

DAIMLER TRUCK



Interim Report Q2 2022

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Q2 Key Figures for the Group

A.01

Key figures Daimler Truck Group

In millions of euros	Q2 2022	Q2 2021	% change
Unit sales	120,961	116,845	+4
Revenue	12,104	10,235	+18 ¹
Revenue of the industrial business ²	11,706	9,961	+18
EBIT	1,074	867	+24
EBIT of the industrial business	911	798	+14
Adjusted EBIT	1,010	878	+15
Adjusted EBIT of the industrial business	940	810	+16
Return on sales of the industrial business (in %)	7.8	8.0	-
Adjusted return on sales of the industrial business (in %)	8.0	8.1	-
Net profit/loss	946	608	+56
Earnings/loss per share (in €)	1.12	0.73	+53
Free cash flow of the industrial business	-756	500	-251
Adjusted free cash flow of the industrial business	-730	526	-239
Net liquidity of the industrial business	5,460	6,024 ⁴	-9
Investments in property, plant and equipment	143	100	+43
Research and development expenditure	443	364	+22
of which capitalized	49	41	+18
Active workforce ³	103,386	99,849 ⁴	+4

1 Adjusted for the effects of currency translation, revenue increased by 11%.

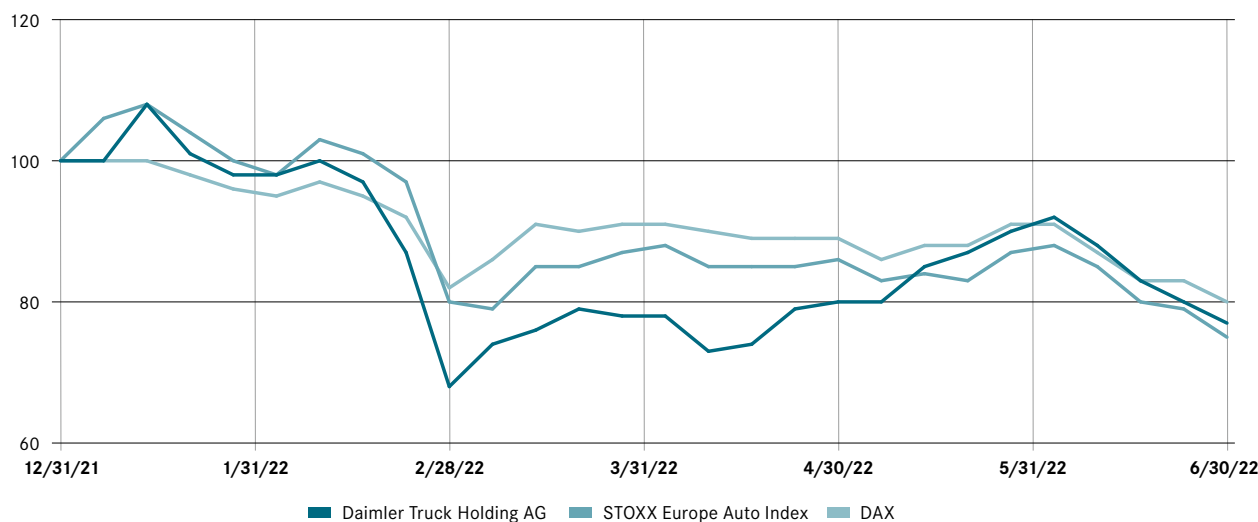
2 The industrial business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, as well as the reconciliation.

3 This reflects the active workforce as a full-time equivalent.

4 At December 31, 2021.

A.02

Share price index



Q1-2 Key Figures for the Group

A.03

Key figures Daimler Truck Group

In millions of euros	Q1-2 2022	Q1-2 2021	% change
Unit sales	230,247	218,209	+6
Revenue	22,655	19,258	+18 ¹
Revenue of the industrial business ²	21,948	18,707	+17
EBIT	1,535	2,566	-40
EBIT of the industrial business	1,326	2,461	-46
Adjusted EBIT	1,661	1,466	+13
Adjusted EBIT of the industrial business	1,544	1,362	+13
Return on sales of the industrial business (in %)	6.0	13.2	-
Adjusted return on sales of the industrial business (in %)	7.0	7.3	-
Net profit/loss	1,221	2,051	-40
Earnings/loss per share (in €)	1.43	2.47	-42
Free cash flow of the industrial business	-683	1,431	-148
Adjusted free cash flow of the industrial business	-524	960	-155
Net liquidity of the industrial business	5,460	6,024 ⁴	-9
Investment in property, plant and equipment	242	189	+28
Research and development expenditure	829	742	+12
thereof capitalized development costs	89	86	+3
Active workforce ³	103,386	99,849 ⁴	+4

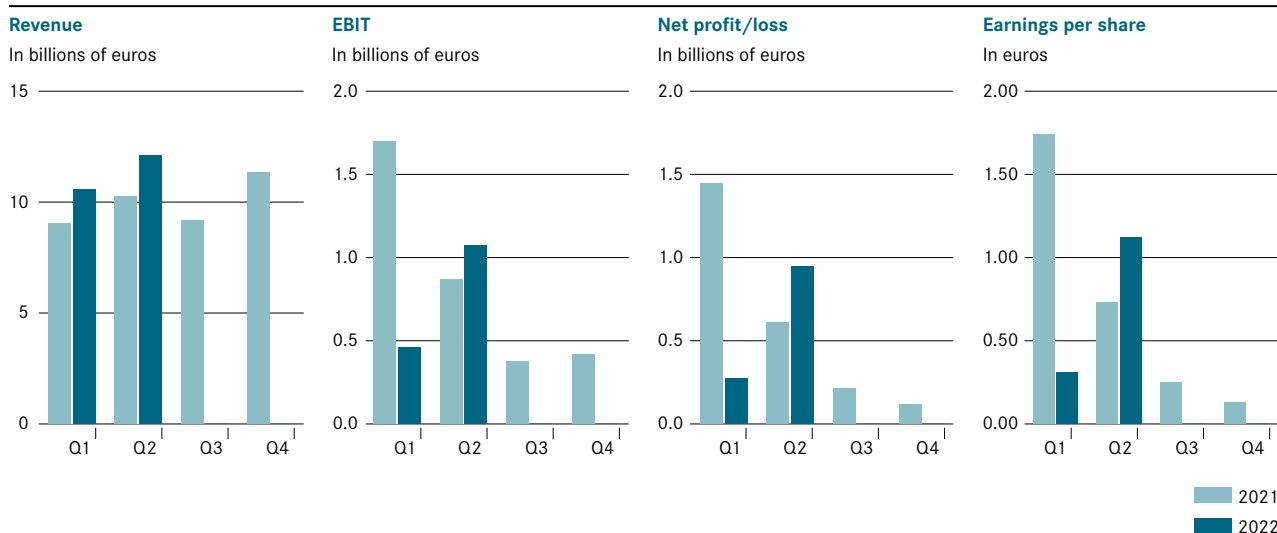
1 Adjusted for the effects of currency translation, revenue increased by 12%.

