Annual Report 2024

Mercedes-Benz International Finance B.V.

Contents

ANNUAL MANAGEMENT REPORT

Corporate profile

Mercedes-Benz International Finance B.V., (the “Company”) was incorporated in the Netherlands on April 4, 1986. With effect from January 1, 2023, Mercedes-Benz Group AG as sole shareholder transferred the ownership of the Company to its subsidiary Mercedes-Benz Capital Investments B.V. Since 1 January 2023 the Company is part of the fiscal unity for corporate income tax together with Mercedes-Benz Group companies located in the Netherlands. The purpose of the Company is to assist the financing of business activities conducted by companies of the Mercedes-Benz Group and to provide financial services in connection therewith. The Company’s goal is to mitigate the related market risks, especially interest rate and currency risk, and liquidity risk associated with financial instruments by applying the matched funding principle and by using derivative financial instruments, such as interest rate swaps and foreign exchange swaps.

Given its objectives and strategy, the Company is economically interrelated with the ultimate parent company, Mercedes-Benz Group AG, Germany. In assessing the general risk profile of the Company, the solvency of the Mercedes-Benz Group as a whole needs to be considered. The liquidity is assured by managing and monitoring the liquidity position on the basis of a rolling cash flow forecast. The derived funding requirements are secured by a spectrum of various debt instruments issued on the international money and capital market. The debt securities are guaranteed by Mercedes-Benz Group AG.

The Financial Statements of the Company have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and comply with the International Financial Reporting Standards as issued by the IASB (“IFRS Accounting Standards”) as adopted by the European Union.

At the end of 2024, the Company employed 3 people (2023: 3).

Business development

In the year 2024, the Company’s Financial result of euro 47.1 million (2023: euro 47.5 million) equals the prior-year level. In 2024, the Company received a compensation payment of euro 35 million from its shareholder Mercedes-Benz Capital Investments B.V. (2023: no compensation payments were paid nor received). General administrative expense were in line with last year at euro 1.7 million (2023: euro 1.6 million).
The Income tax expense of euro 26.1 million (2023: euro 29.5 million) decreased primarily due to the lower foreign taxes. Altogether, this results in a Net income of euro 19.4 million (2023: euro 16.3 million).

The Other comprehensive income was comprised of unrealized gains and losses as well as reclassifications from cash flow hedges. In 2024 the Company recorded a negative Other comprehensive income of euro 37.9 million in comparison with a also negative Other comprehensive income of euro 117.5 million in the previous year.

The balance sheet total decreased compared with December 31, 2023 from euro 26,812 million to euro 22,734 million. This decrease of 15.2% in total assets relates to a decline in financing activities for Mercedes-Benz Group companies performed by the Company. Company’s Receivables were partly refinanced by loans from affiliated companies. Respective loan outstanding per yearend declined from euro 4,837 million in the previous year to euro 150 million in 2024.

In 2024, the company issued 10 bonds in a total nominal amount of euro 6 billion.
The Company's equity decreased compared with December 31, 2023 from euro 601 million to euro 582 million. The negative effect in equity relates primarily to a loss in Other comprehensive income of euro 37.9 million.

The net positive cash flow from operating activities in the amount of euro 4,213 million (2023: positive euro 268 million) was largely influenced by the decrease in Receivables from Mercedes-Benz Group companies, while the negative cash flow from financing activities in the amount of euro 4,215 million (2023: euro 265 million) was driven by the related development of Debt Securities and loans from affiliates.

Risk and opportunity report

The Company is primarily exposed to financial risks that are directly and indirectly linked to the business development of the Mercedes-Benz Group and the international financial markets. Non-financial risks could arise from operating risks such as the risk of fraud and compliance risk.

The Company has aligned its risk and opportunity management system with the Mercedes-Benz Group to identify business risks and opportunities at an early stage and to assess, control and manage them consequently. This is integrated into the value-based management and planning system of the Mercedes-Benz Group and is an integral part of the overall planning, management and reporting process in the Company. Standardized rules and procedures are consistently applied in line with the internationally recognized COSO framework for internal control systems. The Company identified no risks which threaten the going concern status or have a materially adverse impact on its liquidity or capital resources as well as financial performance or position.

The financial management aims to minimize the impact of fluctuations in interest rate and currency price on the earnings of the Company by matching amounts and maturities (natural hedges) or using derivative financial instruments based on exposure assessments. The Company manages its liquidity by holding adequate volumes of cash and by applying as far as possible the matched funding principle. In accordance with internal guidelines, this ensures that financial liabilities generally have at least the same maturity profile as the financial assets, and thus reduces the Company's liquidity risk.

The Company's exposure to credit risk is mainly influenced by the Mercedes-Benz Group related default risk, as the Company solely provides loans to Mercedes-Benz Group companies which are managed based on internal limit systems and guaranteed by Mercedes-Benz Group AG. The credit risk from deposits or financial derivatives are steered based on Mercedes-Benz Group's global counterparty limits.

Risk of fraud is mainly identified in the area of management override of control. This risk is addressed by design and implementation of the internal control measures on operational and organisational level which address relevant compliance topics, including fraud prevention.

As part of the Mercedes-Benz organization, the Company has implemented all compliance principles, as set out in binding form in the Group's Integrity Code. This framework contains central corporate principles of behavior that Mercedes-Benz expects all of its employees and business partners to adhere to out of a sense of conviction. Mercedes-Benz's goal is to maintain a common understanding of ethical behavior in order to reduce risks and help ensure the Group's sustained success. This also means acting in accordance with laws and regulations within the daily business activities. Among other things, the guideline includes the compliance with anti-corruption regulations, data protection laws, equal treatment rules, sanctions and the prevention of money laundering.

Outlook

The Company is expected to maintain its current core activities and will actively support all major changes in the treasury operation deemed necessary to ensure the sustainable efficiency and effectiveness of financing capital use within the Mercedes-Benz Group. Hand in hand with the business the number of newly contracted interest rate and foreign exchange derivatives is expected to develop.

Financial result from Company's operating activities is generally expected to evolve in line with its balance sheet development. Persisting market price volatility however might put pressure on Company's financial performance if interest rate increases cannot be passed on in full. Changes in the fair value of derivative financial instruments accounted for in Other comprehensive income due to the application of CF hedge accounting will impact the Equity position of the Company.

This annual report contains forward-looking statements based on current expectations of the management. Various known and unknown risks, uncertainties and other factors could lead to considerable differences between the future results, financial situation development and/or performance and the historical results presented. Undue reliance should not be placed on forward-looking statements which speak only as of the date of this report.

Diversity of Board members

The Board of Management and the Supervisory Board are unbalanced since less than 30% of its members are female. The Board members have been appointed based on qualifications and availability, irrespective of gender. In order to create more balance, the Boards will take these regulations ("Diversiteitswet") into account to the extent possible for future appointments of Board members.

Climate change

Given the nature of the Company the Board of Management believes there is no significant impact on the operations. The Company had no CSRD reporting obligations to observe in the reporting period, but will closely follow the implementation into local legislation in the future.

FINANCIAL STATEMENTS

in euro thousand	Note	2024	2023
Interest income Mercedes-Benz Group companies		**1,894,200**	1,620,710
Interest income third parties		**28,075**	23,828
Interest income	**3**	**1,922,275**	1,644,538
Interest expense Mercedes-Benz Group companies		**-1,392,119**	-1,273,070
Interest expense third parties		**-483,821**	-327,205
Interest expense	**3**	**-1,875,940**	-1,600,275
Net interest income	**3**	**46,335**	44,263
Other financial income and expense	**4**	**769**	3,222
Financial result		**47,104**	47,485
General and administrative expenses	**5**	**-1,656**	-1,649
Income before taxation		**45,448**	45,836
Income taxes	**6**	**-26,087**	-29,520
Net income		**19,361**	16,316

Other comprehensive income/loss			
Derivative financial instruments			
Unrealized gains/losses (pre-tax)		**-65,007**	-245,880
Reclassifications to profit and loss (pre-tax)		**13,884**	87,469
Taxes on unrealized gains/losses and on reclassifications		**13,190**	40,870
Derivative financial instruments (after tax)	**12**	**-37,933**	-117,541
Total comprehensive income/loss		**-18,572**	-101,225

The Total comprehensive income is attributable to the shareholder of the Company.

Assets in euro thousand	Note	**31.12.2024**	31.12.2023
Property, plant and equipment	**7**	**246**	291
Receivables from Mercedes-Benz Group companies	**8**	**8,456,196**	10,449,235
Derivative assets	**19**	**309,879**	239,945
Deferred tax assets	**6**	**7,640**	-
Total non-current assets		**8,773,961**	10,689,471
Receivables from Mercedes-Benz Group companies	**8**	**13,863,717**	15,886,485
Derivative assets	**19**	**92,799**	230,266
Cash and cash equivalents	**9**	**3,869**	5,486
Total current assets		**13,960,385**	16,122,237
Total assets		**22,734,346**	26,811,708

