

**Mercedes-Benz Finance North  
America LLC**

**Interim Report as of and for the six months ended June 30, 2022**

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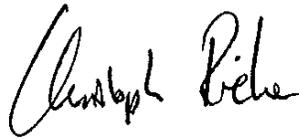
# Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements of Mercedes-Benz Finance North America LLC provide a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Company's management report provides a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Farmington Hills, MI (USA), August 26, 2022



Ramasami Muthaiyah  
*Chief Executive Officer*



Christoph Rieker  
*Chief Financial Officer*

# Interim Management Report

## General

Mercedes-Benz Finance North America LLC (“MBFNA” or the “Company”) is a wholly-owned subsidiary of Mercedes-Benz North America Corporation (“MBNAC”), which is a wholly-owned subsidiary of Mercedes-Benz Capital Nederland B.V. (“MBCN”), which is in turn a wholly-owned subsidiary of Mercedes-Benz Group AG (“MBGAG”).

On October 1, 2021, the Extraordinary General Meeting approved the renaming of Daimler AG as Mercedes-Benz Group AG effective January 29, 2022. The commercial register entry took place on February 1, 2022. Also effective February 1, 2022, Daimler International Nederland B.V. changed its name to Mercedes-Benz Capital Nederland B.V.

On April 22, 2022, written consent was signed to change the name of Daimler Finance North America LLC to Mercedes-Benz Finance North America LLC effective July 1, 2022. The Certificate of Amendment was filed with the State of Delaware on May 3, 2022. Also effective July 1, 2022, Daimler North America Corporation changed its name to Mercedes-Benz North America Corporation.

MBFNA accesses U.S. and foreign capital markets to raise funds, which it lends to MBNAC through a consolidated funding and cash management system. As such, it has relationships with other subsidiaries of MBGAG. MBGAG issued full and unconditional guarantees for MBFNA’s obligations incurred under its outstanding notes and bonds program and commercial paper program. MBFNA and MBNAC entered into an intercompany loan agreement which is intended to mirror MBFNA’s external borrowings such that interest expense with third parties is offset by corresponding interest income from MBNAC.

The nature of the Mercedes-Benz Group operations in the US includes the distribution of passenger cars purchased from MBGAG under the brand name Mercedes-Benz. Mercedes-Benz Group also has financial services operations that principally provide automotive financing to its dealers and their customers, including retail and lease financing for cars, dealer inventory and other financing needs.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including:

- an adverse development of global economic conditions, in particular a decline of demand and investment activity in the United States;
- a deterioration of our funding possibilities on the credit and financial markets, which could result in an increase in borrowing costs or limit our funding flexibility;
- changes in currency exchange rates and interest rates;
- changes in laws, regulations and government policies that may affect the Company or any of its sister companies; and
- the business outlook of the Company’s sister companies in the United States, which may affect the funding requirements of these companies in the automotive and financial services businesses.

The following discussion should be read in conjunction with the MBFNA’s financial statements as of and for the six months ended June 30, 2021 and December 31, 2021, which were prepared using International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

**Mercedes-Benz Finance North America LLC – Interim report as of and for the six months ended June 30, 2022**  
(all amounts in thousands of U.S. dollars)

The percentages in the following discussion were computed using exact dollar amounts and numbers. Some of those percentages may, therefore, not reflect the ratio between the rounded amounts presented below.

**Earnings**

*Interest Income*

Interest income was \$258,849 for the six months ended June 30, 2022 compared to \$381,916 for the six months ended June 30, 2021. The decrease is mainly caused by lower average related party receivables.

*Interest Expense*

Interest expense was \$258,849 the six months ended June 30, 2022, compared to \$381,916 the six months ended June 30, 2021. The decrease mainly caused by lower notes and bonds outstanding during the first half of 2022.

*Guarantee Fees*

Guarantee fees charged by MBGAG were \$9,930 for the six months ended June 30, 2022, compared to \$16,090 for the six months ended June 30, 2021. This was caused by the Company's outstanding balances of external borrowings which were lower in 2022 compared to 2021.

