

**Mercedes-Benz Australia/Pacific Pty Ltd**

ABN 23 004 411 410

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR 30 JUNE 2021**

**Mercedes-Benz Australia/Pacific Pty Ltd**

**INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2021**

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**Mercedes-Benz Australia/Pacific Pty Ltd**  
**INTERIM MANAGEMENT REPORT**  
**FOR THE HALF YEAR ENDED 30 JUNE 2021**

This interim management report is presented together with the interim financial report of Mercedes-Benz Australia/Pacific Pty Ltd ("the Company") for the half year ended 30 June 2021.

**Principal activities**

The principal activities of the Company during the half year ended 30 June 2021 were the importation, marketing and distribution of passenger and light commercial motor vehicles and their component parts.

The Company is also involved in financing activities for its working capital management and on behalf of itself and some other related parties of the local Daimler group.

There were no significant changes in the nature of the Company's activities during the year.

**Operating and financial review**

The Company made a profit, after income tax, for the half year ended 30 June 2021 amounting to \$72.243 million (30 June 2020: \$13.615 million loss). The Company strengthened its core business during the half year, and achieved strong sales results with a 16% increase in revenue over the comparative period. This was driven partly by balanced market conditions and steady customer demands. The Company continues to focus on its sustainability initiatives and has expanded its all-electric vehicle product line and launched sales of its second all-electric vehicle (the EQA) in the first half of 2021. The all-electric vehicle product line (EQ) has been offered in the Australia market under the Company's agency business model since December 2019. More information regarding the agency business model can be found in the section "Important Events" below.

**Important Events**

On 1 January 2021, Florian Siedler was appointed as CEO and Director of the Company, replacing Mr Horst von Sanden (resigned 31 December 2020).

As mentioned above, the Company has offered its EQ all-electric vehicle range under an agency business model since December 2019. The Company is targeting the implementation of the agency business model for the sale of the balance of its passenger car product range for early 2022, in response to changing retailing and consumer behaviour evident in Australia and in other major markets around the world. Under an agency model, the Company would be the sole retail entity, whereby Dealers become Agents for the sale and delivery of new passenger vehicles. During the first half of 2021, the Company has continued to work on the developments required to implement this new model next year with the target implementation to be achieved in early 2022 for the sale of passenger cars and targeted in the second half of 2022 for light commercial vehicles. The operation of the Aftersales business would remain predominantly unchanged. The Company's future results of operations under the agency business model will be reflected in the Company's 2022 annual financial statements.

**Significant changes in the state of affairs**

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the half-year under review.

**Likely developments**

*Operations*

The Company will continue to pursue its policy of increasing its key market share as well as maintaining its contribution to the Daimler global organisation.

The Company's financing activities for other related parties of the local Daimler group are expected to continue depending on the requirements of these related parties.

**Risk Report**

Many factors could directly or indirectly affect the Company's business, financial position, financial performance and cash flows. These factors include, but are not limited to, changes in economic and market conditions, credit risk and currency risk. Further to this, the global semiconductor shortages has had a direct impact on the production and stock levels of the Company. The shortages are expected to continue into the foreseeable future, and the Company will continue to work to stabilise its stock levels and minimise the disruption to its customers. Further information regarding the Company's risk management strategies are described in the Company's 2020 Annual Financial Report.

**Rounding off**

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005) and in accordance with that Class Order, amounts in the financial report and interim management report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## Mercedes-Benz Australia/Pacific Pty Ltd

### RESPONSIBILITY STATEMENT

We, the directors of Mercedes-Benz Australia/Pacific Pty Ltd, confirm that to the best of our knowledge, the condensed set of financial statements which has been prepared in accordance with the Australian Accounting Standards gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company. We confirm that the condensed set of financial statements contain at least a balance sheet, a profit or loss statement and condensed explanatory notes on these accounts. The balance sheet and the profit or loss statement was prepared in accordance with the same principles for recognising and measuring as when preparing annual financial reports.

We also confirm that the interim management report includes at least a fair review of the performance and development of the Company as well as the important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

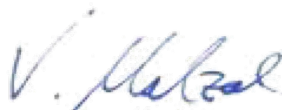
\_\_\_\_\_  
Mr. Florian Seidler  
*CEO and Director*