Equity and liabilities in euro thousand	Note	**31.12.2024**	31.12.2023
Issued capital	**10**	**500**	500
Share premium reserve	**11**	**500,000**	500,000
Cash flow hedge reserve	**12**	**-21,815**	16,119
Retained earnings	**13**	**84,087**	67,771
Undistributed income	**14**	**19,361**	16,316
Total equity		**582,133**	600,706
Debt securities	**15**	**14,792,159**	14,824,502
Liabilities due to Mercedes-Benz Group companies	**16**	**50,000**	173,638
Derivative liabilities	**19**	**451,239**	767,866
Deferred tax liabilities	**6**	**-**	5,549
Total non-current liabilities		**15,293,398**	15,771,555
Debt securities	**15**	**6,524,896**	5,558,422
Liabilities due to Mercedes-Benz Group companies	**16**	**120,229**	4,698,087
Derivative liabilities	**19**	**211,818**	179,525
Other liabilities	**17**	**1,872**	3,413
Total current liabilities		**6,858,815**	10,439,447
Total equity and liabilities		**22,734,346**	26,811,708

in euro thousand	Note	2024	2023
Net income/loss		**19,361**	16,316
Adjustments for non-cash items			
Interest income		**-1,922,275**	-1,644,538
Interest expense		**1,875,940**	1,600,275
Other financial income and expense		**-769**	-3,222
Income taxes		**26,087**	29,520
Changes in operating assets and liabilities			
Additions to Receivables from Mercedes-Benz Group companies		**-87,160,408**	-52,341,924
Repayment of Receivables from Mercedes-Benz Group companies		**91,384,963**	52,766,783
Other liabilities		**-1,864**	-2,897
Derivative foreign currency received		**687,006**	960,689
Derivative foreign currency paid		**-659,876**	-1,005,276
Interest received		**1,942,648**	1,485,448
Interest paid		**-1,949,814**	-1,568,660
Tax paid		**-27,647**	-24,108
Cash used for/provided by operating activities		**4,213,352**	268,406
Cash flows from financing activities			
Additions to Debt securities		**5,930,752**	5,071,401
Repayment of Debt securities		**-5,437,936**	-7,488,222
Additions to Liabilities due to Mercedes-Benz Group companies		**43,332,215**	41,963,263
Repayment of Liabilities due to Mercedes-Benz Group companies		**-48,040,000**	-39,811,000
Cash inflow/outflow from financing activities		**-4,214,969**	-264,558
Net increase/decrease in Cash and cash equivalents		**-1,617**	3,848
Cash and cash equivalents at January 1		**5,486**	1,638
Cash and cash equivalents at December 31	**9**	**3,869**	5,486

in euro thousand	Issued capital	Share premium reserve	Cash flow hedge reserve	Retained earnings	Undis-tributed income	**Total equity**
Balance at January 1, 2023	500	500,000	133,660	63,066	4,705	701,931
Net income/loss	-	-	-	-	16,316	16,316
Other comprehensive income/loss after tax	-	-	-117,541	-	-	-117,541
Total comprehensive income/loss	-	-	-117,541	-	16,316	-101,225
Appropriation of results 2022	-	-	-	4,705	-4,705	-
Balance at December 31, 2023	500	500,000	16,119	67,771	16,316	600,706

Balance at January 1, 2024	**500**	**500,000**	**16,119**	**67,771**	**16,316**	**600,706**
Net income/loss	**-**	**-**	**-**	**-**	**19,361**	**19,361**
Other comprehensive income/loss after tax	**-**	**-**	**-37,933**	**-**	**-**	**-37,933**
Total comprehensive income/loss	**-**	**-**	**-37,933**	**-**	**19,361**	**-18,572**
Appropriation of results 2023	**-**	**-**	**-**	**16,316**	**-16,316**	**-**
Balance at December 31, 2024	**500**	**500,000**	**-21,815**	**84,087**	**19,361**	**582,133**

01. Material accounting policies

General information

Mercedes-Benz International Finance B.V. is a private limited company under the laws of the Netherlands. The Company is entered in the Commercial Register of the Chamber of Commerce under No. 30078162 and its registered office is located at Ravenswade 4, Nieuwegein, The Netherlands. The issued share capital is fully owned by the parent company Mercedes-Benz Capital Investments B.V. With effect from January 1, 2023 Mercedes-Benz Group AG as sole shareholder transferred the ownership of the Company to its subsidiary Mercedes-Benz Capital Investments B.V.. The Supervisory Board comprised the three members: Frank Wetter (chairman), Jürgen Vogt and Dr. Stephanie Pfeifer. The purpose of the Company is to assist the financing of business activities conducted by Mercedes-Benz Group companies and to provide financial services in connection therewith. During the year, the Company employed 3 persons in the Netherlands (2023: 3 persons).

The Financial Statements of the Company are presented in euros. Unless otherwise stated, all amounts are reported in thousands of euros. All figures shown are rounded in accordance with standard business rounding principles.

The Board of Management authorized the Financial Statements for issue on April 28, 2025.

Basis of preparation

Applied IFRS
The Financial Statements of the Company have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code and comply with the International Financial Reporting Standards as issued by the IASB' ("IFRS Accounting Standards") as adopted by the European union.

IFRS issued, EU endorsed and initially adopted in the reporting period

New and amended standards adopted by the Company
- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

New standards and interpretations not yet adopted
- Amendments to IAS 21 — Lack of Exchangeability
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements

Comparison with previous year
The applied valuation and determination of results principles have remained unchanged compared to the previous year, except for the applied changes in accounting policies and estimates as included in the respective paragraphs.

Disclosure of changes in accounting policies

As at December 31, 2024, non-derivative financial instruments are reported including the corresponding accrued interest. As a result, accrued interest expenses in particular, which relate to financing liabilities and were previously reported separately under “Interest payables and other liabilities”, will be reported under “Debt securities”. As at December 31, 2023, euro 202 million was reclassified from “Interest payables and other liabilities” to “Debt securities” to improve comparability.

Presentation

Presentation in the Statement of Financial Position differentiates between current and non-current assets and liabilities. Assets and liabilities are classified as current if they are expected to be realized or settled within one year or within a longer and normal operating cycle. Deferred tax assets and liabilities and similar obligations are generally presented as non-current items. The Statement of Income is presented by function.

Measurement

The Financial Statements have been prepared on the historical-cost basis with the exception of certain items such as financial assets measured at fair value through profit or loss, derivative financial instruments and hedged items. The measurement models applied to those exceptions are described below.

Foreign currency translation

Transactions in foreign currency are translated at the relevant foreign exchange rates prevailing at the transaction date to the functional currency EUR. In subsequent periods, assets and liabilities denominated in foreign currency are translated using period-end exchange rates. The gains and losses from this measurement are recognized in profit and loss (note 4).

Accounting policies

The accounting policies applied in the Financial Statements comply with the IFRS required to be applied in the EU as of December 31, 2024.

Financial result

The Financial result comprises the Interest result (note 3), and the Other financial income and expense (note 4).

The Interest result is the difference between Interest income and Interest expense. The Interest income comprises interest income on funds invested. The Interest expense includes interest expense on borrowings. The Interest income and expense are recognized as they accrue in profit or loss, using the effective interest method.

The Other financial income and expense consists of exchange rate differences of assets and liabilities in foreign currency. Foreign currency gains and losses are reported on a net basis.

Income taxes

The Income taxes (note 6) are comprised of current income taxes and deferred taxes.

Current income taxes are calculated based on the local taxable income and local tax rules for the period. In addition, current income taxes presented for the period include adjustments for uncertain tax payments or tax refunds for periods not yet finally assessed, however, excluding interest expenses and interest refunds and penalties on the underpayment of taxes.

Changes in deferred tax assets and liabilities are generally recognized through profit and loss in deferred taxes in the Statement of Income. Taxes on items directly recognized in equity are likewise recognized in equity instead of the Statement of Income.

Deferred tax assets or liabilities are calculated on the basis of temporary differences between the tax basis and the carrying amount of assets and liabilities. Measurement is based on the tax rates expected to be effective in the period in which an asset is recognized or a liability is settled. For this purpose, the tax rates and tax rules are used which have been substantively enacted at the reporting date or are soon to be enacted. The Company recognizes a valuation allowance for deferred tax assets when it is unlikely that a corresponding amount of future taxable profit will be available against which the deductible temporary differences, tax loss carryforwards and tax credits can be utilized.

Property, plant and equipment

The Property, plant and equipment (note 7) are measured at acquisition costs less accumulated depreciation. If necessary, accumulated impairment losses are recognized.

Leasing

Leases include all contracts that transfer the right to use a specified asset for a stated period of time in exchange for consideration, even if the right to use such asset is not explicitly described in the contract. The Company is a lessee of real estate property, namely its office.

The cost of a right-of-use asset comprises the present value of the outstanding lease payments plus any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. In this context, the Company also applies the practical expedient that the payments for non-lease components are generally recognized as lease payments. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term.

Lease liabilities, which are assigned to Liabilities due to Mercedes-Benz Group companies (note 16), are measured initially at the present value of the lease payments. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing (while affecting the Other comprehensive income) the carrying amount to reflect the lease payments made.

According to IFRS 16, the depreciation of right-of-use assets and the lease expenses of leases are recognized within the General administrative expense (note 5). The interest due on the lease liability is a component of interest expense.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized as soon as the Company becomes a party to the contractual provisions of the financial instrument. In the case of purchases or sales of financial assets through the regular market, the Company uses the transaction date as the date of initial recognition or de-recognition.

Upon initial recognition, the financial instruments are measured at fair value. For the purpose of subsequent measurement, the financial instruments are allocated to one of the categories mentioned in IFRS 9 Financial Instruments (financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss). Transaction costs directly attributable to acquisition or issuance are considered by determining the carrying amount if the financial instruments are not measured at fair value through profit or loss.

Financial assets

Financial assets primarily comprise the Receivables from Mercedes-Benz Group companies (note 8) and the Derivative assets (note 19). The classification of financial instruments is based on the business model in which these instruments are held and on their contractual cash flows.

The determination of the business model is made at the portfolio level and is based on past transaction patterns. The assessments of the contractual cash flows are made on an instrument by instrument basis.

Financial assets at amortized cost are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Financial assets at amortized cost are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the principal amount outstanding and which are held with the aim of collecting the contractual cash flows, such as the Receivables from Mercedes-Benz Group companies or the Cash and cash equivalents (business model “hold to collect”). The intergroup cash position is reflected in the Inhouse Bank position with Mercedes-Benz Group AG as the sub-item of the Receivables from Mercedes-Benz Group companies. Cash and cash equivalents consist of cash at bank accounts which are not part of the Global Payment Platform of Mercedes-Benz Group AG. The cash positions correspond with the classification in the Statement of Cash Flows.