*Administrative Expenses*

Administrative expenses were \$1,342 for the six months ended June 30, 2022 as compared to \$1,608 for the six months ended June 30, 2021.

*Reimbursement of Expenses from MBNAC*

MBFNA and MBNAC are parties to an agreement where MBNAC reimburses MBFNA for any and all expenses incurred in connection with the administration of MBFNA's notes and bonds program and commercial paper program. The reimbursement of net expenses from MBNAC amounted to \$11,271 in the first six months of 2022 and \$17,694 for six months ended in June 2021.

*Net income*

Net income was \$0 for the six months ended June 30, 2022 and the six months ended June 30, 2021.

**Financial Position**

Total assets were \$15,385,889 at June 30, 2022 compared to \$19,915,790 at December 31, 2021, a decrease of \$4,529,901 or 23%, primarily due to repayments from related parties in the first six months of 2022.

Total liabilities were \$15,385,889 at June 30, 2022 compared to \$19,915,790 at December 31, 2021, a decrease of \$4,529,901 or 23%, due to notes and bonds repayments of \$4,500,000 with no issuances in the first half of 2022.

**Liquidity and Capital Resources**

In the ordinary course of business, the Company issues notes and bonds in the US and foreign capital markets and lends the proceeds to MBNAC. In the first six months of 2022, no new notes and bonds were issued, while there were \$2,988,750 of new notes and bonds issuances during the first six months of 2021. The Company had neither cash nor cash equivalents as of June 30, 2022 and December 31, 2021.

**Risk Report**

Many factors could directly and indirectly, through the close affiliation with MBGAG's affiliated companies, affect the Company's business, financial condition, and cash flows. The results of operations would not be affected due to the existing reimbursement agreements with MBNAC. The principal risks are described in MBFNA's annual report 2021, which was submitted to the Luxembourg Stock Exchange on April 27, 2022.

**Outlook**

Management expects net income and equity to be zero in 2022. This expectation is based on the continuation of the Company's business model.

## Statement of Comprehensive Income (Unaudited)

	Note	Six months ended June 30,	
		2022	2021
Interest income – related parties		258,849	381,916
Interest expense – third parties		(258,849)	(381,916)
Guarantee fees – MBGAG	2	(9,930)	(16,090)
<b>Net interest expense</b>		<b>(9,930)</b>	<b>(16,090)</b>
Other financial income (expense), net	3	1	4
Administrative expenses	2	(1,342)	(1,608)
Reimbursement of expenses from MBNAC	2	11,271	17,694
<b>Net income</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>

The accompanying notes on pages 11 to 15 are an integral part of these unaudited interim financial statements.

## Statement of Financial Position (Unaudited)

		June 30,	December 31,
	Note	2022	2021
<b>Assets</b>			
Receivables from related parties	2	11,032,531	13,947,625
<b>Total non-current assets</b>		<b>11,032,531</b>	<b>13,947,625</b>
Receivables from related parties	2	4,182,172	5,762,972
Accrued interest income from MBNAC	2	171,186	205,193
<b>Total current assets</b>		<b>4,353,358</b>	<b>5,968,165</b>
<b>Total assets</b>		<b>15,385,889</b>	<b>19,915,790</b>
<b>Equity and liabilities</b>			
<b>Total equity</b>		-	-
Notes and bonds payable	4	11,032,531	13,947,625
<b>Total non-current liabilities</b>		<b>11,032,531</b>	<b>13,947,625</b>
Payables to related parties	2	9,962	14,393
Other provisions		-	-
Notes and bonds payable	4	4,172,210	5,748,579
Accrued interest expense		171,186	205,193
<b>Total current liabilities</b>		<b>4,353,358</b>	<b>5,968,165</b>
<b>Total liabilities</b>		<b>15,385,889</b>	<b>19,915,790</b>
<b>Total equity and liabilities</b>		<b>15,385,889</b>	<b>19,915,790</b>

The accompanying notes on pages 11 to 15 are an integral part of these unaudited interim financial statements.

