

**Mercedes-Benz Australia/Pacific Pty Ltd
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR 30 JUNE 2024**

ABN 23 004 411 410

Mercedes-Benz Australia/Pacific Pty Ltd

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

Contents

	Page
Interim Management Report	1
Responsibility Statement	3
Financial statements	
Unaudited Statement of Financial Position	4
Unaudited Statement of Profit or Loss	5
Notes to the financial statements	6

Mercedes-Benz Australia/Pacific Pty Ltd

INTERIM MANAGEMENT REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

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 2024.

Principal activities

The principal activities of the Company during the half year ended 30 June 2024 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 Mercedes-Benz Group.

Operating and financial review

The Company made a profit, after income tax, for the half year ended 30 June 2024 amounting to \$22.371 million (30 June 2023: \$30.153 million). During the half year, revenue decreased 12% attributable predominantly to decreased unit sales offset by price increases and product mix. (13,120 units sold year to date June 2024 (10,519 Cars/2,601 Vans) vs 16,016 units sold year to date June 2023 (13,604 Cars/2,412 Vans)). Electrification of the vehicle portfolio remains an integral part of the Company's initiatives.

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 goal of being the leading luxury car brand in Australia as well as maintaining its contribution to the Mercedes-Benz Group AG global organization.

The Company's financing activities for other related parties of the local 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. Global supply shocks and strong domestic demand have combined to generate cost pressures that are now being passed on, creating a potential for Australian economic slow down in the medium term as inflation rates increase putting pressure on the cost of living. This may lead to reduced consumption in the coming months across many industries. At present, the demand for automotive retail remains stable due to the constrained supply and ongoing interruptions in global supply chains and recent Australian quarantines delaying shipment arrivals. This has had a direct impact on the production and stock levels of the Company. The Company also continues to be exposed to legal and tax risks. Provisions are recognised in accordance with the relevant accounting standards for those risks if and insofar as they are likely to be utilised and the amounts of the obligations can be reasonably estimated. Further information regarding the Company's risk management strategies are described in the Company's 2023 Annual Financial Report.

Rounding off

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* and in accordance with that, 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. Jaime Cohen
CEO and Director

Melbourne

Mr. Stephan Schmid
CFO and Director

Melbourne

Ms. Diane Tarr
Director

Melbourne

Mr. Steve McHutchon
Director

Melbourne

Mercedes-Benz Australia/Pacific Pty Ltd

UNAUDITED STATEMENT OF FINANCIAL POSITION

	30 June	31 Dec
	2024	2023
	\$'000	\$'000
Current assets		
Cash and cash equivalents	55,786	53,348
Trade and other receivables	847,702	1,195,556
Inventories	1,503,804	1,332,455
Total current assets	2,407,292	2,581,359
Non-current assets		
Trade and other receivables	647,935	545,635
Deferred tax assets	117,687	121,401
Intangible assets	12	25
Property, plant and equipment	81,949	93,206
Total non-current assets	847,583	760,267
Total assets	3,254,875	3,341,626
Current liabilities		
Trade and other liabilities	719,489	680,015
Loans and borrowings	893,514	1,027,090
Employee benefits	12,037	17,588
Provisions	83,846	97,957
Deferred income	1,206	1,933
Total current liabilities	1,710,092	1,824,583
Non-current liabilities		
Trade and other liabilities	37,205	43,309
Loans and borrowings	652,405	550,409
Employee benefits	2,213	1,334
Provisions	98,460	98,015
Deferred income	737	890
Total non-current liabilities	791,020	693,957
Total liabilities	2,501,112	2,518,540
Net assets	753,763	823,086
Share capital	70,000	70,000
Retained earnings	683,763	753,086
Total equity	753,763	823,086

The notes on pages 6 to 7 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**

	2024	2023
	\$'000	\$'000
Revenue	1,317,326	1,474,760
Cost of sales	(1,139,524)	(1,266,640)
Gross profit	177,802	208,120
Other income	7,934	12,685
Employee expenses	(30,819)	(30,686)
Depreciation expense	(3,697)	(4,946)
Other expenses	(116,869)	(135,701)
Result from operating activities	34,351	49,472
Net finance income/(expense)	(5,461)	(7,410)
Profit/(loss) before income tax	28,890	42,062
Income tax benefit/(expense)	(6,519)	(11,909)
Profit/(loss) for the period	22,371	30,153

The notes on pages 6 to 7 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 2024

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 27 August 2024.

(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 Corporations (Rounding in Financial/ Directors’ Reports) Instrument 2016/191* and in accordance with that, amounts in the financial report and interim management report have been rounded off to the nearest thousand dollars, 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 2023.

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.