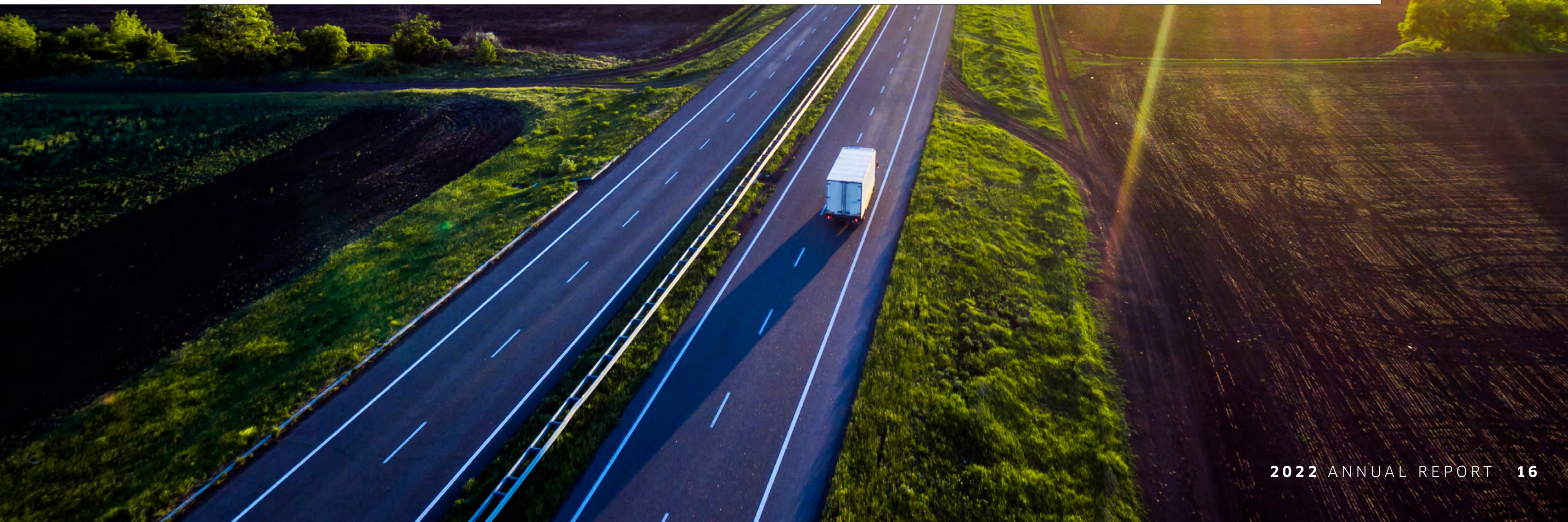
Compared to 2021, variable capital grew by 11%, continuing the positive trend seen in recent years. This growth can be largely attributed to the decision we made 24 years ago when we began operations, to reinvest our profits, a strategy that has borne substantial fruit: at the close of 2022, our capital adequacy ratio was 47.55%.

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 Figures based on audited financial statements.