Recognition and derecognition, regular way purchases and sales of financial assets are recognized on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all of the risks and rewards of ownership.
After initial recognition, financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method less any loss allowances. Gains and losses are recognized in the Statement of Income when the financial assets at amortized cost are impaired or derecognized. Interest effects on the application of the effective interest method are also recognized in profit or loss as well as effects from foreign currency translation.

Financial assets at fair value through profit or loss are initially recognized at fair value and subsequently measured at fair value. Financial assets at fair value through profit or loss include financial assets with cash flows other than those of principal and interest on the principal amount outstanding. Furthermore, financial assets that are held in a business model other than “hold to collect” or “hold to collect and sell” are included here. In addition, derivatives, which are not classified as hedging instruments in hedge accounting, are included here. Gains or losses on these financial assets are recognized in profit or loss. Financial assets at fair value through profit and loss are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all of the risks and rewards of ownership.

Financial assets at fair value through other comprehensive income are initially recognized at fair value and subsequently measured at fair value. Financial assets at fair value through other comprehensive income are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the principal amount outstanding which are held to collect the contractual cash flows as well as to sell the financial assets, e.g. to achieve a defined liquidity target (business model “hold to collect and sell”). Financial assets at fair value through other comprehensive income are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all of the risks and rewards of ownership.

After initial measurement, financial assets at fair value through other comprehensive income are measured at fair value, with unrealized gains or losses being recognized in the other comprehensive income/loss. Upon disposal of financial assets, the accumulated gains and losses recognized in the other comprehensive income/loss resulting from measurement at fair value are recognized in profit or loss. Interest earned on financial assets at fair value through other comprehensive income is reported as interest income using the effective interest method.

Impairment of financial assets

IFRS 9 introduced the expected credit loss impairment approach to be applied on all financial assets at amortized cost or at fair value through other comprehensive income. Under IFRS 9, the projections of the future are taken into consideration.

The expected credit loss approach uses three stages for allocating impairment losses:

Stage 1: expected credit losses within the next twelve months

Stage 1 includes all contracts with no significant increase in credit risk since initial recognition and usually includes new acquisitions and contracts with fewer than 31 days past due date. The portion of the lifetime expected credit losses resulting from default events possible within the next 12 months is recognized.

Stage 2: expected credit losses over the lifetime – not credit impaired

If a financial asset has a significant increase in credit risk since initial recognition but is not yet credit impaired, it is moved to Stage 2 and measured at lifetime expected credit loss, which is defined as the expected credit loss that results from all possible default events over the expected life of a financial instrument.

Stage 3: expected credit losses over the lifetime – credit impaired

If a financial asset is defined as credit-impaired or in default, it is transferred to Stage 3 and measured at lifetime expected credit loss. Objective evidence for a credit-impaired financial asset includes 91 days past due date and other information about significant financial difficulties of the borrower.

The determination of whether a financial asset has experienced a significant increase in credit risk is based on external and internal information on the credit quality of the financial asset. The Receivables from Mercedes-Benz Group companies are mainly guaranteed by Mercedes-Benz Group AG (note 20).

In general, an impaired financial asset is written off when there is no reasonable expectation of recovery, for example after insolvency proceedings or a court decision of uncollectibility.

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position provided that an enforceable right currently exists to offset the amounts involved, and there is an intention to carry out the offsetting on a net basis or settle a liability when the related asset is sold.

Financial liabilities
Financial liabilities primarily include the Debt securities (note 15), the Liabilities due to Mercedes-Benz Group companies (note 16), the Derivative liabilities (note 19) and Other liabilities (note 17).

Financial liabilities measured at amortized cost are initially recognized at fair value. After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. Financial liabilities measured at amortized cost are derecognized when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Derivatives which are not used as hedging instruments in hedge accounting are classified as held for trading. Gains or losses on liabilities held for trading are recognized in profit or loss. Financial liabilities at fair value through profit or loss are derecognized when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedge accounting
The Company uses derivative financial instruments, such as interest rate and cross currency interest rate swaps or forward agreements, exclusively for hedging financial risks that arise from its operating or financing activities. These are mainly interest rate risks and currency risks.

Derivative financial instruments are measured at fair value upon initial recognition and at each subsequent reporting date. The fair value of listed derivatives is equal to their positive or negative market value. If a market value is not available, fair value is calculated using standard financial valuation models such as discounted cash flow or option pricing models. Derivatives are presented as assets if their fair value is positive and as liabilities if the fair value is negative.

If the requirements for hedge accounting set out in IFRS 9 are met, the Company designates and documents the hedge relationship from the date a derivative contract is entered into as a fair value hedge or a cash flow hedge. In a fair value hedge, the changes in the fair value of a recognized asset or liability or an unrecognized firm commitment are hedged. In a cash flow hedge, the variability of cash flows to be received or paid from expected transactions related to a recognized asset or liability or a highly probable forecast transaction is hedged. The documentation of the hedging relationship includes the objectives and strategy of risk management, the type of hedging relationship, the nature of the risk being hedged, the identification of the eligible hedging instrument and the eligible hedged item, as well as an assessment of the effectiveness requirements comprising the risk mitigating economic relationship, the absence of deteriorating effects from credit risk and the appropriate hedge ratio. Hedging transactions are regularly assessed to determine whether the effectiveness requirements are met while they are designated.

Changes in the fair value of derivative financial instruments that are designated in a hedge relationship are recognized periodically in either profit or loss or other comprehensive income, depending on whether the derivative is designated as a hedge of changes in fair value or cash flows. Changes in the fair value of non-designated derivatives are recognized in profit or loss. For fair value hedges, changes in the fair value of the hedged item attributable to the hedged risk and the derivative are recognized in profit or loss. For cash flow hedges, fair value changes in the effective portion of the hedging instrument are recognized after tax in the Other comprehensive income.

Under IFRS 9, with cash flow hedges, amounts recognized in the Other comprehensive income as effective hedging gains or losses from hedging instruments are removed from the reserves for derivative financial instruments and directly included in the initial cost or carrying amount of the hedged item at initial recognition if a hedged forecast transaction results in the recognition of a non-financial asset or non-financial liability.

For other cash flow hedges, the accumulated hedging gains or losses from hedging instruments are reclassified from the reserves for derivative financial instruments to the Statement of Income when the hedged item affects profit or loss. The ineffective portions of fair value changes are recognized directly in profit or loss.

For derivative instruments designated in a hedge relationship, certain components can be excluded from designation and the changes in these components' fair value are then deferred in other comprehensive income under IFRS 9. This applies for example to the time value of options or cross currency basis spreads.

Hedge relationships are to be discontinued prospectively if a particular hedge relationship ceases to meet the qualifying criteria for hedge accounting under IFRS 9. Instances that require discontinuation of hedge accounting are, among others, loss of the economic relationship between the hedged item and the hedging instrument, disposal or termination of the hedging instrument, or a revision of the documented risk management objective of a particular hedge relationship. Accumulated hedging gains and losses from cash flow hedges are retained and are reclassified from equity as described, when hedged cash flows affect profit and loss, if the hedged future cash flows are still expected to occur. Otherwise, accumulated hedging gains and losses are immediately reclassified to profit or loss.

If derivative financial instruments do not or no longer qualify for hedge accounting because the qualifying criteria for hedge accounting are not or are no longer met, the derivative financial instruments are measured at fair value through profit or loss.

Employee benefits

The pension plan for the Company qualifies as a defined contribution plan. The Company has no obligation to pay supplementary contributions in the event of a shortfall in the pension fund, other than payment of future contributions. Equally the Company has no claim to any surpluses in the pension fund.

Presentation in the Statement of Cash Flows

The cash flow statement is prepared in accordance with the indirect method and distinguishes between cash flows from operating, investing and financing activities. The changes in the

Receivables from Mercedes-Benz Group companies, the Derivative foreign currency received / paid and the Interest received / paid are classified as cash provided by / used for operating activities. The cash flows from the changes in the Debt securities and the Liabilities due to Mercedes-Benz Group companies are presented within cash provided by financing activities.

Calculation of income taxes

The calculation of income taxes is based on the legislation and regulations applicable in various countries. Different interpretations can occur especially in connection with the recognition and measurement of balance sheet items as well as in connection with the tax assessment of expenses and income. For the calculation of deferred tax assets, assumptions have to be made regarding future taxable income and the time of realization of the deferred tax assets. In this context, the Company takes into consideration, among other things, the projected earnings from business operations, the effects on earnings of the reversal of taxable temporary differences, and realizable tax strategies. As future business developments are uncertain and are sometimes beyond the Company's control, the assumptions to be made in connection with accounting for deferred tax assets are connected with a substantial degree of uncertainty. On each balance sheet date, the Company carries out a re-assessment of the recoverability on deferred tax assets on the basis of the planned taxable income in future financial years; if the Company assesses that the probability of future tax advantages being partially or fully unrealized is more than 50%, the deferred tax assets are impaired (note 6).

02. Accounting estimates and management judgments

In the Financial Statements, to a certain degree, estimates and management judgments have to be made 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. The major items affected by such estimates and management judgments are described as follows. Actual amounts may differ from the estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period, in which the estimate is revised and in future periods, on which the revision has an impact.

In the context of fair value measurement for financial instruments, estimates have to be made to determine the fair values of financial assets and liabilities, especially when no quoted prices in active markets are available. In accordance with the established Mercedes-Benz Group framework, the Company uses valuation techniques on the basis of the discounted estimated future cash flows by applying appropriate market interest rates and forward exchange rates (note 19). These are not considered to be significant estimates.