## Statement of Changes in Equity (Unaudited)

	<b>Member's Investment</b>	<b>Retained Earnings</b>	<b>Other Reserves</b>	<b>Total Equity</b>
<b>Balance at January 1, 2021</b>	-	-	-	-
Net income	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-
Transactions with members directly recognized in equity	-	-	-	-
<b>Balance at June 30, 2021</b>	-	-	-	-
<b>Balance at January 1, 2022</b>	-	-	-	-
Net income	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-
Transactions with members directly recognized in equity	-	-	-	-
<b>Balance at June 30, 2022</b>	-	-	-	-

The accompanying notes on pages 11 to 15 are an integral part of these unaudited interim financial statements.

## Statement of Cash Flows (Unaudited)

	Note	Six months ended June 30,	
		2022	2021
Net income		-	-
Adjustments for			
FX (gains)/losses	3	(1)	(4)
Non-cash interest expense		8,537	12,695
Changes in			
Receivables from related parties	2	4,495,895	2,550,349
Payables to related parties	2	(4,431)	(1,685)
Other provisions		-	(105)
<b>Net cash provided by/(used for) operating activities</b>		<b>4,500,000</b>	<b>2,561,250</b>
<b>Net cash provided by/(used for) by investing activities</b>		<b>-</b>	<b>-</b>
Issuances of notes and bonds payable	4	-	2,988,750
Issuances of commercial paper	5	-	-
Repayments of notes and bonds payable	4	(4,500,000)	(5,550,000)
Repayments of commercial paper	5	-	-
<b>Net cash provided by/(used for) financing activities</b>		<b>(4,500,000)</b>	<b>(2,561,250)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>-</b>	<b>-</b>

The accompanying notes on pages 11 to 15 are an integral part of these unaudited interim financial statements.

# Notes to the Unaudited Interim Financial Statements

## 1. Presentation of the Interim Financial Statements

These unaudited interim financial statements of Mercedes-Benz Finance North America LLC (“MBFNA” or the “Company”) have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”.

MBFNA is a limited liability company organized under the laws of Delaware. The Company is a wholly-owned subsidiary of Mercedes-Benz North America Corporation (“MBNAC”), which is a wholly-owned subsidiary of Mercedes-Benz Capital Nederland B.V. (“MBCN”), which is in turn a wholly-owned subsidiary of Mercedes-Benz Group AG (“MBGAG”). Its registered office is located at 1209 Orange Street, Wilmington, Delaware 19801, USA.

On July 30, 2021, the Board of Management Daimler AG, with the approval of the Supervisory Board, decided on the spin-off of substantial parts of the Daimler Trucks & Buses segment, including the related financial services business (Daimler commercial vehicles business). The majority of the shareholders of Daimler AG approved the spin-off agreement at the Extraordinary General Meeting on October 1, 2021.

With the completion of the spin-off upon entry into the Commercial Register on December 9, 2021, the shareholders of Daimler AG received 65% of the shares in the newly founded Daimler Truck Holding AG. Since December 10, 2021, Daimler Truck AG has been listed on the stock exchange as the parent company of the independent Daimler Truck Group.

The spin-off did not have a direct impact on DFNA operations.

Also, the Extraordinary General Meeting approved the renaming of Daimler AG as Mercedes-Benz Group AG effective January 29, 2022. The commercial register entry took place on February 1, 2022. Also effective February 1, 2022, Daimler International Nederland B.V. changed its name to Mercedes-Benz Capital Nederland B.V.

On April 22, 2022, written consent was signed to change the name of Daimler Finance North America LLC to Mercedes-Benz Finance North America LLC effective July 1, 2022. The Certificate of Amendment was filed with the State of Delaware on May 3, 2022. Also effective July 1, 2022, Daimler North America Corporation changed its name to Mercedes-Benz North America Corporation.