2 The industrial business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, as well as the reconciliation.

3 This reflects the active workforce as a full-time equivalent.

4 At December 31, 2021.

A.04



Q2 Key Figures for the Segments

A.05

	Q2 2022	Q2 2021	% change
In millions of euros			
Trucks North America			
Unit sales	44,124	43,233	+2
Revenue	5,150	4,085	+26
EBIT	523	440	+19
Adjusted EBIT	523	440	+19
Return on sales (in %)	10.2	10.8	-
Adjusted return on sales (in %)	10.2	10.8	-
Investment in property, plant and equipment	27	24	+13
Research and development expenditure	145	107	+36
of which capitalized	-	-	-
Active workforce ¹	27,319	25,930 ²	+5
Mercedes-Benz			
Unit sales	38,812	38,717	+0
Revenue	4,880	4,301	+13
EBIT	505	236	+114
Adjusted EBIT	512	243	+111
Return on sales (in %)	10.4	5.5	-
Adjusted return on sales (in %)	10.5	5.7	-
Investment in property, plant and equipment	78	53	+47
Research and development expenditure	178	172	+3
of which capitalized	38	29	+31
Active workforce ¹	41,357	40,327 ²	+3
Trucks Asia			
Unit sales	36,704	33,125	+11
Revenue	1,546	1,455	+6
EBIT	31	140	-78
Adjusted EBIT	30	140	-79
Return on sales (in %)	2.0	9.6	-
Adjusted return on sales (in %)	1.9	9.6	-
Investment in property, plant and equipment	26	16	+63
Research and development expenditure	52	50	+4
of which capitalized	7	7	-
Active workforce ¹	15,988	15,865 ²	+1
Daimler Buses			
Unit sales	5,075	4,618	+10
Revenue	873	727	+20
EBIT	-26	11	-336
Adjusted EBIT	-10	15	-167
Return on sales (in %)	-2.9	1.5	-
Adjusted return on sales (in %)	-1.2	2.0	-
Investment in property, plant and equipment	10	6	+67
Research and development expenditure	40	26	+54
of which capitalized	4	4	-
Active workforce ¹	14,981	14,861 ²	+1
Financial Services			
Revenue	398	274	+45
EBIT	163	69	+136
Adjusted EBIT	71	69	+3
Return on equity (in %)	34.9	17.9	-
Adjusted return on equity (in %)	15.1	17.9	-
New business	2,364	1,450	+63
Contract volume	20,864	16,866 ²	+24
Active workforce ¹	1,487	1,245 ²	+19

1 This reflects the active workforce as a full-time equivalent.

2 At December 31, 2021.

Q1-2 Key Figures for the Segments

A.06

	Q1-2 2022	Q1-2 2021	% change
In millions of euros			
Trucks North America			
Unit sales	87,601	79,926	+10
Revenue	9,733	7,581	+28
EBIT	909	854	+6
Adjusted EBIT	909	854	+6
Return on sales (in %)	9.3	11.3	-
Adjusted return on sales (in %)	9.3	11.3	-
Investment in property, plant and equipment	60	37	+62
Research and development expenditure	273	214	+28
of which capitalized	-	-	-
Active workforce ¹	27,319	25,930	+5
Mercedes-Benz			
Unit sales	72,575	70,092	+4
Revenue	9,185	8,106	+13
EBIT	681	339	+101
Adjusted EBIT	853	421	+103
Return on sales (in %)	7.4	4.2	-
Adjusted return on sales (in %)	9.3	5.2	-
Investment in property, plant and equipment	119	92	+29
Research and development expenditure	331	340	-3
of which capitalized	69	63	+10
Active workforce ¹	41,357	40,327	+3
Trucks Asia			
Unit sales	66,697	64,895	+3
Revenue	2,967	2,933	+1
EBIT	54	198	-73
Adjusted EBIT	61	198	-69
Return on sales (in %)	1.8	6.8	-
Adjusted return on sales (in %)	2.0	6.8	-
Investment in property, plant and equipment	41	43	-5
Research and development expenditure	101	97	+4
of which capitalized	14	16	-13
Active workforce ¹	15,988	15,865	+1
Daimler Buses			
Unit sales	8,657	8,192	+6
Revenue	1,499	1,233	+22
EBIT	-87	-78	+12
Adjusted EBIT	-55	-59	-7
Return on sales (in %)	-5.8	-6.3	-
Adjusted return on sales (in %)	-3.7	-4.8	-
Investment in property, plant and equipment	15	14	+7
Research and development expenditure	70	60	+17
of which capitalized	6	8	-25
Active workforce ¹	14,981	14,861	+1
Financial Services			
Revenue	707	551	+28
EBIT	210	104	+102
Adjusted EBIT	117	104	+13
Return on equity (in %)	23.8	14.0	-
Adjusted return on equity (in %)	13.3	14.0	-
New business	3,932	2,684	+46
Contract volume	20,864	16,866 ²	+24
Active workforce ¹	1,487	1,245 ²	+19