The Company assesses the expected credit losses associated with its financial assets at amortized cost and FVOCI. On making its assessment, the Company has to make assumptions about risk of default and expected loss rates, which requires judgement. The inputs used for risk assessment and for calculation of the loss allowances for financial assets include: (i) credit ratings for external credit rating agencies companies such like Standard and Poor, Moody's and Fitch; (ii) significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Mercedes-Benz Group AG group and changes in the operating results of the borrower; (iii) Public market data, namely on probabilities of default and loss given default expectations; (iv) internal credit risk assessments on the credit profiles of Mercedes-Benz Group AG subsidiaries; and (v) macroeconomic information (such as market interest rates or growth rates). There were no significant changes in the assumptions or methodology applied in the assessment of expected credit losses, compared to prior year.

The Company regularly estimates the creditworthiness of Mercedes-Benz Group companies related to the default risk of Mercedes-Benz Group AG, even though the Receivables from Mercedes-Benz Group companies and Debt securities are both guaranteed by Mercedes-Benz Group AG. In this context, further factors are taken into consideration, including historical loss experience, size and composition of certain portfolios as well as current and forward-looking economic conditions (note 20).

The Company applies judgement in presenting related information together in a manner that it considers to be most relevant to an understanding of its financial performance and position. The outcome of the ECL calculation has not been presented and recorded.

03. Interest income and expense

The composition of Interest result from financial assets and liabilities is shown in the following:

in euro thousand	**2024**	2023
Interest income on financial assets at amortized cost	**562,055**	578,949
Interest income on financial assets included in a hedge relationship	**1,321,625**	1,051,745
Interest income on derivatives not included in a hedge relationship	**38,595**	13,844
Interest income	**1,922,275**	1,644,538
Interest expense on financial liabilities at amortized cost	**-156,303**	-211,172
Interest expense on financial liabilities included in a hedge relationship	**-1,695,099**	-1,306,260
Interest expense on derivatives not included in a hedge relationship	**-24,538**	-82,843
Interest expense	**-1,875,940**	-1,600,275
Interest result	**46,335**	44,263

The Interest result is split between Mercedes-Benz Group companies and third parties:

in euro thousand	**2024**	2023
Interest income Mercedes-Benz Group companies	**1,894,200**	1,620,710
Interest income third parties	**28,075**	23,828
Interest income	**1,922,275**	1,644,538
Interest expense Mercedes-Benz Group companies	**-1,392,119**	-1,273,070
Interest expense third parties	**-483,821**	-327,205
Interest expense	**-1,875,940**	-1,600,275
Interest result	**46,335**	44,263

The Interest income from third parties of euro 28,075 thousand (2023: euro 23,828 thousand) was mainly earned from the derivatives held during the year. The Interest expense from third parties of euro 483,821 thousand (2023: euro 327,205 thousand) comprised the interest expense due to debt securities outstanding during the year.

The Interest result increased to euro 46,335 thousand (2023: euro 44,263 thousand). In 2024, the Company received a compensation payment amounting euro 35,000 thousand from its shareholder (2023: no compensation payment nor received) related to its business model and presented as interest income on financial assets at amortized cost.

04. Other financial income and expense

The Company incurred a minor foreign currency risk on its intergroup cash positions (note 8) which was recognized against the foreign exchange rates applying on the balance sheet date. In 2024, the line item comprised a gain of euro 769 thousand (2023: gain of euro 3,222 thousand) due to exchange rate differences which increased the Financial result.

05. General administrative expenses

in euro thousand	**2024**	2023
Salaries and social security charges	**-442**	-480
Pension costs – defined contribution plan	**-29**	-29
Audit and advisory costs	**-308**	-321
Other general administrative expense	**-877**	-819
General administrative expense	**-1,656**	-1,649

The General administrative expense in total amounted to euro 1,656 thousand in 2024 (2023: euro 1,649 thousand) and consisted of expenses not directly attributable to operating activities, such as personnel expenses, audit and advisory costs, and other general administrative costs.

The personnel expenses comprised salaries and wages in the amount of euro 419 thousand (2023: euro 454 thousand), social contributions in the amount of euro 23 thousand (2023: euro 26 thousand), and pension costs. The number of people employed is shown in the section General Information (note 1). The Remuneration of the members of the Board of Management and the Supervisory Board being active during the periods is shown in note 23.

With reference to section 2:382a (1) and (2) of the Dutch Civil Code, the following audit have been charged by PWC Accountants N.V. (2023: KPMG Accountants N.V.) as the auditor of the Company:

in euro thousand	**2024**	2023
Audit services	**-118**	-153
Advisory services	**-**	-
Tax services	**-**	-

The Other general administrative expense comprised legal charges and advisory costs related to the debt issuance program, housing costs and other administrative costs.

06. Income taxes

The following table shows the components of Income taxes:

in euro thousand	2024	2023
Current tax income/expense	-26,087	-29,520
Deferred tax income/expense	-	-
Income taxes in the Statement of Income	**-26,087**	-29,520

The reconciliation of the effective tax rate is shown below:

in euro thousand		2024		2023
Income before taxation		45,448		45,836
Income taxes using the domestic corporate tax rate (calculation)	25.8%	-11,726	25.8%	1,830
Tax benefit/loss related to other periods		812		-222
Tax loss related to foreign taxes (Withholding tax)		-20,971		-24,376
Deductible foreign taxes		5,798		6,908
Income taxes in the Statement of Income		**-26,087**		-29,520
Effective tax rate		**57.4%**		64.4%

The deferred tax asset of euro 7,640 thousand (2023: deferred tax liabilities of euro 5,549 thousand) mainly consisted of taxes on unrealized gains or losses and on reclassifications of cash flow hedges within the Other comprehensive income charged with a tax rate of 25.8% directly to shareholder's equity.

In 2024, Other liabilities include an amount of 1,042 thousand related to taxation and social security premiums.

07. Property, plant and equipment

Property, plant and equipment as shown in the Statement of Financial Position with a carrying amount of euro 246 thousand (2023: euro 291 thousand) mainly included right-of-use assets from lessee accounting related to a lease contract with Mercedes-Benz Nederland B.V. for an office space with a non-cancellable term of 10 years and a carrying amount of euro 225 thousand. The remaining duration is 4 years. The lease payment per year is euro 50 thousand.

08. Receivables from Mercedes-Benz Group companies

in euro thousand	31.12.2024	31.12.2023
Non-current receivables from Mercedes-Benz Group companies	8,456,196	10,449,235
Current receivables from Mercedes-Benz Group companies	13,863,717	15,886,485
Receivables from Mercedes-Benz Group companies	**22,319,913**	26,335,720

The Receivables from Mercedes-Benz Group companies declining by euro 4,016 million to a level of euro 22,320 million as per December 31, 2024. This decrease relates to a decline in financing activities for Mercedes-Benz Group companies performed by the Company. The Company strives to develop its funding activities for the Mercedes-Benz Group both in Europe and globally.

The Receivables from Mercedes-Benz Group companies consisted of 96% (2023: 96%) fixed rate loans. The Inhouse Bank position with Mercedes-Benz Group AG is described in note 9.

in euro thousand	**31.12.2024**	31.12.2023
Receivables from Mercedes-Benz Group companies	**22,290,215**	26,319,453
Inhouse Bank Mercedes-Benz Group AG	**29,698**	16,267
Receivables from Mercedes-Benz Group companies	**22,319,913**	26,335,720

The Receivables from Mercedes-Benz Group companies have the following maturity structure:

in euro thousand	Maturity within one year	Maturity between one and five years	Maturity later than five years	**Total receivables**
31.12.2024	**13,863,717**	**8,456,196**	**-**	**22,319,913**
31.12.2023	15,886,485	10,329,235	120,000	26,335,720

09. Cash and cash equivalents

The Company participates in the Global Payment Platform from Mercedes-Benz Group AG. Therefore, the daily available intergroup cash positions are reflected in the Inhouse Bank position with Mercedes-Benz Group AG. The total balance is accounted for as Receivable from Mercedes-Benz Group companies (note 8).

10. Issued capital

The authorized share capital consists of 5,000 ordinary shares with a par value of euro 500 of which 1,000 shares have been called up and fully paid-in. The holder of ordinary shares, Mercedes-Benz Capital Investments B.V., is entitled to execute its rights under the Dutch Civil Code without any restrictions. Since January 1, 2017, there has been no changes in the number of shares outstanding.

11. Share premium reserve

The share premium reserve comprises additional paid-in capital on the issue of the shares. Since January 1, 2017, there has been no changes in this line item.

12. Cash flow hedge reserve

The Cash flow hedge reserve comprises the effective portion of the accumulated net change in the fair value of derivatives included in a cash flow hedge relationship. This Cash flow hedge reserve is released during the period that the cash flows from the hedged items are realized. The Cash flow hedge reserve is not freely distributable in accordance with the Dutch Civil Code.

At December 31, 2024, the Cash flow hedge reserve charged directly to shareholder's equity add up to euro 37.9 million negative (2023: euro 117.5 million negative). The Cash flow hedge reserve is presented in the Statement of Financial Position.

The following table shows the reconciliation of the Cash flow hedge reserve:

in euro thousand	**2024**	2023
Balance at January 1	**16,119**	133,660
Unrealized gains/losses (pre-tax)		
Foreign currency derivatives	**-13,619**	-96,855
Interest rate derivatives	**-51,388**	-149,025
Reclassifications to profit and loss (pre-tax)		
Foreign currency derivatives	**13,884**	87,469
Taxes on unrealized gains/losses and on reclassifications	**13,190**	40,870
Balance at December 31	**-21,815**	16,119
Unrealized revaluation of cash flow hedges charged directly to shareholder's equity	**-37,933**	-117,541

13. Retained earnings

The Retained earnings comprise the accumulated net income and loss of the Company. In addition, the effects of remeasuring the deferred taxes are presented within Retained earnings.