06

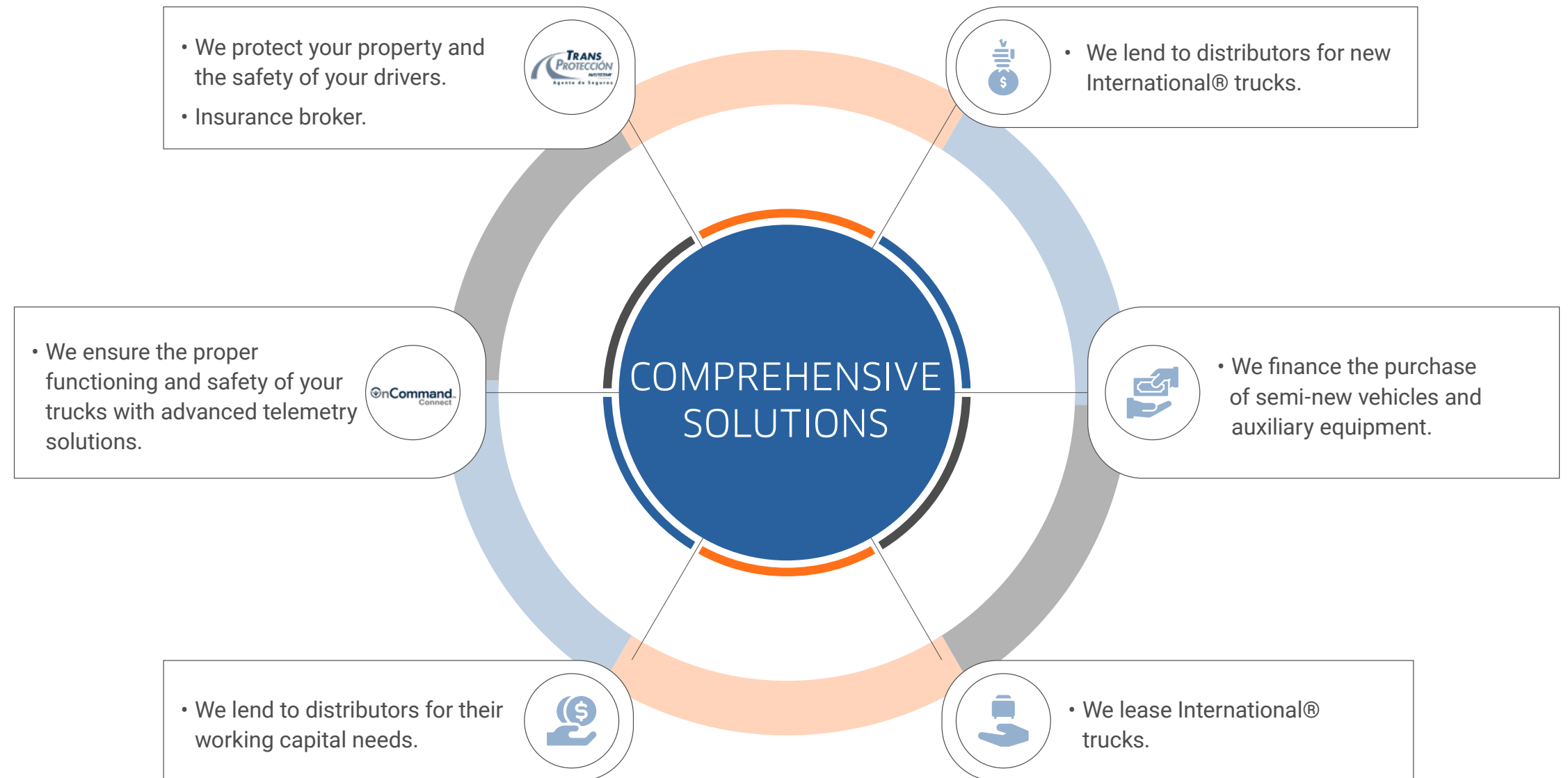
WE ARE NAVISTAR

With more than 24 years of history in Mexico, Navistar Financial, S.A. de C.V. SOFOM E.R., offers credit and financial leasing for the purchase or leasing of International® trucks, used trucks and tractor trucks of any brand, Fleetrite® spare parts and auxiliary equipment, all through our network of distributors. Navistar Financial Mexico is part of Grupo Traton, a world leader in transportation services and trucks. We have short- and long-term debt certificates listed on the Mexican Stock Exchange under the ticker symbol NAVISTS.



OUR OFFERING

We have developed a comprehensive portfolio of services to fill the market need for loans, leasing, working capital loans and floor plan financing for the Navistar distributors' network, as well as fleet protection through our insurance broker Transprotección® and telemetry services.



RETAIL

FINANCIAL LEASING

Under this arrangement, the lessee acquires the temporary use, with option to purchase, of a vehicle in exchange for a monthly rent payment that goes to the acquisition value of the vehicle. Interest payments are 100% deductible for both income tax and value-added tax purposes.

P\$4,458
FINANCIAL LEASING

STRAIGHT LOANS

After a specific percentage of the value of the vehicle has been paid, and original invoice is issued in the user's name. Monthly interest payments are 100% income tax deductible and exempt from value-added tax. Furthermore, at the start of the financing period, 100% of this tax is credited.