1 This reflects the active workforce as a full-time equivalent.

2 At December 31, 2021.

Interim Group Management Report

Unit sales in Q2 at 120,961 (Q2 2021: 116,845) and in Q1-2 at 230,247 (Q1-2 2021: 218,209) units above prior year's level
Revenue in Q2 of €12.1 billion (Q2 2021: €10.2 billion), in Q1-2 at €22.7 billion (Q1-2 2021: €19.3 billion)
Group EBIT in Q2 of €1,074 million (Q2 2021: €867 million); adjusted Group EBIT of €1,010 million (Q2 2021: €878 million)
Group EBIT in Q1-2 of €1,535 million (Q1-2 2021: €2,566 million); adjusted Group EBIT of €1,661 million (Q1-2 2021: 1,466 million)
Net profit in Q2 of €0.9 billion (Q2 2021: €0.6 billion), in Q1-2 of €1.2 billion (Q1-2 2021: €2.1 billion)
Free cash flow in the industrial business of minus €756 million in Q2 (Q2 2021: €500 million) and minus €683 million in Q1-2 (Q1-2 2021: €1,431 million)
For 2022 as a whole, unit sales of between 500 and 520 thousand units, revenue of between €48.0 and €50.0 billion, EBIT at prior year's level expected
Return on sales of 7% - 9% and free cash flow expected to remain at prior year's level in the industrial business

Business Development

The global economy had started the year with positive signs until the Russian invasion of Ukraine on February 24, 2022 resulted in a negative impact on global economic development and the capital markets. In addition, fossil fuels and raw materials, which Russia and Ukraine are important producers of, have become significantly more expensive. The resulting additional price pressure have impacted on both companies and private households and accelerated the rise in inflation rates already observable since the middle of last year. In addition to the price effects of the crisis, the limited availability of certain raw materials and supplier parts also led to production bottlenecks. These supply bottlenecks were intensified by the COVID-19-related lockdowns in China. General uncertainty about the length and possible outcome of the conflict and high inflation rates also exacerbated by investments and consumer climate as well as the financial markets. These deteriorating economic conditions will have a negative impact on economic growth from the second quarter onwards (see Outlook).

The development of the truck markets in the second quarter and in the first half of 2022 was not significantly influenced by the Russia-Ukraine war. However, the availability of semiconductors continued to affect truck production, meaning that demand could not always be fully operate. The North American market for heavy trucks (class 8) grew by around 5% in the second quarter. This means that the market volume was slightly below the prior year's level with a decline of around 1% in the first half of the year. The market for heavy trucks in the EU30 region (European Union, United Kingdom, Switzerland, and Norway) remained at the prior year's level both in the second quarter and in the first half of the year as a whole.

Unit sales slightly above prior year's level

In the first half of 2022, the Daimler Truck Group (hereinafter also referred to as "Daimler Truck" or "Group") sold 230,247 (Q1-2 2021: 218,209) vehicles, of which 120,961 (Q1-2 2021: 116,845) units were sold in Q2 **↗ B.01**.

The **Trucks North America** segment recorded unit sales of 87,601 (Q1-2 2021: 79,926) trucks, of which 44,124 (Q1-2-2021: 43,233) units were sold in Q2. Despite the bottlenecks in the supply chains, the increase in unit sales was mainly due to high demand. In Mexico, unit sales increased by 59.2% year on year with 5,203 units in the first half of the year. Furthermore, there was a significant increase in unit sales in Canada (22.6%) and the USA (6.0%).

In the first half of 2022, the **Mercedes-Benz** segment recorded unit sales of 72,575 (Q1-2 2021: 70,092) vehicles, of which 38,812 (Q1-2 2021: 38,717) units were sold in Q2. Despite the bottlenecks in the supply chains, the slight increase in unit sales was mainly due to the EU30 region. Our sales in this region increased by 14.6% to 38,392 units in the first half of the year. In contrast, unit sales declined slightly by 4.5% to 15,670 units in Brazil, our main market in Latin America.

Unit sales in the **Trucks Asia** segment increased by 2.8% to 66,697 units in the first half of 2022, and by 10.8% to 36,704 units in Q2. The increase in unit sales in the first half of the year was mainly due to overseas markets, e.g., in Indonesia with 73.6% to 16,743 units. In contrast, we recorded a decline in unit sales in Japan due to supply chain constraints of 26.1% to 13,018 trucks and buses.

Unit sales of Auman trucks, which we produce in China in our joint venture Beijing Foton Daimler Automotive Co., Ltd. (BFDA), fell to 26,636 (Q1-2 2021: 82,441) units in the first half of the year due to the introduction of the China 6 emission standard and the economic impact of the COVID-19-related lockdowns in China.

In the first half of 2022, the **Daimler Buses** segment sold 8,657 (Q1-2 2021: 8,192) units. Opposing effects within the segment have led to a change in the product mix. We increased our unit sales in the EU30 region by 14.5% to 2,191 units. In Mexico too, we achieved an increase in unit sales of 11.8% to 1,068 units. In contrast, sales in Brazil, our main market in Latin America, fell by a total of 2.6% to 3,272 units.

B.01**Unit sales¹**

	Q1-2 2022	Q1-2 2021	% change	Q2 2022	Q2 2021	% change
Daimler Truck Group	230,247	218,209	+5.5	120,961	116,845	+3.5
Trucks North America	87,601	79,926	+9.6	44,124	43,233	+2.1
Mercedes-Benz	72,575	70,092	+3.5	38,812	38,717	+0.2
Trucks Asia	66,697	64,895	+2.8	36,704	33,125	+10.8
Daimler Buses	8,657	8,192	+5.7	5,075	4,618	+9.9

¹ The total of the segments does not correspond to unit sales due to eliminations between the segments.