14. Undistributed income

The Board of Management proposes to add the net income for the year 2024 amounting to euro 19.4 million (2023: euro 16.3 million) to the Retained earnings.

15. Debt securities

in euro thousand	**31.12.2024**	31.12.2023
Total bonds	**21,317,055**	20,107,329
Non-current bonds	**14,792,159**	14,824,502
Current bonds	**6,524,896**	5,282,827
Promissory-note loan (solely non-current)	**-**	275,595
Debt securities	**21,317,055**	20,382,924

* Presentation of Debt securities 31.12.2023 was adjusted.

The Company participated as an issuer in Mercedes-Benz's euro 70 billion Euro Medium Term Note program ("EMTN"), Mercedes-Benz's euro 15 billion multi-currency Commercial Paper program ("CP") and in its Universal Registration program for debt financing instruments in the China Interbank Bond Market ("Bond Connect" NAFMII).

These Mercedes-Benz debt issuance programs are based on unconditional and irrevocable guarantees from Mercedes-Benz Group AG. The outstanding bonds issued by the Company are either listed on the Luxembourg Stock Exchange or SIX Swiss Exchange or are non-listed.

In 2024, the company issued a number of 10 bonds in a total nominal amount of euro 6 billion. Its outstanding volume under CP program ("CP") amounted to euro nil (2023: euro nil).

As at December 31, 2024, non-derivative financial instruments are reported including the corresponding accrued interest. As a result, accrued interest expenses in particular, which relate to financing liabilities and were previously reported separately under “Interest payables and other liabilities”, will be reported under “Debt securities”. As at December 31, 2023, € 202 million was reclassified from “Interest payables and other liabilities” to “Debt securities” to improve comparability.

16. Liabilities due to Mercedes-Benz Group Companies

in euro thousand	**31.12.2024**	31.12.2023
Non-current liabilities due to Mercedes-Benz Group companies	**50,000**	173,638
Current liabilities due to Mercedes-Benz Group companies	**120,229**	4,698,087
Liabilities due to Mercedes-Benz Group companies	**170,229**	4,871,725

All Liabilities due to Mercedes-Benz Group companies are based on fixed interest rates.

in euro thousand	**31.12.2024**	31.12.2023
Liabilities due to Mercedes-Benz Group AG	**21,616**	772,645
Liabilities due to Mercedes-Benz Capital Investments B.V.	**148,388**	4,098,810
Liabilities due to Mercedes-Benz Nederland B.V.	**225**	270
Liabilities due to Mercedes-Benz Group companies	**170,229**	4,871,725

17. Other liabilities

in euro thousand	**31.12.2024**	31.12.2023
Taxation and social security premiums	**1,042**	2,537
Various	**830**	876
Other liabilities	**1,872**	3,413

* Presentation of Other liabilities 31.12.2023 was adjusted.

As at December 31, 2024, non-derivative financial instruments are reported including the corresponding accrued interest. As a result, accrued interest expenses in particular, which relate to financing liabilities and were previously reported separately under “Interest payables and other liabilities”, will be reported under “Debt securities”. As at December 31, 2023, € 202 million was reclassified from “Interest payables and other liabilities” to “Debt securities” to improve comparability.

18. Contingent liabilities

At December 31, 2024, the Company had no off-balance sheet commitments (2023: euro nil).

19. Financial instruments

Carrying amounts and fair values of financial instruments

The following table shows the carrying amounts and fair values of the respective classes of the Company’s financial instruments in accordance with IFRS 9:

Assets	Carrying amount		Fair value	
in euro thousand	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023
Derivative assets				
Fair value hedges	**368,312**	344,586	**368,312**	344,586
Cash flow hedges	**14,358**	75,887	**14,358**	75,887
Other derivative assets	**20,008**	49,738	**20,008**	49,738
Receivables from Mercedes-Benz Group Companies	**22,319,913**	26,335,720	**22,468,101**	26,436,873
Cash and cash equivalents	**3,869**	5,486	**3,869**	5,486
Total financial assets	**22,726,460**	26,811,417	**22,874,648**	26,912,570

Liabilities	Carrying amount		Fair value	
in euro thousand	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023
Derivative liabilities				
Fair value hedges	**523,272**	823,165	**523,272**	823,165
Cash flow hedges	**112,337**	80,762	**112,337**	80,762
Other derivative liabilities	**27,448**	43,464	**27,448**	43,464
Debt securities	**21,317,055**	20,382,924	**21,305,886**	20,437,665
Liabilities due to Mercedes-Benz Group Companies	**170,229**	4,871,725	**171,484**	4,872,200
Other liabilities	**1,872**	3,413	**1,872**	3,413
Total financial liabilities	**22,152,213**	26,205,453	**22,142,299**	26,260,669

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 balance sheet date.

The fair values in the financial asset and liability categories approximate their carrying values, except for Mercedes-Benz Group receivables with fixed interest rates and non-current debt securities. The fair values of Mercedes-Benz Group receivables with fixed interest rates are determined on the basis of discounted expected future cash flows. The discounting is based on the current interest rates at which similar loans with identical terms could be obtained at year-end. Non-current debt securities measured at fair value were measured using quoted market prices at year-end. If quoted market prices were not available, the fair value is measured based on inputs that are either directly or indirectly observable in active markets.

Financial instruments measured at fair value through profit or loss include derivative financial instruments not used in designated hedge relationship. These financial instruments as well as derivative financial instruments used in designated hedge relationship comprise:

- derivative currency hedging contracts; the fair values of cross currency interest rate swaps are determined on the basis of the discounted estimated future cash flows using market interest rates appropriate to the remaining terms of the financial instruments.
- derivative interest rate hedging contracts; the fair values of interest rate swaps are calculated on the basis of the discounted estimated future cash flows using the market interest rates appropriate to the remaining terms of the financial instruments.

Offsetting of financial instruments

The Mercedes-Benz Group concludes derivative transactions in accordance with the master netting arrangements (framework agreement) of the International Swaps and Derivatives

Association (ISDA) and comparable national framework agreements. However, these arrangements do not meet the criteria for offsetting in the Statement of Financial Position, as they allow netting only in case of future events such as default or insolvency on the part of the counterparties.

The following table shows the carrying amounts of the derivative financial instruments and the possible financial effects of netting in accordance with the enforceable netting arrangements:

in euro thousand		**31.12.2024**		31.12.2023
	Assets	**Liabilities**	Assets	Liabilities
Gross amounts (balance sheet)	**402,678**	**-663,057**	470,211	-947,391
Possible netting in case of insolvency	**-384,507**	**384,507**	-445,740	445,740
Net amount after offsetting	**18,171**	**-278,550**	24,471	-501,651

Measurement hierarchy

The following table provides an overview of the classification into measurement hierarchies for the fair values of the financial assets and liabilities in accordance with IFRS 13:

Assets			**31.12.2024**			31.12.2023
in euro thousand	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Derivative assets						
Fair value hedges	-	**368,312**	-	-	344,586	-
Cash flow hedges	-	**14,358**	-	-	75,887	-
Other derivative assets	-	**20,008**	-	-	49,738	-
Receivables from Mercedes-Benz Group companies	-	**22,468,101**	-	-	26,436,873	-
Cash and cash equivalents	-	**3,869**	-	-	5,486	-

Liabilities			**31.12.2024**			31.12.2023
in euro thousand	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Derivative liabilities						
Fair value hedges	-	**523,272**	-	-	823,165	-
Cash flow hedges	-	**112,337**	-	-	80,762	-
Other derivative liabilities	-	**27,448**	-	-	43,464	-
Debt securities	**20,273,376**	**1,032,510**	-	18,282,138	2,155,527	-
Liabilities due to Mercedes-Benz Group companies	-	**171,484**	-	-	4,872,200	-
Other liabilities	-	**1,872**	-	-	3,413	-

Level 1 inputs are based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.
Level 2 inputs are based on inputs that are observable on active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 inputs are based on inputs for which no observable market data is available.

At the end of each reporting period, the Company reviews the necessity of reclassification between the measurement hierarchies.

Measurement categories

The carrying amounts of financial instruments according to measurement categories are shown in the table below. The table does not include the carrying amounts of derivative financial instruments used in hedge accounting as these financial instruments are not assigned to a measurement category.

Assets in euro thousand	31.12.2024	31.12.2023
Receivables from Mercedes-Benz Group companies	**22,319,913**	26,335,720
Cash and cash equivalents	**3,869**	5,486
Total financial assets measured at amortized cost	**22,323,782**	26,341,206

Liabilities in euro thousand	31.12.2024	31.12.2023
Debt securities	**21,317,055**	20,382,924
Liabilities due to Mercedes-Benz Group companies	**170,229**	4,871,725
Other liabilities	**1,872**	3,413
Total financial liabilities measured at amortized cost	**21,489,156**	25,258,062

Net gains or losses

The following table shows the net gains and losses on financial instruments included in the Statement of Income and Statement of Comprehensive Income/Loss (excluding revaluation on hedging instruments).

in euro thousand	2024	2023
Financial instruments measured at fair value through profit and loss	**-287,654**	-240,916
Financial assets measured at amortized cost	**1,573,858**	1,494,529
Financial liabilities measured at amortized cost	**-1,201,139**	-1,095,083

The net gains or losses on financial instruments measured at fair value through profit or loss comprised the realized interest result from hedging instruments and the revaluation of derivatives not included in a hedge relationship.

The net gains or losses on financial assets and liabilities measured at amortized cost comprised the effects of interest income and expense (note 3) and currency translation (note 4).

Information on derivative financial instruments

Use of derivatives

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its operating or financing activities. These are mainly interest rate and currency risks which were defined as risk categories in accordance with IFRS 9. For these hedging purposes, the Company mainly uses currency forward transactions, cross currency interest rate swaps and interest rate swaps.