P\$4,169
STRAIGHT LOANS

STRAIGHT LEASING

In a straight leasing arrangement, the user is entitled to the use of a vehicle in exchange for payment of monthly rent, which is deductible for income tax purposes, according to the monthly rental invoice. The value-added tax generated on the rental is creditable, and at the end of the contract, the user is given the option to purchase or return the unit.

P\$2,642
STRAIGHT LEASING (SIMPLE LOAN)



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WHOLESALE



Navistar Financial Mexico distributors have access to financing lines in both pesos and dollars for the acquisition of International® trucks, used trucks and tractor trucks, auxiliary equipment and Fleetrite® spare parts, in addition to working capital financing.

INSURANCE



TRANSPROTECCIÓN®

An insurance agency specialized in the automotive transport industry, which provides an accident prevention program. This product differentiates us from the competition, because we are one of the few players that offer this comprehensive service to their clients.

HISTORY



Incorporation and start of operations of Servicios Financieros Navistar.

1998

2000

Services expanded to Monterrey and Guadalajara.



The industry's first call center in Mexico opens.

Relationship with Nacional Financiera SNC begins.

First credit line with Export Development Canada.

2002

2005

First securitization in the Mexican debt market.



First commercial paper program issued.

2006

2007

Change of name to reflect status as a limited purpose financial firm (SOFOM), to operate thenceforth as Navistar Financial®, S.A. de C.V., SOFOM, E.N.R.

Merger of Navistar Financial and Arrendadora Financiera Navistar, to unify the service portfolio.



Portfolio securitization placed on the international market.

2008

2010



Incorporation of our insurance broker, Transprotección®



First line of credit from Bancomext and EXIMBANK.

2013



2015

Change of legal regime to establish the company as a regulated entity.

2016

Strategic alliance between Grupo Traton and Navistar International Corporation. Traton acquired 16% of Navistar shares.

2021

TRATON GROUP

Grupo Traton acquires 100% of the shares of Navistar International corporation.

S&P rating raised to mxAA+ from mxBBB- and to mxA-1+ from mxA-3.



07

2022

HIGHLIGHTS

We began digitalizing our services, beginning with the transactional website, to offer clients immediate service from anywhere.

Approval of a dual (short- and long-term) unsecured debt program for up to 8 billion pesos.

Fitch Ratings assigned Navistar long- and short-term ratings of mxAAA | mxF1+.

At the brand level, we launched the International® S13 Integrated Powertrain engine and began production of the first 100% electric International® eMV™ series truck at the Escobedo plant.

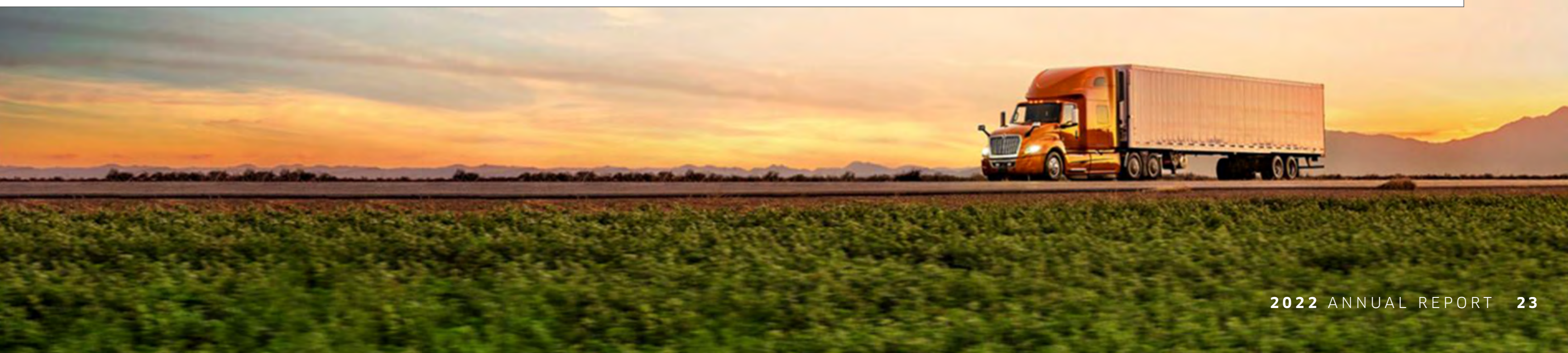
We began applying IFRS 9 standard, resulting in significant changes in our classification of financial instruments.