The **Financial Services** segment concluded new financing and leasing contracts worldwide totaling €2.4 billion in the second quarter of 2022 (+63.0%). New business increased significantly year on year in both regions North America (+79.6%) and Europe and South America (+89.2%), while Asia and Overseas recorded a slight decline (-6.3%). Financial Services concluded worldwide new financing and leasing contracts in the total amount of €3.9 billion (+46.5%) in the first half of 2022. New business increased significantly in both regions North America (+56.3%) and Europe and South America (+78.9%), while Asia and Overseas recorded a slight decline (-6.4%).

At the end of June 2022, the contract volume amounted to €20.9 billion and was thus significantly higher than the prior year's level (+26.7%). This growth could be attributed, on the one hand, to positive exchange rate trends in North and South America. Adjusted for exchange-rate effects, contract volumes stabilized, however, with growth of 15.9%. On the other hand, the growth must be justified by the inclusion of the new Phase 2 markets (Argentina, Belgium, the Netherlands, Italy in April 2022, and the Spanish rental company in May 2022) in Europe and South America. Adjusted for exchange rates and the portfolio of these markets, this corresponds to slight growth of 7.0%.

Investments in property, plant and equipment of the Daimler Truck Group amounted to €242 million in the first half of 2022 (Q1-2 2021: €189 million), to €143 million in the second quarter of 2022 (Q2 2021: €100 million).

Research and development expenditure including capitalization of Daimler Truck amount to €829 million (Q1-2 2021: €742 million) in the first half of the year and €443 million in the second quarter (Q2 2021: €364 million).

Important Events

Daimler Truck supports Ukrainian population

Daimler Truck is following the development of the war against Ukraine with deep dismay, which is bringing immense suffering to the population. Employees from all over the world have expressed their solidarity with the Ukrainian population and providing concrete support in the form of trucks and buses for aid deliveries, as well as donations in kind and money for relief operations. This includes a big monetary donation, which was donated by the Daimler Truck workforce and matched by the company.

Autonomous trucks: Daimler Truck subsidiary TORC Robotics working with leading U.S. logistics companies

Daimler Truck is one of the leading truck manufacturers in the development of autonomous trucks (SAE Level 4) with safety-relevant redundant driving systems. With its independent subsidiary TORC Robotics, Daimler Truck is driving the development of autonomous truck transportation in the United States. TORC is now taking the next step by working with leading U.S. logistics companies to bring autonomous trucks into real-world use. For example, TORC created the "Torc Autonomous Advisory Council" (TAAC) with key logistics industry players to integrate extensive industry expertise into its development process. In addition, TORC Robotics also opened a technology and software development center in Stuttgart in April.

MirrorCam, 2nd generation: Mercedes-Benz Trucks further develops mirror camera systems

Mercedes-Benz Trucks has given MirrorCam its first update and further developed the system, which has won several innovation awards, in important details. As early as 2014, Mercedes-Benz Trucks presented a truck with cameras instead of exterior mirrors in its "Mercedes-Benz Future Truck 2025" study. Then, in 2018, the manufacturer became the first in the industry to mass-produce MirrorCam – the first mirror camera system for trucks.

Over a million test miles: Daimler Truck introduces electric Freightliner Cascadia into series production in North America

After well over one million test miles (over 1.6 million kilometers) in daily customer operation, Daimler Truck and its U.S. brand Freightliner are presenting the production version of the all-electric eCascadia. Production is still scheduled to start in 2022.

Cooperating with battery technology: Daimler Truck invests in German high-tech machine manufacturer Manz

Daimler Truck will become a major anchor shareholder in the German hightech engineering company Manz AG in a capital increase of approximately ten percent, subject to approval by the relevant antitrust authorities. In addition, both companies have signed a cooperation agreement on a strategic

partnership to set up a pilot line for the production of lithium-ion battery cells and the assembly of batteries at the Daimler Truck site in Mannheim as a first step.

Mercedes-Benz Trucks drives electrification forward – eActros LongHaul goes on the road in 2022

Following the market launch of the eActros for heavy-duty distribution transport in 2021, Mercedes-Benz Trucks is systematically pressing ahead with the introduction of further battery-electric models for this and the coming years. For the important long-haul segment, the eActros LongHaul with a range of around 500 kilometers on one battery charge is expected to be ready for series production in 2024.

Insurance consulting for truck and bus customers: Cooperation between Financial Services and Marsh

Truck and bus customers of Daimler Truck Financial Services now have access to professional insurance consulting. To facilitate this, a cooperation agreement was signed with Marsh GmbH, Germany, the world's leading insurance broker and risk consultant. The new service offering includes a holistic reassessment and realignment of the entire insurance portfolio of Daimler Truck Financial Services customers.

Daimler Buses plant in Neu-Ulm starts production of the next generation of Setra coaches: New ComfortClass and TopClass roll off the production line

The Daimler Buses plant in Neu-Ulm has begun series production of the new Setra ComfortClass and TopClass 500. The first ComfortClass of the next generation has already come off the production line, the TopClass will follow shortly. This underscores the site's role as a competence center for coaches in the Daimler Buses production network and plays a key role in ensuring that the new coaches are put on the road in the highest Setra quality.

Daimler Truck publishes 2021 Sustainability Report

Holistic understanding of sustainability, CO₂-neutral products and production by 2039, responsibility for employees and society as well as the creation of clear liabilities with strong corporate governance: These terms can be used to describe the realignment of Daimler Truck's sustainable business strategy.

Annual General Meeting: Daimler Truck reaffirms its claim to leadership on the road to sustainable transport

At its first Annual General Meeting, Daimler Truck Holding AG reaffirmed its mission to play a decisive role in shaping the transformation of the transportation industry as a leading company and to create sustainable added value for customers, shareholders, and employees. In its first year of independence, the company has still been consistently pursuing its clear strategy of fully exploiting its earnings potential despite major external uncertainty factors.