The following table shows the amounts for transactions designated as hedging instruments:

in euro thousand	Interest rate risks		Currency risks	
	Fair value hedges[1]	Cash flow hedges[1]	Cash flow hedges[2]	Others[3]
December 31, 2024				
Carrying amount of the hedging instruments				
Derivative assets non-current	**307,594**	**2,285**	-	-
Derivative assets current	**60,718**	**12,073**	-	**20,008**
Derivative liabilities non-current	**390,461**	**60,778**	-	-
Derivative liabilities current	**132,811**	**51,559**	-	**27,448**
Fair value changes[4]	**340,075**	**-65,007**	-	-
December 31, 2023				
Carrying amount of the hedging instruments				
Derivative assets non-current	207,061	32,884	-	-
Derivative assets current	137,525	43,003	-	49,738
Derivative liabilities non-current	690,663	77,203	-	-
Derivative liabilities current	132,502	3,559	-	43,464
Fair value changes[4]	479,433	-245,880	-	-

1 includes the following derivative instrument types: interest rate swaps, cross currency interest rate swaps.
2 includes the following derivative instrument types: currency forward transactions.
3 currency forward transactions for the purpose of hedging against currency risk without application of hedge accounting.
4 Gains and losses from hedging instruments used for recognizing hedge ineffectiveness.

Fair value hedges

The Company uses fair value hedges primarily for hedging interest rate risks. The amounts of the items hedged with fair value hedges are included in the table below:

in euro thousand	Interest rate risks	
	2024	2023
December 31		
Carrying amounts of the hedged items		
Receivables from Mercedes-Benz Group Companies non-current	**5,030,062**	4,399,718
Receivables from Mercedes-Benz Group Companies current	**2,451,835**	3,127,968
thereof hedge adjustments		
Receivables from Mercedes-Benz Group Companies non-current	**40,555**	13,776
Receivables from Mercedes-Benz Group Companies current	**3,134**	-41,527
Debt securities and liabilities to Mercedes-Benz Group Companies current	**4,724,767**	2,823,157
Debt securities and liabilities to Mercedes-Benz Companies non-current	**13,208,116**	13,006,949
thereof hedge adjustments		
Debt securities and liabilities to Mercedes-Benz Group Companies current	**-39,031**	-27,920
Debt securities and liabilities to Mercedes-Benz Group Companies non-current	**-55,809**	–478,436
Fair value changes of the hedged items[1]	**-340,075**	-479,433
Accumulated amount of hedge adjustments from inactive hedges remaining in the Statement of Financial Position	**-**	-

1 Fair value changes of the hedged items used for recognizing hedge ineffectiveness.

The following table shows the gains and losses on hedging instruments and hedged items which are deemed to be part of a fair value hedge relationship:

in euro thousand	2024	2023
Revaluation on hedging instruments (Foreign currency derivatives)	-45,874	-119,305
Revaluation on hedging instruments (Interest rate derivatives)	385,949	598,738
Fair value changes from hedged items attributable to hedged risk	-340,075	-479,433
Ineffective portion of fair value hedges	-	-

There is no fair value hedge ineffectiveness in the relevant reporting periods.

Cash flow hedges

The Company uses cash flow hedges for hedging interest rate and currency risks.

The amounts related to items designated as cash flow hedges are shown in the table below:

in euro thousand	Interest rate risks		Currency risks	
	2024	2023	2024	2023
Fair value changes of the hedged items[1]	-65,007	-245,880	-	-
Balance of the reserves for derivative financial instruments (pre-tax)	-29,400	21,724	-	-

1 Fair value changes of the hedged items used for recognizing hedge ineffectiveness.

The following table shows the gains and losses on items which are deemed to be part of a cash flow hedge relationship and the amounts relating to cash flow hedge ineffectiveness:

in euro thousand	2024	2023
Revaluation on hedging instruments (Foreign currency derivatives)	-13,619	-96,855
Revaluation on hedging instruments (Interest rate derivatives)	-51,388	-149,025
Ineffective portion of cash flow hedges	-	-
Unrealized gains/losses (pre-tax)	-65,007	-245,880
Reclassifications to profit and loss (pre-tax)	13,884	87,469
Taxes on unrealized gains/losses and on reclassification	13,190	40,870
Unrealized revaluation of cash flow hedges charged directly to shareholder's equity	-37,933	-117,541

For the reconciliation of the Cash flow hedge reserve see note 12.

Nominal values of derivative financial instruments

The following table shows the nominal values and fair values of derivative financial instruments entered into for the purpose of hedging interest rate and currency risks that arise from the Company's operating or financing activities.

Assets		**31.12.2024**		31.12.2023
in euro thousand	**Nominal amount**	**Fair value**	Nominal amount	Fair value
Interest rate derivatives	**7,229,241**	**218,741**	6,182,191	174,380
thereof fair value hedges	**6,794,241**	**212,729**	3,382,191	124,034
thereof cash flow hedges	**435,000**	**6,012**	2,800,000	50,346
Foreign currency derivatives	**5,160,542**	**183,937**	6,690,575	295,831
thereof fair value hedges	**2,493,969**	**155,583**	3,864,211	220,552
thereof cash flow hedges	**597,878**	**8,346**	1,014,609	25,541
thereof other derivative assets	**2,068,695**	**20,008**	1,811,755	49,738
Total derivative financial instruments	**12,389,783**	**402,678**	12,872,766	470,211

Liabilities		**31.12.2024**		31.12.2023
in euro thousand	**Nominal amount**	**Fair value**	Nominal amount	Fair value
Interest rate derivatives	**15,003,683**	**357,606**	16,534,782	677,728
thereof fair value hedges	**9,920,000**	**248,660**	12,437,591	606,419
thereof cash flow hedges	**5,083,683**	**108,946**	4,097,191	71,309
Foreign currency derivatives	**9,029,475**	**305,451**	6,753,829	269,663
thereof fair value hedges	**5,954,090**	**274,612**	3,880,410	216,746
thereof cash flow hedges	**235,121**	**3,391**	280,407	9,453
thereof other derivative assets	**2,840,264**	**27,448**	2,593,012	43,464
Total derivative financial instruments	**24,033,158**	**663,057**	23,288,611	947,391

The nominal values of derivative financial instruments have the following maturity structure:

in euro thousand	Maturity within one year	Maturity between one and five years	Maturity later than five years	**Total nominal amounts**
December 31, 2024				
Nominal amount of the hedging instruments				
Interest rate risks	**10,575,618**	**17,938,364**	**3,000,000**	**31,513,982**
Fair value hedges	**6,926,149**	**15,236,152**	**3,000,000**	**25,162,301**
Cash flow hedges	**3,649,469**	**2,702,212**	**-**	**6,351,681**
thereof major hedging instruments affected by the interest rate benchmark reform	**-**		**-**	**-**
Foreign currency risks	**4,908,959**	**-**	**-**	**4,908,959**
December 31, 2023				
Nominal amount of the hedging instruments				
Interest rate risks	8,869,520	21,681,906	1,205,184	31,756,610
Fair value hedges	5,816,754	16,542,464	1,205,184	23,564,402
Cash flow hedges	3,052,766	5,139,442	-	8,192,208
thereof major hedging instruments affected by the interest rate benchmark reform in PLN[1]	46,088	-	-	46,088
Foreign currency risks	4,404,767	-	-	4,404,767

1 The volumes of risk exposure in cash flow hedges directly affected by the interest rate benchmark reform are generally in line with the reported volumes of the hedging instruments because of the basic hedging ratio of 1. Further information on the benchmark reform is provided in note 21.

Further disclosures of interest rate and currency risk see note 21 under the section *Market risk*.

20. Management of risks

The exposure of the Company can be broken down into financial and non-financial risks.

Risk management framework

During the normal course of its business, the Company is exposed to, especially market risks, interest rate and currency, as well as credit, liquidity and other operational risks. To mitigate the main market risks, derivative financial instruments are used. The Company does not trade speculatively in these derivative financial instruments. The standardized rules and procedures adopted by the Company to cover banking, foreign exchange and other treasury matters are in line with objectives and policies for financial risk management within the Mercedes-Benz Group.

Solvency

Given its objectives and strategy, the Company is economically interrelated with the ultimate parent company, Mercedes-Benz Group AG, Germany. In assessing the general risk profile of the Company, the solvency of the Mercedes-Benz Group as a whole, headed by Mercedes-Benz Group AG, needs to be considered.

Credit risk

Credit risk is the risk of economic loss arising from counterparty's failure to repay or service debt in accordance with the contractual terms. Credit risk encompasses both the direct risk of default and the risk of a deterioration of creditworthiness. The credit risk is regularly monitored and consequently managed based on the defined standards, guidelines and procedures. The Mercedes-Benz Group has established appropriate credit risk and counterparty limit systems which are continuously reassessed together with their respective utilizations.

The Company provides financing within the Mercedes-Benz Group and concludes derivative financial instruments for hedging risks almost exclusively with Mercedes-Benz Group AG.

The Receivables from Mercedes-Benz Group companies are guaranteed by Mercedes-Benz Group AG. The Company receives from Mercedes-Benz Group AG the then outstanding amount of such financing minus 1% retention which in any case not exceeds the overall maximum threshold of euro 50 million. As a result, the credit risk of intergroup financial receivables is effectively mitigated to the default risk of Mercedes-Benz Group AG. The Receivables from Mercedes-Benz Group companies are attributed to stage 1 in accordance with IFRS 9 (note 8).