In 2022, Navistar Financial Mexico began a large-scale project that will place our company at the forefront of the industry in environmental, social and governance best practices and actions. To do so, we created an ESG committee, in charge of monitoring, supervising and measuring the actions that will be taken in these areas.

Navistar Financial Mexico is working on a materiality study to identify the topics that are the highest priority concerns for our company and our stakeholders. The study will be very helpful in defining the strategy and concrete actions that we will take to measure, and consequently to improve, our performance in these three fundamental areas, making Navistar Financial Mexico a

cutting-edge firm in ESG matters. Not content to merely study our material issues, Navistar Financial Mexico is already taking ambitious action in each of these areas, as the following pages describe.



ENVIRONMENTAL



At the brand level, we **launched the International® S13** Integrated Powertrain.



We began production of the **first 100% electric International® eMV™ series truck** at the Escobedo plant.

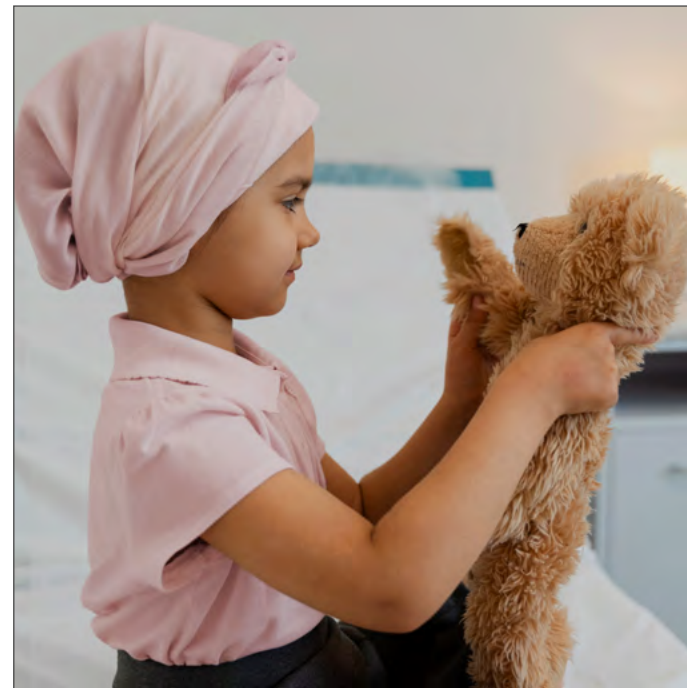


We participated in a **reforestation project** in cooperation with the National Forestry Commission, planting 86 new pine trees and clearing weeds from 76 growing pine trees.

SOCIAL



To support equity and inclusion, we held our first **“Woman’s Day”** event.



We began **collecting plastic caps for donation to Banco de Tapitas A.C.**, which raises money for various programs that support children and youth under 21 years of age who have been diagnosed with cancer.



In 2022, we joined forces with **FUCAM A.C.***, to work together in designing a support strategy that will be revealed in 2023.



Through our **“Caminito a la escuela”** (Walking to school) program, led by the Serendipia Foundation, we donated **45 backpacks with school supplies for children from the Huasteca Potosina region.**

*Fundación de Cáncer de Mama (breast cancer foundation).

G GOVERNANCE



Navistar Financial Mexico has a robust system of corporate governance, **consistent with the National Banking and Securities Commission Code of Best Corporate Practices**, through which we commit to transparency and information disclosure to investors and other stakeholders.



As established in the company's bylaws, **the Board of Directors is the highest governance body and is responsible for directing the company based on established policies, guidelines and priorities, in order to pursue its institutional goals.** Our Board is supported in its duties by various committees. These committees analyze specific matters and issue recommendations for achieving our goals.