Profitability, Liquidity and Capital Resources, and Financial Position

To provide a better insight into profitability, liquidity and capital resources, and financial position, the Condensed Consolidated Statement of Income, Condensed Consolidated Statement of Cash Flows, and Condensed Consolidated Statement of Financial Position are presented, in addition to the Daimler Truck Group, for the “industrial business” and for “Financial Services”. The industrial business and Financial Services separation represent a business perspective. The industrial business comprises the automotive segments Trucks North America, Mercedes-Benz, Trucks Asia and Daimler Buses, and the reconciliation. Financial Services corresponds to the Financial Services segment. The eliminations of intra-Group transactions between the industrial business and financial services are allocated to the industrial business and are reported in the reconciliation.

Due to rounding, individual amounts may not add up precisely to the totals shown and percentages presented may not accurately reflect the absolute values to which they relate.

Profitability

Condensed Consolidated Statement of Income of the Daimler Truck Group in the second quarter of 2022

The **revenue** of the Daimler Truck Group amounted to €12.1 billion in the second quarter of 2022 and was significantly above that of the same quarter in the prior year (Q2 2021: €10.2 billion). Adjusted for positive exchange rate effects, unit sales were also significantly above that of the same quarter in the prior year. The increase in revenue of the Daimler Truck Group resulted primarily from the improved price enforcement of the automotive segments, advantageous exchange rates (especially US dollar), a slight increase of sales and from a license agreement with Beijing Foton Daimler Automotive Co. Ltd. (“BFDA”).

The functional costs were above the prior year’s quarter, mainly due to increased raw material costs.

In the second quarter of 2022, the increase in income from other operating results in the amount of €84 million from the acquisition of truck and bus-related Financial Services companies as well as a Financial Services business unit (together hereinafter also referred to as “acquired financial services business”) from Mercedes-Benz Group.

The at equity earnings in the second quarter of 2022 of minus €17 million (Q2 2021: €89 million) were below that of the same quarter in the prior year. This development is mainly due to the negative earnings contribution of the BFDA joint venture in the Trucks Asia segment due to lower sales.

EBIT amounted to €1,074 million in the second quarter of 2022 (Q2 2021: €867 million) and was therefore significantly above the prior year’s quarter. Adjusted EBIT of the Daimler Truck Group was also higher than in the prior-year quarter at €1,010 million (Q2 2021: €878 million). The reconciliation from EBIT to adjusted EBIT is shown in Table [7 B.04](#).

Interest income/expense, net amounted to minus €21 million in the second quarter of 2022 (Q2 2021: minus €26 million).

In the second quarter of 2022, **income taxes** included an expense of minus €107 million (Q2 2021: minus €233 million). The effective tax rate was 10.2% (Q2 2021: 27.7%). In the second quarter of 2022, the effective tax rate was affected by a reversal of the valuation allowance on deferred tax assets of €110 million, which mainly results from the reduction of temporary differences from provisions for pensions and similar obligations in the German tax group.

Net profit of €946 million was significantly above the prior year quarter (Q2 2021: €608 million). Of this, profit of €24 million (Q2 2021: €7 million) was attributable to **non-controlling interests**. The net profit attributable to **share of shareholders of Daimler Truck Holding AG** amounted to €922 million (Q2 2021: €601 million). **Earnings per share** amounted to €1.12 (Q2 2021: €0.73).

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 823 million.

Table 7 B.02 shows the Condensed Consolidated Statement of Income of the Daimler Truck Group as well as of the industrial business and Financial Services. Table 7 B.03 shows the composition of EBIT for the industrial business.

B.02

Condensed Consolidated Statement of Income for the three-month periods ended 30 June	Daimler Truck Group		Industrial Business		Financial Services	
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
In millions of euros						
Revenue	12,104	10,235	11,706	9,961	398	274
Cost of sales	-9,696	-8,261	-9,431	-8,103	-266	-158
Gross profit	2,408	1,974	2,275	1,858	132	116
Selling expenses	-703	-634	-673	-604	-30	-29
General administrative expenses	-482	-394	-428	-357	-53	-37
Research and non-capitalized development costs	-394	-323	-394	-323	-	-
Other operating income/expense, net	198	56	82	37	115	19
Profit/loss on equity-method investments, net	-17	89	-17	89	-	-
Other financial income/expense, net	64	99	66	99	-1	-
EBIT	1,074	867	911	798	163	69
Interest income/expense, net	-21	-26	-21	-26	-	-
Profit/loss before income taxes	1,053	841	890	772	163	69
Income taxes	-107	-233	-101	-212	-6	-21
Net profit/loss	946	608	789	560	157	48
thereof profit attributable to non-controlling interests	24	7				
thereof profit/loss attributable to shareholders	922	601				
Earnings/loss per share (in euros)						
for profit/loss attributable to shareholders						
Basic and diluted	1.12	0.73				

B.03

EBIT of the industrial business for the three-month periods ended 30 June	Industrial business		Trucks North America		Mercedes-Benz		Trucks Asia		Daimler Buses		Reconciliation	
	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021	Q2 2022	Q2 2021
In millions of euros												
Revenue	11,706	9,961	5,150	4,085	4,880	4,301	1,546	1,455	873	727	-743	-607
Cost of sales	-9,431	-8,103	-4,251	-3,348	-3,860	-3,599	-1,279	-1,158	-770	-601	730	603
Gross profit	2,275	1,858	899	737	1,020	701	266	297	103	126	-13	-4
Selling expenses	-673	-604	-107	-80	-365	-347	-152	-136	-72	-57	23	15
General administrative expenses	-428	-357	-163	-134	-146	-111	-64	-73	-44	-44	-11	5
Research and non-capitalized development costs	-394	-323	-145	-107	-141	-143	-45	-42	-36	-22	-28	-9
Other income/expense	131	225	39	24	137	136	24	94	24	7	-93	-36
EBIT	911	798	523	440	505	236	31	140	-26	11	-122	-28

Segment EBIT for the second quarter of 2022

The **Trucks North America** segment was affected by the following key factors compared with the second quarter of 2021:

- + Improved net pricing
- + Positive effects from exchange rate
- + Improvement in the aftersales business
- Increased raw material costs
- Additional costs and inefficiencies due to bottlenecks in the supply chains

The **Mercedes-Benz** segment was affected by the following key factors compared with the second quarter of 2021:

- + Improved net pricing
- + Positive effects from the license agreement with BFDA
- + Improvement in the aftersales business
- + Positive effects from higher interest rates in connection with other personnel provisions
- + Positive effects from exchange rate
- Increased raw material costs
- Additional costs and inefficiencies due to bottlenecks in the supply chains

The main adjustments for the **Mercedes-Benz** segment include:

- Expenses in connection with the spin-off in the amount of €6 million (Q2 2021: €0 million) (M&A transaction)
- Impairment of trade receivables in connection with the Russia-Ukraine war of minus €4 million (M&A transaction)
- Expenses for personnel cost optimization programs of €5 million (Q2 2021: €7 million) (restructuring measure)

The **Trucks Asia** segment was affected by the following key factors compared with the second quarter of 2021:

- Negative effect of the at-equity result from the BFDA joint venture due to the significant market decline caused by the introduction of the China 6 emission standard in 2021 and the economic effects of the COVID-19-related lock-downs
- Increased raw material costs
- Additional costs and inefficiencies due to bottlenecks in the supply chains
- Significant decline in sales in Japan due to bottlenecks in the supply chains
- + Significantly increased sales volume, particularly in the Indonesian region, due to market recovery
- + Improved net pricing in India and Indonesia
- + Improvement in the aftersales business

Adjustments for the **Trucks Asia** segment include:

- Impairment of trade receivables in connection with the Russia-Ukraine war of minus €1 million (M&A transaction)

The **Daimler Buses** segment was affected by the following key factors compared with the second quarter of 2021:

- Increased raw material costs
- Negative elimination effect (positive in second quarter 2021, negative counter effect in fourth quarter 2021)
- + Significantly higher unit sales in the EU30 region and Latin America
- + Positive development of the aftersales business and improved price enforcement

Adjustments for the **Daimler Buses** segment include:

- Expenses for personnel cost optimization programs of €8 million (Q2 2021: €4 million) (restructuring measure)
- Expenses in connection with the sale of Minibus GmbH amounting to €7 million ((Q2 2021: €0 million) (M&A transaction)

The **Financial Services** segment was affected by the following key factors compared with the second quarter of 2021:

- + Income related to acquisitions of the financial services business included in the adjustments
- + Increased earnings due to improved interest margin and the start of the acquired financial services business
- + Improvement of the relative cost of risk situation
- + Favorable exchange rates, especially in North and South America
- Higher expenses in connection with the integration of the acquired financial services business and the safeguarding of operational business operations

Adjustments for the **Financial Services** segment include:

- Earnings in connection with the acquisition of the financial services business in the amount of €92 million (Q2 2021: €0 million) (M&A transaction)

The reconciliation from EBIT to adjusted EBIT is shown in table [B.04](#).

The EBIT of the **reconciliation** was below that of the prior year. This development is mainly due to adjustments to the fair value of associated companies. The reconciliation includes adjustments in the amount of €7 million. These adjustments mainly contain expenses in connection with the spin-off (M&A transaction).

B.04

Reconciliation EBIT to EBIT adjusted for the three-month periods ended 30 June

	Trucks North				Financial	Recon-	Daimler Truck
	America	Mercedes-Benz	Trucks Asia	Daimler Buses	Services	ciliation	Group
In millions of euros							
Q2 2022							
EBIT	523	505	31	-26	163	-122	1,074
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	5	-	8	-	-	13
M&A transactions	-	2	-1	7	-92	7	-77
Adjusted EBIT	523	512	30	-10	71	-115	1,010
Return on sales/return on equity (in %)	10.2	10.4	2.0	-2.9	34.9	-	-
Adjusted return on sales/return on equity (in %)¹	10.2	10.5	1.9	-1.2	15.1	-	-

	Trucks North				Financial	Recon-	Daimler Truck
	America	Mercedes-Benz	Trucks Asia	Daimler Buses	Services	ciliation	Group
In millions of euros							
Q2 2021							
EBIT	440	236	140	11	69	-28	867
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	7	-	4	-	1	11
M&A transactions	-	-	-	-	-	-	-
Adjusted EBIT	440	243	140	15	69	-28	878
Return on sales/return on equity (in %)	10.8	5.5	9.6	1.5	17.9	-	-
Adjusted return on sales/return on equity (in %)¹	10.8	5.7	9.6	2.0	17.9	-	-

¹ In the industrial business segments, adjusted return on sales is calculated as the ratio of adjusted EBIT to revenue. In Financial Services, adjusted return on equity is determined as the ratio of adjusted EBIT to the average quarterly equity.

Condensed Consolidated Statement of Income of the Daimler Truck Group in the first half of 2022

The **revenue** of the Daimler Truck Group amounted to €22.7 billion in the first half of 2022 and was significantly above that of the same half in the prior year (Q1-2 2021: €19.3 billion). Adjusted for positive exchange rate effects, revenue was also significantly above the prior year's level. The increase in revenue of the Daimler Truck Group resulted primarily from the improved price enforcement of the automotive segments, a favorable exchange rate (especially US dollar), a slight increase of sales and a license agreement with BFDA.

The functional costs in the first half of the year were above the prior year's level, mainly due to increased raw material costs. In connection with the Russia-Ukraine war, an impairment of trade receivables in the amount of €108 million is expected, which was recognized accordingly in the selling costs.

The second quarter of 2022 includes income from other operating income in the amount of €84 million in connection with the acquired financial services business.

The at-equity result in the first half of 2022 of minus €112 million (Q1-2 2021: €123 million) was below the prior year's figure. This development was partly due to the negative earnings contribution of the BFDA joint venture in the Trucks Asia segment due to lower sales. Another factor was the impairment of the at-equity carrying amount of Daimler Kamaz Truck Holding GmbH ("DKTH") of €71 million.