These interim financial statements are presented in U.S. dollars (“\$”), which is the Company’s functional currency. Unless otherwise stated all amounts are presented in thousands of U.S. dollars.

In the opinion of the management, the interim financial statements reflect all adjustments (i.e. normal recurring adjustments) necessary for a fair presentation of the results of operations and the financial position of MBFNA. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period or the full fiscal year. The interim financial statements should be read in conjunction with the December 31, 2021 audited IFRS financial statements and notes which were submitted to the Luxembourg Stock Exchange on April 27, 2022. The accounting policies applied by MBFNA in these interim financial statements are the same as those applied in the audited IFRS financial statements as of and for the year ended December 31, 2021.

Preparation of interim financial statements in conformity with IFRS requires management to make estimates, assessments and assumptions which can affect the amounts and reporting of assets and liabilities, the reporting of contingent assets and liabilities on the balance sheet date and the amounts of income and expense reported for the period. Actual amounts can differ from those estimates. Changes in estimates, assessments and assumptions can have a material impact on the financial statements.

## 2. Transactions with related parties

The following table sets forth amounts receivable from related parties:

	June 30, 2022	December 31, 2021
Mercedes-Benz North America Corporation	15,214,703	19,710,045
Mercedes-Benz North America Corporation - accrued interest	171,186	205,193
Mercedes-Benz North America Finance Corporation (MBNAF)	-	552
<b>Total</b>	<b>15,385,889</b>	<b>19,915,790</b>

The following table sets forth amounts payable to related parties:

	June 30, 2022	December 31, 2021
Mercedes-Benz Group AG	6,902	14,393
Mercedes-Benz North America Finance Corporation (MBNAF)	3,060	-
<b>Total</b>	<b>9,962</b>	<b>14,393</b>

MBFNA is charged fees for the full and unconditional guarantees on its outstanding notes and bonds and commercial paper programs by MBGAG. These fees are calculated as a set percentage of the outstanding notes and bonds and commercial paper at the end of each month for any given year. These guarantee fees were \$9,930 and \$16,090 for the six months ended June 30, 2022 and June 30, 2021, respectively.

MBFNA is charged for administrative overhead expenses by MBNAC. These expenses were \$1,328 and \$1,460 for the six months ended June 30, 2022 and June 30, 2021, respectively, and are included in administrative expenses in the statement of comprehensive income.

MBFNA and MBNAC are also parties to agreements pursuant to which MBNAC reimburses MBFNA for any and all expenses incurred in connection with the administration of MBFNA's notes and bonds and commercial paper programs. These reimbursements are recognized in income – Reimbursement of expenses from MBNAC.

The receivable for reimbursement of expense from MBNAC amounted to \$9,962 as of June 30, 2022 and \$13,842 as of December 31, 2021.

There are no related party transactions with key management personnel as defined in IAS 24.

## 3. Other financial income (expense), net

Other financial income (expense), net is comprised of the following:

	Six months ended June 30,	
	2022	2021
Result of foreign exchange transactions - gains (losses)	1	4
<b>Total</b>	<b>1</b>	<b>4</b>

**4. Notes and bonds payable**

MBFNA's obligations under the notes and bonds program are fully and unconditionally guaranteed by its ultimate parent company, MBGAG. Contemporaneously, MBFNA and MBNAC entered into an agreement according to which MBNAC reimburses MBFNA for any and all fees incurred by MBFNA in the course of the administration of the program.

During the first six months of 2022, \$4,500,000 of notes and bonds payable matured. During the first six months of 2021, \$5,550,000 of notes and bonds payable matured. No new notes and bonds payable were issued in the first six months of 2022.

**5. Commercial paper**

In February 2011, MBFNA entered into a \$3,000,000 private placement of commercial paper. There was no commercial paper outstanding as of June 30, 2022 and June 30, 2021. MBFNA's obligations under the commercial paper program are fully and unconditionally guaranteed by its ultimate parent company, MBGAG.