The maximum risk positions of financial assets, which are generally subject to credit risk, are equal to their carrying amounts. The following table gives an overview of maximum exposures:

in euro thousand	**31.12.2024**	31.12.2023
Receivables from Mercedes-Benz Group companies (incl. Inhouse Bank Mercedes-Benz Group AG)	**22,319,913**	26,335,720
Cash and Cash equivalents	**3,869**	5,486
Derivative assets	**402,678**	470,211
Gross exposure	**22,726,460**	26,811,417
Receivables guaranteed by Mercedes-Benz Group AG	**22,269,913**	26,285,720
Residual unguaranteed exposure	**456,547**	525,697

The Company has recognized no credit defaults in the relevant reporting periods.

Liquidity risk

Liquidity risk comprises the risk that a company cannot meet its financial obligations as they fall due. The Company manages its liquidity by holding adequate volumes of intergroup cash (note 8) and by applying as far as possible the matched funding principle. In accordance with internal guidelines, this principle ensures that financial obligations generally have the same maturity profile as the financial assets, and thus mitigates the Company's liquidity risk.

The following table provides an overview of how the future liquidity situation of the Company can be affected by the cash flows from liabilities as of December 31, 2024.

in euro thousand[1]	Total	2025	2026	2027	2028	2029	≥2029
Debt securities[2]	**-22,684,534**	-6,831,376	-7,279,304	-4,808,943	-109,367	-444,194	-3,211,350
Liabilities due to Mercedes-Benz Group companies[2]	**-154,584**	-101,808	-1,388	-51,388	-	-	-
Derivative financial instruments[3]	**-719,826**	-386,115	-237,088	-90,426	-5,681	-516	-
thereof with gross settlement	**-354,687**	-148,250	-124,585	-76,385	-4,951	-516	-
Cash outflows	**-6,660,644**	-2,263,650	-2,108,837	-1,946,890	-330,381	-10,886	-
Cash inflows	**6,305,957**	2,115,400	1,984,252	1,870,506	325,430	10,370	-
thereof with net settlement	**-365,139**	-237,865	-112,503	-14,041	-730	-	-

1 The amounts were calculated as follows:
(a) If the counterparty can request payment at different dates, the liability is included on the basis of the earliest date on which the Company can be required to pay.
(b) The cash flows of floating interest financial instruments are estimated on the basis of forward rates.
2 The stated cash flows of financing liabilities consist of their undiscounted principal and interest payments.
3 The undiscounted sum of the cash flows of the derivative financial liabilities is shown for the respective year.

Mercedes-Benz Group AG unconditionally and irrevocably guarantees all the debt securities.

Market risk

The Company is mainly exposed to market risks which comprises interest rate and currency risks. The Company manages market risks to minimize the impact of fluctuations in interest rates and foreign exchange rates on the results. The exposure to these market risks are regularly calculated to provide the basis for hedging decisions which include the selection of hedging instruments and the determination of hedging volumes and the corresponding periods.

As part of its risk management system, the Mercedes-Benz Group employs value at risk analyses. In performing these analyses, the Company quantifies its market risk due to changes in interest rates and foreign currency exchange rates on a regular basis by predicting the potential loss over a target time horizon (holding period) and confidence level.

The value at risk calculations employed:

- express potential losses in fair values, and
- assume a 99% confidence level and a holding period of five days.

Mercedes-Benz Group calculates the value at risk based on the variance-covariance approach.

Hedge accounting. When designating derivative financial instruments, a hedge ratio of 1 is generally applied. The respective volumes, interest curves and currencies of the hedged item and the hedging instrument as well as maturity dates are matched. In the case of combined derivative financial instruments for interest currency hedges, the cross currency basis spread is not designated into the hedge relationship, but deferred as a hedging cost in Other Comprehensive Income and recognized in profit and loss pro rata over the hedge term. The Company ensures an economic relationship between the underlying transaction and the hedging instrument by ensuring consistency of interest rate, currency, volume and maturity. The effectiveness of the hedge is assessed at the beginning and during the economic relationship using the hypothetical derivative method.

Interest rate risk

The Company's general policy is to mitigate interest rate risk by matching funding in terms of maturities and interest rates wherever economically feasible. Potential interest rate gaps are managed in manner that the portfolio is immunized to a considerable degree against interest rate changes. The Company assesses its interest rate risk position by comparing assets and liabilities for corresponding maturities, including the impact of the relevant derivative financial instruments. An asset and liability committee within the Mercedes-Benz Group sets targets for the interest rate risk position which are monitored on a monthly basis. In order to achieve the targeted interest rate risk positions in terms of maturities and interest rate fixing periods, the Company also uses derivative financial instruments such as interest rate swaps.

The following table shows the period-end value at risk figures of the interest rate risk for the 2024 and 2023 portfolios of interest rate sensitive financial instruments and derivative financial instruments of the Company. In this respect, the table shows the interest rate risk regarding the unhedged position of interest rate sensitive financial instruments.

in euro thousand	**31.12.2024**	31.12.2023
Interest rate risk	**3,183**	6,562

In the course of the year 2024, changes on the value at risk of interest rate sensitive financial instruments were primarily determined by the development of interest rate volatilities.

Currency risk

The objective of the Company is to eliminate currency risk. Therefore, the Company enters into foreign exchange contracts to hedge currency risks as far as cash flows and earnings are not lent on in the same currency (natural hedge). As a result, the Company incurred only limited foreign currency risk from its ordinary debt issuances and intergroup financing activities.

The following table shows the period-end value at risk figures of the exchange rate risk for the 2024 and 2023 portfolios of exchange rate sensitive financial instruments and derivative financial instruments of the Company (including interest payments).

in euro thousand	**31.12.2024**	31.12.2023
Currency risk	**328**	288

The Company mainly incurred a minor currency risk on the intergroup cash position (note 8) which is recognized against the exchange rate applying on the balance sheet date (note 4).

Operating and Compliance risks
The non-financial risks consist of operating risks mainly resulting from the usage of information technology, and compliance risks. The Company uses IT systems to monitor financial positions and daily cash flows, and to process payments to internal and external counterparties. System failures can, therefore, lead to delays in payment processes. Further operating risks can arise in connection with the settlement of financial transactions. The management of daily cash flows at the Company depends on the timely receipt of funds from external institutions who act as counterparties to financial transactions. To avoid negative impacts of system failures, all key systems are set up in parallel or backup facilities or available within the Mercedes-Benz Group.

21. Capital management

The Company's objectives when managing capital at an individual company level are to safeguard its ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Company may issue new shares or adjust the amount of dividends paid to shareholder to steer the capital structure. The Company has no prescribed dividend policy.

The Company's equity, as shown in the Statement of Financial Position, constitutes its capital. The Company maintains its level of capital by reference to its financial obligations and commitments arising from operations requirements. In view of the Company's borrowings or debt, the capital level as at the end of the reporting periods is deemed adequate by the Board of Management. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the relevant years.

22. Related party disclosures

An exchange of internal cooperation between affiliates of a multinational corporation as the Mercedes-Benz Group is common practice.

Identity of related parties
In its responsibility to assist the financing of business activities conducted by companies of the Mercedes-Benz Group, Mercedes-Benz International Finance B.V. applies transfer prices for financial instruments in conformity with external market levels and in accordance with national and international tax requirements (such as arm's length principle, principle of economic allegiance, separate entity approach, Art 9 OECD-MA Rz 126).

Key personnel
Mercedes-Benz International Finance B.V. has two directors in the Board of Management who receive compensation from Mercedes-Benz International Finance B.V. The Company does not have other key personnel than the Board of Management and the Supervisory Board. Therefore, the details regarding the compensation of key management personnel is described in note 23.

Transactions with Mercedes-Benz Group companies
Mercedes-Benz International Finance B.V. obtains funds mainly from the capital markets, and affiliated companies by entering into loan agreements. The debt issuances under the EMTN, the Chinese Private and Public Placement and CP programs are unconditionally and irrevocably guaranteed by Mercedes-Benz Group AG for which the Company pays a guarantee fee to its parent company. The funds represent currently 99% of the borrowed funds (2023: 81%). The Company also obtained funds from affiliated companies in the amount of euro 148 million

(2023: euro 4,837 million). Together with the Company's equity, all of these funds are made available to Mercedes-Benz Group companies.

23. Remuneration of the Board of Management and the Supervisory Board

The remuneration for directors, including pension obligations as intended in Section 2:383 of the Dutch Civil Code, which were charged in the financial year to the Company, amounted to euro 0.4 million (2023: euro 0.4 million). These costs were partly recharged for rendered services to other Mercedes-Benz Group companies. The members of the Supervisory Board did not receive any remuneration in the relevant reporting periods.

24. Segment information

The Company has only a single reportable segment. The segment information provided to the Board of Management for the identified reporting segment corresponds with the one reported on the statement of comprehensive income.

Nieuwegein, April 28, 2025

Mercedes-Benz International Finance B.V.
The Board of Management

Maarten van Pelt	Volker Lach

The Supervisory Board

Frank Wetter Chairman	Dr. Stephanie Pfeifer	Jürgen Vogt

OTHER INFORMATION

Independent auditor's report

Independent Auditor's Report The Auditor's Report is shown on the following pages

Statutory rules as to appropriation of result

Article 13 of the Articles of Association states:

1. The Company's income is wholly at the disposal of the general meeting of shareholder.

2. The Company may only make distributions to the shareholder and other parties entitled to the income available for distribution in so far as its capital and reserves exceed the paid-up and called part of the reserves required to be held under law.

3. The distribution of income takes place after adoption of the annual accounts indicating such distribution to be justified.

4. The Company may only make interim distributions if the requirement in clause two has been satisfied.

5. The entitlements to income distribution lapse after a period of five years after the date on which they became payable.

To the best of our knowledge, and in accordance with Part 9 of Book 2 of the Dutch Civil Code and the International Financial Reporting Standards as issued by the IASB' ("IFRS Accounting Standards")., the Financial Statements give a true and fair view of the financial position, cash flows and profit or loss of Mercedes-Benz International Finance B.V., and the Company's Annual Management Report includes a fair review of the development and performance of the business and the position of Mercedes-Benz International Finance B.V. together with a description of the principal risks and opportunities associated with the expected development of the Company.