BOARD OF DIRECTORS

The highest governance body of a company. Its mission is to chart a long-term course for the company and ensure its sustainability.

COMMUNICATION AND CONTROL COMMITTEE

Addresses issues relating to money-laundering prevention.

CREDIT COMMITTEE

The body responsible for reviewing and evaluating proposals sent by credit analysts, to define the final conditions of each transaction, based on its opinion.

PENSION PLAN COMMITTEE

Reviews the return on the company's pension plan, along with its performance, and new initiatives and economic prospects.

RISK COMMITTEE

Responsible for establishing policies and metrics to comprehensively manage the risks to which the company is exposed. Also reports to the board on risk management guidelines and policies, risk exposure limits and mechanisms for taking corrective action.

MANAGEMENT COMMITTEE

In charge of developing and applying action plans to meet the targets and goals set by the board of directors.

COMPENSATION COMMITTEE

Decides on goals and methodologies for establishing the compensation plan and deciding on raises and benefits applicable to company employees.



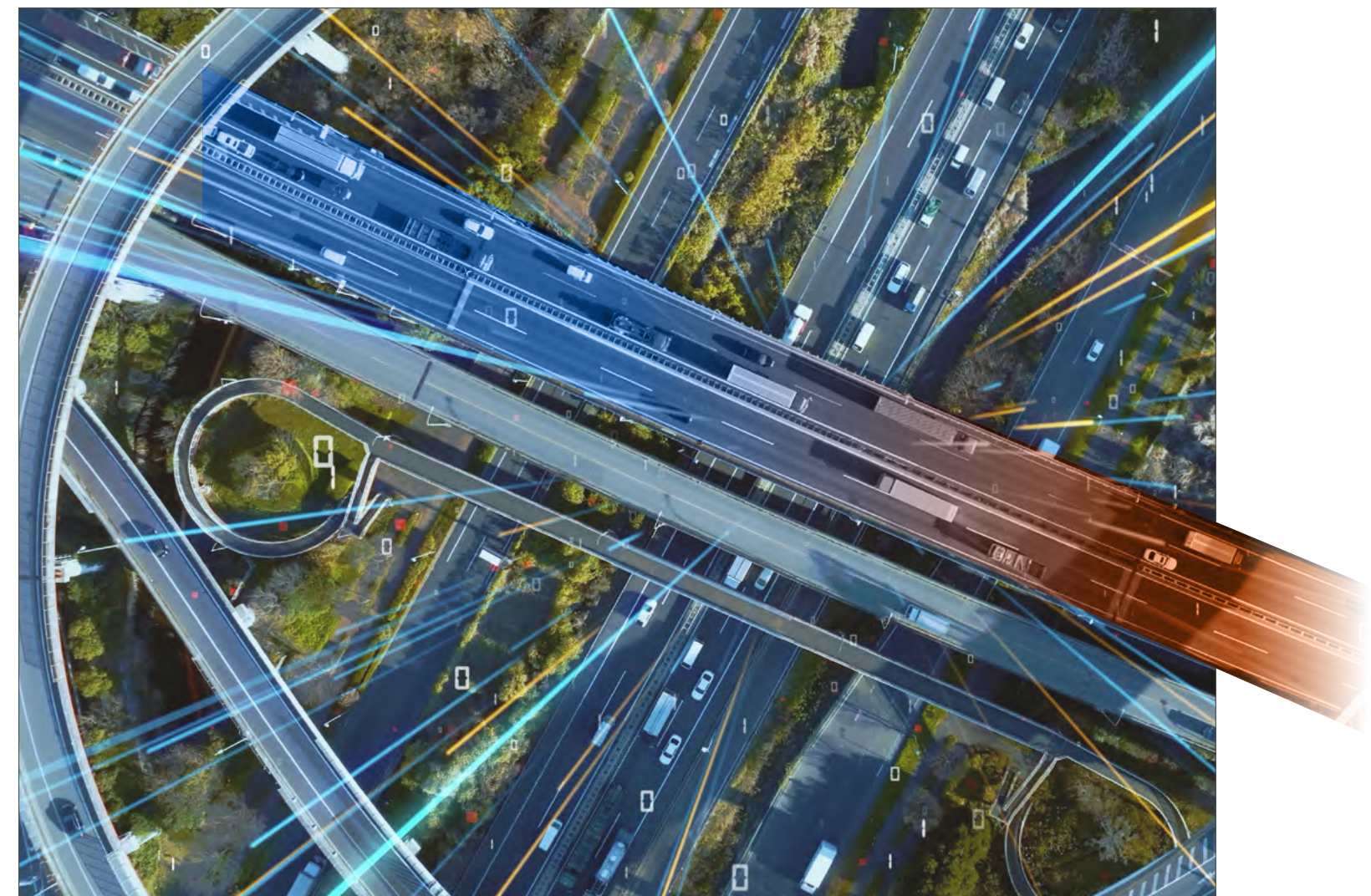
APPLICATION OF IFRS 9

As of January 2022, new accounting criteria took effect for the Mexican financial system, consistent with International Financial Reporting standards (IFRS), which included changes in financial statements and key indicators. Accordingly, the financial information published for the year 2022 is not entirely comparable with the information from the year 2021, or previous fiscal years. The new regulation was published in the Official Gazette of the Federation on December 4, 2020, and included a transitory article (second) establishing that for practical purposes, credit institutions may recognize the accumulated effect of accounting changes, pursuant to the abovementioned transitory article, on the date of entry into effect, in other words, January 1, 2022; and, also for practical purposes, credit institutions and/or other regulated entities subject