## 6. Financial instruments

### Carrying amounts and fair values of financial instruments

The following table shows the carrying amounts and fair values of the Company's financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Given the varying influencing factors, the reported fair values can only be viewed as indicators of the prices that may actually be achieved on the market. The fair values of financial instruments were calculated on the basis of market information available on the reporting date.

	June 30, 2022		December 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortized cost				
Receivables from related parties	15,214,703	15,194,726	19,710,597	20,993,128
Accrued interest income from MBNAC	171,186	171,186	205,193	205,193
Total financial assets at amortized cost	15,385,889	15,365,912	19,915,790	21,198,321
<b>Total financial assets</b>	<b>15,385,889</b>	<b>15,365,912</b>	<b>19,915,790</b>	<b>21,198,321</b>
Financial liabilities at amortized cost				
Notes and bonds payable	15,204,741	15,184,764	19,696,204	20,978,735
Payables to related parties	9,962	9,962	14,393	14,393
Accrued interest expense	171,186	171,186	205,193	205,193
Total financial liabilities carried at amortized cost	15,385,889	15,365,912	19,915,790	21,198,321
<b>Total financial liabilities</b>	<b>15,385,889</b>	<b>15,365,912</b>	<b>19,915,790</b>	<b>21,198,321</b>

**Mercedes-Benz Finance North America LLC – Interim report as of and for the six months ended June 30, 2022**  
(all amounts in thousands of U.S. dollars)

Financial assets and liabilities not measured at fair value are classified into the following fair value hierarchy:

	June 30, 2022				December 31, 2021			
	Total	Level 1 <sup>1</sup>	Level 2 <sup>2</sup>	Level 3 <sup>3</sup>	Total	Level 1 <sup>1</sup>	Level 2 <sup>2</sup>	Level 3 <sup>3</sup>
Financial assets at amortized cost	<b>15,365,912</b>	-	15,365,912	-	<b>21,198,321</b>	-	21,198,321	-
Financial liabilities carried at amortized cost	<b>15,365,912</b>	14,896,267	469,645	-	<b>21,198,321</b>	20,575,675	622,646	-
thereof notes and bonds	<b>15,184,764</b>	14,896,267	288,497	-	<b>20,978,735</b>	20,575,675	403,060	-
thereof other financial liabilities	<b>181,148</b>	-	181,148	-	<b>219,586</b>	-	219,586	-

<sup>1</sup> Fair value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

<sup>2</sup> Fair value measurement based on inputs for the asset or liability that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

<sup>3</sup> Fair value measurement based on inputs for the asset or liability that are not observable market data.

The fair values of financial instruments were calculated on the basis of market information available at the reporting date using the methods and assumptions presented below. Due to the short nature of accrued interest income, accrued interest expense, and payables to related parties, management assumes that their fair values are equal to the carrying amounts.

### Receivables from related parties

MBFNA holds receivables from MBNAC within a business model whose objective is to collect contractual cash flows. None of these receivables have been derecognized or are impaired, and the Company does not believe that these receivables are at risk of being impaired. The Company believes that the fair value of the receivables from MBNAC approximates the fair value of the external notes and bonds payable at June 30, 2022 and December 31, 2021, as the terms and interest rates of the receivables from MBNAC are intended to mirror MBFNA's external borrowings such that interest expense and debt maturities with third parties are offset by corresponding interest income and loan maturities from MBNAC.

### Notes and bonds payable

When available, the Company uses quoted market prices for its issued notes and bonds and classifies such instruments as Level 1 in the fair value hierarchy. If quoted market prices are not available, the fair value of notes and bonds is determined based on internal models calculating present values of the estimated cash flows and using observable inputs such as interest rates for similar types of instruments. Notes and bonds measured using simple proprietary models based on observable inputs are classified as Level 2 in the fair value hierarchy.

### Other financial liabilities

Because of the short maturities of these financial instruments, the carrying amount approximates fair value.