Melbourne



\_\_\_\_\_  
Ms. Diane Tarr  
Director

Melbourne



\_\_\_\_\_  
Mr. Volker Malzahn  
*CFO and Director*

Melbourne



\_\_\_\_\_  
Mr. Steve McHutchon  
Director

Melbourne

**Mercedes-Benz Australia/Pacific Pty Ltd**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**

|                                      | <b>30 June<br/>2021<br/>\$'000</b> | <b>31 Dec<br/>2020<br/>\$'000</b> |
|--------------------------------------|------------------------------------|-----------------------------------|
| <b>Current assets</b>                |                                    |                                   |
| Cash and cash equivalents            | 285,092                            | 279,417                           |
| Trade and other receivables          | 2,113,997                          | 1,976,950                         |
| Inventories                          | 570,548                            | 612,090                           |
| <b>Total current assets</b>          | <b>2,969,637</b>                   | <b>2,868,457</b>                  |
| <b>Non-current assets</b>            |                                    |                                   |
| Trade and other receivables          | 778,462                            | 598,492                           |
| Deferred tax assets                  | 101,044                            | 91,804                            |
| Intangible assets                    | 1,630                              | 2,180                             |
| Property, plant and equipment        | 82,386                             | 70,774                            |
| <b>Total non-current assets</b>      | <b>963,522</b>                     | <b>763,250</b>                    |
| <b>Total assets</b>                  | <b>3,933,159</b>                   | <b>3,631,707</b>                  |
| <b>Current liabilities</b>           |                                    |                                   |
| Trade and other liabilities          | 759,993                            | 646,927                           |
| Loans and borrowings                 | 1,357,634                          | 1,424,592                         |
| Employee benefits                    | 9,030                              | 8,665                             |
| Provisions                           | 57,568                             | 61,520                            |
| Deferred income                      | 350                                | 1,258                             |
| <b>Total current liabilities</b>     | <b>2,184,575</b>                   | <b>2,142,962</b>                  |
| <b>Non-current liabilities</b>       |                                    |                                   |
| Trade and other liabilities          | 53,164                             | 51,176                            |
| Loans and borrowings                 | 790,153                            | 610,183                           |
| Employee benefits                    | 1,160                              | 616                               |
| Provisions                           | 108,177                            | 103,110                           |
| Deferred income                      | 1,318                              | 1,291                             |
| <b>Total non-current liabilities</b> | <b>953,972</b>                     | <b>766,376</b>                    |
| <b>Total liabilities</b>             | <b>3,138,547</b>                   | <b>2,909,338</b>                  |
| <b>Net assets</b>                    | <b>794,612</b>                     | <b>722,369</b>                    |
| Share capital                        | 70,000                             | 70,000                            |
| Retained earnings                    | 724,612                            | 652,369                           |
| <b>Total equity</b>                  | <b>794,612</b>                     | <b>722,369</b>                    |

*The notes on pages 5 to 6 are an integral part of these financial statements.*

**Mercedes-Benz Australia/Pacific Pty Ltd**  
**UNAUDITED STATEMENT OF PROFIT OR LOSS**  
**FOR THE SIX MONTHS ENDED 30 JUNE**

|   | 2021<br>\$'000       | 2020<br>\$'000         |
|---|----------------------|------------------------|
| Revenue                                 | 1,484,422            | 1,273,846              |
| Cost of sales                           | <u>(1,333,614)</u>   | <u>(1,244,064)</u>     |
| <b>Gross profit</b>                     | <b>150,808</b>       | <b>29,782</b>          |
| Other income                            | <b>15,347</b>        | 14,065                 |
| Employee expenses                       | <b>(23,778)</b>      | (21,570)               |
| Depreciation expense                    | <b>(5,087)</b>       | (4,656)                |
| Other expenses                          | <b>(38,175)</b>      | <b>(32,677)</b>        |
| <b>Result from operating activities</b> | <b>99,115</b>        | <b>(15,056)</b>        |
| Net finance income/(expense)            | <u>4,436</u>         | <u>(3,932)</u>         |
| <b>Profit/(loss) before income tax</b>  | <b>103,551</b>       | <b>(18,988)</b>        |
| Income tax benefit/(expense)            | <u>(31,308)</u>      | <u>5,373</u>           |
| <b>Profit/(loss) for the period</b>     | <b><u>72,243</u></b> | <b><u>(13,615)</u></b> |

*The notes on pages 5 to 6 are an integral part of these financial statements.*

## Mercedes-Benz Australia/Pacific Pty Ltd

# NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2021

## 1 REPORTING ENTITY

Mercedes-Benz Australia/Pacific Pty Ltd (“the Company”) is a company domiciled in Australia. The address of the Company’s registered office is Lexia Place, Mulgrave, Victoria 3170.

The Company is primarily involved in the importation, marketing and distribution of passenger and commercial motor vehicles and their component parts.

## 2 BASIS OF PREPARATION

### (a) Statement of compliance

The condensed interim financial report has been prepared in order to meet certain requirements set out in Article 4 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the “Transparency Law”) and the Luxembourg Grand-Ducal decree dated 11 January 2008 on transparency requirements for issuers of securities (the “Transparency Regulation”).

The financial statements were authorised for issue by the Board of Management on 22 September 2021.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- derivative financial instruments are measured at fair value
- liabilities for cash-settled share-based payment arrangements are measured at fair value
- the defined benefit asset is measured as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

The financial statements have been prepared on a going concern basis.

### (c) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Company’s functional currency.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005) and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand, unless otherwise stated.

## 3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 31 December 2020.



#### **4 DETERMINATION OF FAIR VALUES**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

**(a) Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

**(b) Loans and borrowings**

Fair value of loans and borrowings is determined for disclosure purposes. The fair value of loans and borrowings that are readily traded are revalued at reporting date to market value using quoted market prices or, if not readily traded, are measured based on present value of future expected principal and interest cash flows, discounted at the market rate of interest at the reporting date.