to regulation on the application of the modified accounting criteria may recognize the accumulated effect of the accounting changes as of the date of initial application, in other words, January 1, 2022. Furthermore, basic (consolidated) quarterly and annual financial statements that are required of institutions in accordance with the Provisions corresponding to the period ended December 31st 2022, may not present comparisons with the individual quarters of the 2021 fiscal year or for the full year ended December 31st, 2021.

INCOME STATEMENT

AS OF DECEMBER 31, 2022

INCOME STATEMENT	2022
INTEREST INCOME	1,506
INTEREST EXPENSE	(633)
LOAN LOSS RESERVE	(30)
ADJUSTED NET INTEREST INCOME	843
COMMISSIONS, RESULTS, OTHER INCOME AND EXPENSE	282
EARNINGS BEFORE INCOME TAX	1,125
INCOME TAX	(236)
NET INCOME	889



Notes:
All figures in millions of pesos unless otherwise indicated.
Figures based on audited financial statements.

BALANCE SHEET

AS OF DECEMBER 31, 2022

ASSETS	2022
CASH AND EQUIVALENTS ^[1]	272
TOTAL LOAN PORTFOLIO	12,279
LOAN LOSS RESERVE	(598)
DEFERRED ENTRIES	(81)
LOAN PORTFOLIO (NET) ^[2]	11,600
EQUIPMENT FOR OPERATING LEASE	2,642
OTHER ASSETS ^[3]	418
TOTAL ASSETS	14,932

LIABILITIES	2022
SECURITIES LIABILITIES	2,477
LOANS FROM BANKS AND OTHER ORGANIZATIONS	5,203
OTHER ACCOUNTS PAYABLE ^[4]	1,390
DEFERRED CREDITS AND ADVANCED COLLECTIONS	24
TOTAL LIABILITIES	9,094
SHAREHOLDERS EQUITY	2022
TOTAL SHAREHOLDERS EQUITY	5,838
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	14,932

Notes:
All figures in millions of pesos unless otherwise indicated.
Figures based on audited financial statements.

Investor information

NAVISTAR FINANCIAL® ,

S.A. DE C.V., SOFOM, E.R.

Bolsa Mexicana de Valores
Ticker symbol: NAVISTS

CORPORATE HEADQUARTERS

Av. Ejército Nacional 904 Piso 11,
Palmas Polanco Miguel Hidalgo
C.P. 11560 México City

INVESTOR RELATIONS

Diego Valadez: diego.valadez@navistar.com

<http://www.navistar-financial.com>

ANNEX A

AUDITED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2022

WITH THE INDEPENDENT AUDIT REPORT