Nieuwegein, April 28, 2025

Mercedes-Benz International Finance B.V.
The Board of Management

Maarten van Pelt

Volker Lach

- The responsibility for the audit committee function for the Company has been placed and will be executed by the Supervisory Board.
- Pursuant to the Articles of Association, we are pleased to submit the Financial Statements for the year 2024 as drawn up by the Board of Management.
- The Financial Statements, which both the Supervisory Board and the Board of Management have signed, have been audited by PwC Accountants N.V.
- The Independent Auditor's Report is included under the section *Other Information* below.

Nieuwegein, April 28, 2025

Mercedes-Benz International Finance B.V.
The Supervisory Board

Frank Wetter Chairman	Dr. Stephanie Pfeifer	Jürgen Vogt

Independent auditor’s report

To: the general meeting and the supervisory board of Mercedes-Benz International Finance B.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion, the financial statements of Mercedes-Benz International Finance B.V. (‘the Company’) give a true and fair view of the financial position of the Company as at 31 December 2024, and of its result and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union (‘EU’) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of Mercedes-Benz International Finance B.V., Utrecht.

The financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the following statements for 2024: the income statement, the statements of comprehensive income/loss, changes in equity and cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section ‘Our responsibilities for the audit of the financial statements’ of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Mercedes-Benz International Finance B.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the ‘Wet toezicht accountantsorganisaties’ (Wta, Audit firms supervision act), the ‘Verordening inzake de

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onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risks and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

The Company's main activity is the financing of Mercedes-Benz Group AG group companies, through bond offerings on the international capital markets. The repayment of the bonds to the investors is guaranteed by Mercedes-Benz Group AG as disclosed in note 2 to the financial statements. The Company has derivative financial instruments in place to mitigate interest rate risk and currency risk.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered climate-related risks.

In note 2 of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the estimation uncertainty in the measurement of expected credit losses, we considered this matter as key audit matter as set out in the section 'Key audit matters' of this report. Furthermore, we identified hedge accounting as key audit matter because of the detailed requirements for hedge accounting.

The Company assessed the possible effects of climate change on its financial position, refer to the section '*Climate change*' of the annual management report. We discussed the Company's assessment and governance thereof with the board of management and evaluated the potential impact on the financial position including underlying assumptions and estimates. Given the nature of the Company's activities, the impact of climate change is not considered a key audit matter.

We ensured that the audit team included the appropriate skills and competences, which are needed for the audit of a finance company.

First-year audit consideration

After our appointment as the Company's auditors, we developed and executed a comprehensive transition plan. As part of this transition plan, we carried out a process of understanding the strategy of the Company, its business, its internal control environment and IT systems. We examined where and how this affected the Company's financial statements and internal control framework. Additionally, we read the prior year financial statements and we reviewed the predecessor auditor's files and discussed and evaluated the outcome of the audit procedures included therein. Based on these procedures, amongst others, we obtained sufficient and appropriate audit evidence regarding the opening balances. Furthermore, we prepared our risk assessment, our audit strategy and our audit plan for the year 2024, which we discussed with the board of management and the supervisory board.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Based on our professional judgement, we determined the materiality for the financial statements as a whole at €227,300,000. As a basis for our judgement, we used 1% of total assets. We used total assets as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the stakeholders. Inherent to the nature of the Company's business, the amounts in the statement of financial position are large in proportion to the income statement line items Other financial income and expense, General and administrative expenses and Income taxes. Based on qualitative considerations, we performed audit procedures on those income statement line items, applying a benchmark of 10% of the total of those expenses.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €11,365,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Mercedes-Benz International Finance B.V. and its environment and the components of the internal control system. This included the board of management's risk assessment process, the board of management's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section *'Risk and opportunity report'* of the annual management report for the board of management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the board of management and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risk and performed the following specific procedures.

Identified fraud risk	***Audit work and observations***
The risk of management override of control The board of management is in a unique position to perpetrate fraud because of the board of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Determining significant accounting estimates. • Significant transactions, if any, outside the normal course of business for the Company. We pay particular attention to tendencies due to possible interests of the board of management.	We evaluated the design and implementation of the internal control measures, i.e. segregation of duties, that are intended to mitigate the risk of management override of control and to the extent relevant for our audit tested the effectiveness of these controls. Furthermore, we evaluated the design and implementation of the controls in the processes for generating and processing journal entries and making of estimates. We performed our audit procedures primarily substantive based. We have selected journal entries based on risk criteria and performed specific audit procedures. We also performed specific audit procedures related to important estimates of the board of management, including the valuation of loans issued to group companies and the application of hedge accounting. We refer to the section 'Key audit matters' for the audit procedures performed. We specifically paid attention to the inherent risk of bias of the board of management in estimates. We did not identify any significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

As disclosed in section '*Risk and opportunity report*' in the annual management report, the board of management performed their assessment of the Company's ability to continue as a going concern and has not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the board of management's going-concern assessment included, amongst others:

- considering whether the board of management's going-concern assessment included all relevant information of which we were aware as a result of our audit by inquiring with the board of management regarding the board of management's most important assumptions underlying its going-concern assessment.
- evaluating the financial position of the Company, the counterparties of loans to group companies (including the financial position of the guarantor to the bonds issued on capital markets) and their ability to repay the notional and interest to the Company, by assessing observable data from rating agencies, current financial data (such as recent financial information and cash flows) and other publicly available data and by discussing and obtaining information from the group auditor of Mercedes-Benz Group AG.
- performing inquiries of the board of management as to its knowledge of going-concern risks beyond the period of the board of management's assessment.

Our procedures did not result in outcomes contrary to the board of management's assumptions and judgements used in the application of the going-concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Due to the nature of the Company, key audit matters do not change significantly year over year.

Key audit matter	***How our audit addressed the matter***
Measurement of expected credit losses *Reference is made to note 8* We considered the valuation of the loans to Mercedes-Benz Group AG group companies, as disclosed in note 8 to the financial statements for a total amount of €22,319,913,000, to be a key audit matter. This is due to the size of the loan portfolio and the inherent complexity involved in estimating the expected credit losses ('ECL'), which requires judgement and involves estimation. The board of management monitors the need for changes in the methods, assumptions or the data used in making the accounting estimate by monitoring key performance indicators that may indicate unexpected or inconsistent performance. Mainly with respect to the probability of default ('PD'), and loss given default ('LGD') used in the determination of the expected credit losses, the board of management has applied judgement given the low default character of the Company's loan portfolio. As a result, there is limited	We performed the following procedures to test the board of management's assessment of the ECL to support the valuation of the loans to Mercedes-Benz Group AG group companies: • With respect to the ECL calculation, we determined that the loans qualify as stage 1 loans by assessing the actual performance of the loans (i.e. no significant deterioration of credit risk). • We evaluated the financial position of the counterparties of loans to group companies and guarantor by assessing observable data from rating agencies, the latest available financial information and other publicly available data in order to assess if there are no adverse conditions present suggesting to classify the loans as stage 2 or stage 3 loans. • For the ECL we assessed that the impairment methodology and model applied by the Company were in accordance with the impairment requirements of IFRS 9. We

Key audit matter	*How our audit addressed the matter*
internal historical data to support and back-test the PD and LGD. The board of management has determined that all loans to group companies are categorised as stage 1 loans. In the absence of internal historical losses and default information, the management board used data from external data source providers in determining the ECL. The Company has received a guarantee on the loans granted to Mercedes-Benz Group AG group companies. This has been considered as part of the calculation of the ECL.	assessed that the forward-looking information used by the client as part of the impairment methodology was appropriate considering the characteristics of the loan portfolio of Mercedes-Benz International Finance B.V. • We assessed that the PD and LGD and the assumptions applied by the board of management, are appropriate and were based upon data from external data source providers including indicators for potential management bias. We found the board of management's assessment to be adequate. Our procedures as set out above did not indicate material differences.
Hedge accounting *Reference is made to note 19* We considered the application of hedge accounting to be a key audit matter. This is because of the detailed formal and technical requirements that are relevant to the application of hedge accounting and because inappropriate application of these requirements can lead to a material effect on the financial statements.	We performed the following procedures to support the appropriateness of the application of hedge accounting: • We tested on a sample basis whether the hedge documentation and hedge effectiveness testing as prepared by the board of management met the requirements and whether the hedge effectiveness test was mathematically correct. • We reconciled the outcome of the effectiveness testing for the derivative portfolio as a whole to the financial statements. • Evaluated the shared comfort memo for the application of hedge accounting from the group auditor of Mercedes-Benz Group AG. Based on the procedures as set out above we found the application of hedge accounting to be appropriate.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the annual management report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of management is responsible for the preparation of the other information, including the annual management report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of Mercedes-Benz International Finance B.V. on 22 March 2024 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 22 March 2024. Our appointment represents a total period of uninterrupted engagement of one year.

European Single Electronic Format (ESEF)

Mercedes-Benz International Finance B.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the financial statements of Mercedes-Benz International Finance B.V., complies in all material respects with the RTS on ESEF.

The board of management is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual report in XHTML format.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including examining whether the annual report in XHTML format is in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered
The services, in addition to the audit, that we have provided to the Company, for the period to which our statutory audit relates, are disclosed in note 5 to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the board of management and the supervisory board for the financial statements
The board of management is responsible for:
- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of management should prepare the financial statements using the going-concern basis of accounting unless the board of management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of management should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. 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 but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 29 April 2025
PricewaterhouseCoopers Accountants N.V.

Originally signed by H.C. van der Rijst RA

Appendix to our auditor's report on the financial statements 2024 of Mercedes-Benz International Finance B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of management.
- Concluding on the appropriateness of the board of management's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.