EBIT amounted to €1,535 million in the first half of 2022 (Q1-2 2021: €2,566 million) and was therefore significantly below the comparable value of the prior year. In the prior year, income of €1,215 million in connection with the founding of the fuel cell joint venture cellcentric GmbH & Co. KG ("cellcentric") had a positive effect. The adjusted EBIT of the Daimler Truck Group of €1,661 million (Q2 2021: €1,466 million) was below that of the same quarter in the prior year. The reconciliation from EBIT to adjusted EBIT is shown in table [7 B.07](#).

Interest income/expense, net amounted to minus €23 million in the first half-year of 2022 (Q1-2 2021: minus €49 million).

In the first half of 2022, **income tax** of minus €291 million (Q1-2 2021: minus €466 million) was recognized. The effective tax rate was 19.2% (Q1-2 2021: 18.5%). In the first half of 2022, the effective tax rate was affected by a reversal of the valuation allowance on deferred tax assets of €110 million, which mainly results from the reduction of temporary differences from provisions for pensions and similar obligations in the German tax group. In the first half of 2021, the tax rate was reduced by the fact that only one deferred tax expense on corporate income tax was incurred on the income in connection with the fuel cell joint venture cellcentric (15.825% including solidarity surcharge).

Net profit of €1,221 million was significantly below the prior year (Q1-2 2021: €2,051 million). Of this, net profit of €42 million was attributable to **non-controlling interests** (Q1-2 2021: €16 million). The net income attributable to **shareholders of Daimler Truck Holding AG** amounted to €1,179 million (Q1-2 2021: €2,035 million). **Earnings per share** amounted to €1.43 (Q1-2 2021: €2.47).

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 823 million.

Table **7 B.05** shows the Condensed Consolidated Statement of Income of the Daimler Truck Group as well as of the industrial business and Financial Services for the first half of 2022. Table **7 B.06** shows the composition of EBIT for the industrial business for the first half of 2022.

B.05

Condensed Consolidated Statement of Income for the six-month periods ended 30 June	Daimler Truck Group		Industrial Business		Financial Services	
	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021
In millions of euros						
Revenue	22,655	19,258	21,948	18,707	707	551
Cost of sales	-18,358	-15,625	-17,889	-15,268	-469	-357
Gross profit	4,297	3,633	4,059	3,438	238	194
Selling expenses	-1,470	-1,275	-1,416	-1,217	-54	-58
General administrative expenses	-852	-782	-760	-713	-92	-68
Research and non-capitalized development costs	-740	-656	-740	-656	-	-
Other operating income/expense, net	330	1,405	209	1,368	120	37
Profit/loss on equity-method investments, net	-112	123	-112	123	-	-
Other financial income/expense, net	82	118	85	118	-2	-1
EBIT	1,535	2,566	1,326	2,461	210	104
Interest income/expense, net	-23	-49	-22	-48	-1	-1
Profit/loss before income taxes	1,512	2,517	1,304	2,414	209	103
Income taxes	-291	-466	-271	-436	-20	-30
Net profit/loss	1,221	2,051	1,032	1,978	189	73
thereof profit attributable to non-controlling interests	42	16				
thereof profit/loss attributable to shareholders	1,179	2,035				
Earnings/loss per share (in euros) for profit/loss attributable to shareholders						
Basic and diluted	1.43	2.47				

B.06

EBIT of the industrial business for the six-month periods ended 30 June	Industrial business		Trucks North America		Mercedes-Benz		Trucks Asia		Daimler Buses		Reconciliation	
	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021
In millions of euros												
Revenue	21,948	18,707	9,733	7,581	9,185	8,106	2,967	2,933	1,499	1,233	-1,436	-1,147
Cost of sales	-17,889	-15,268	-8,125	-6,156	-7,361	-6,799	-2,432	-2,350	-1,339	-1,093	1,367	1,130
Gross profit	4,059	3,438	1,609	1,425	1,823	1,307	535	583	160	140	-68	-17
Selling expenses	-1,416	-1,217	-195	-144	-812	-711	-324	-284	-131	-116	47	37
General administrative expenses	-760	-713	-293	-259	-250	-227	-123	-154	-94	-82	-1	9
Research and non-capitalized development costs	-740	-656	-273	-214	-262	-277	-86	-81	-64	-52	-54	-30
Other income/expense	182	1,610	61	46	182	248	53	134	41	32	-156	1,149
EBIT	1,326	2,461	909	854	681	339	54	198	-87	-78	-232	1,147

Segment EBIT for the first half of 2022

The **Trucks North America** segment was affected by the following key factors compared with the first half of 2021:

- + Improved net pricing
- + Positive effects from exchange rate
- + Significantly increased sales volume despite ongoing bottlenecks in the supply chains
- + Improvement in the aftersales business
- Increased raw material costs
- Additional costs and inefficiencies due to bottlenecks in the supply chains

The **Mercedes-Benz** segment was affected by the following key factors compared with the first half of 2021:

- + Improved net pricing
- + Positive effects from the license agreement with BFDA
- + Improvement in the aftersales business
- + Positive effects from higher interest rates in connection with other personnel provisions
- + Positive effects from exchange rate
- + Slightly increased sales volume despite ongoing bottlenecks in the supply chains
- Increased raw material costs
- Additional costs and inefficiencies due to bottlenecks in the supply chains
- Negative effects from the Russia-Ukraine war included in the adjustments

Adjustments for the **Mercedes-Benz** segment include:

- Impairment of trade receivables/liabilities in connection with the Russia-Ukraine war of €86 million (M&A transaction)
- Impairment of the at-equity carrying amount of DKTH in connection with the Russia-Ukraine war in the amount of €71 million (M&A transaction)
- Expenses in connection with the spin-off in the amount of €6 million (Q1-2 2021: €0 million) (M&A transaction)
- Expenses for personnel cost optimization programmes of €10 million (Q1-2 2021: €82 million) (restructuring measure)

The **Trucks Asia** segment was affected by the following key factors compared with the first half of 2021:

- Negative effect of the at-equity result from the BFDA joint venture due to the significant market decline caused by the introduction of the China 6 emission standard in 2021 and the economic effects of the COVID-19-related lock-downs
- Increased raw material costs
- Additional costs and inefficiencies due to bottlenecks in the supply chains
- Significant decline in sales in Japan due to bottlenecks in the supply chains
- + Improved net pricing in India and Indonesia
- + Improvement in the aftersales business

Adjustments for the **Trucks Asia** segment include:

- Impairment of trade receivables in connection with the Russia-Ukraine war of €7 million (M&A transaction)

The **Daimler Buses** segment was affected by the following key factors compared with the first half of 2021:

- Increased raw material costs
- Negative elimination effect (positive in second quarter 2021, negative counter effect in fourth quarter 2021)
- Slightly higher unit sales
- Improved net pricing and positive development of the after-sales business

Adjustments for the **Daimler Buses** segment include:

- Expenses for personnel cost optimization programs of €24 million (Q1-2 2021: €4 million) (restructuring measure)
- Expenses in connection with the sale of Minibus GmbH amounting to €7 million (Q1-2 2021: €0 million) (M&A transaction)
- Impairment of trade receivables in connection with the Russia-Ukraine war of €1 million (M&A transaction)

The **Financial Services** segment was affected by the following key factors compared with the first half of 2021:

- + Income related to acquisitions of the financial services business included in the adjustments
- + Increased earnings due to improved interest margin and the start of the acquired financial services business
- + Improvement of the relative cost of risk situation
- + Favorable exchange rates, especially in North and South America
- Higher expenses in connection with the integration of the acquired financial services business and the safeguarding of operational business operations

Adjustments for the **Financial Services** segment include:

- Earnings in connection with the acquisition of the financial services business in the amount of €92 million (Q1-2 2021: €0 million) (M&A transaction)

The reconciliation from EBIT to adjusted EBIT is shown in table [↗ B.07](#).

The EBIT of the **reconciliation** was below that of the prior year. In the prior year, income from the fuel-cell joint venture cellcentric led to a positive earnings effect of €1,215 million, which is included in the adjustments.

B.07

Reconciliation EBIT to EBIT adjusted for the six-month periods ended 30 June

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Recon- ciliation	Daimler Truck Group
In millions of euros							
Q1-2 2022							
EBIT	909	681	54	-87	210	-232	1,535
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	10	-	24	-	-	33
M&A transactions	-	163	7	8	-92	7	93
Adjusted EBIT	909	853	61	-55	117	-225	1,661
Return on sales/return on equity (in %)	9.3	7.4	1.8	-5.8	23.8	-	-
Adjusted return on sales/return on equity (in %)¹	9.3	9.3	2.0	-3.7	13.3	-	-

	Trucks North America	Mercedes-Benz	Trucks Asia	Daimler Buses	Financial Services	Recon- ciliation	Daimler Truck Group
In millions of euros							
Q1-2 2021							
EBIT	854	339	198	-78	104	1,147	2,566
Legal proceedings (and related measures)	-	-	-	-	-	-	-
Restructuring measures	-	82	-	4	-	14	99
M&A transactions	-	-	-	15	-	-1,214	-1,199
Adjusted EBIT	854	421	198	-59	104	-53	1,466
Return on sales/return on equity (in %)	11.3	4.2	6.8	-6.3	14.0	-	-
Adjusted return on sales/return on equity (in %)¹	11.3	5.2	6.8	-4.8	14.0	-	-

¹ In the industrial business segments, adjusted return on sales is calculated as the ratio of adjusted EBIT to revenue. In Financial Services, adjusted return on equity is determined as the ratio of adjusted EBIT to the average quarterly equity.

Liquidity and Capital Resources

The cash flows from operating activities ↗ B.08 resulted in a cash outflow of €1.5 billion in the first half of 2022 (Q2 2021: cash inflow of €1.1 billion). Despite the strong headwinds the company continued to experience in the first half of 2022, profit before income taxes, excluding the income from the sale of 50% of cellcentric to the Volvo Group in 2021, remained comparable to the first half of 2021. Due to the ongoing semiconductor shortage, the Group made a conscious decision to produce on a customer order basis. The strategy adopted to satisfy every customer order can temporarily lead to higher inventories of work in progress. This situation should improve from the second half of 2022 as semiconductor components become more available. The increase in inventories was mainly due to supply bottlenecks for raw materials, particularly for semiconductors, as well as a high number of vehicles in the delivery process. In addition to the increase in trade receivables and the decrease in trade payables, this contributed to a negative change in working capital of minus €1.2 billion (Q2 2021: minus €0.2 billion).

The decline in cash flow from operating activities was also due to the increase in receivables from financial services. The positive development of the portfolio led to significantly higher loan disbursements, which more than offset repayments from the current portfolio. By contrast, exchange rates, in particular the dollar against the euro, had a positive impact.

Before the acquisition of the financial services business, there were already existing contractual relationships (“pre-existing relationships”) between the Daimler Truck Group as the acquirer and the acquired financial services business in the context of financing and leasing transactions for trucks and buses. Fulfillment of the pre-existing relationships at fair value led to cash outflows of €0.1 billion. These are reported in the cash flow from operating activities and allocated in full to the Financial Services segment.

In addition, the allocations to pension funds in the amount of €0.3 billion in Germany and increased tax payments, particularly in the USA, had a negative impact on the cash flows from operating activities.

In the reporting period, payments were made for personnel-cost optimization programs resulting from the agreed cost-cutting measures and socially responsible job reductions.

The cash flows from investing activities ↗ B.08 resulted in a cash outflow of €1.9 billion (Q2 2021: cash inflow of €1.6 billion). The decline is a result of the Daimler Truck Group, prior to spin-off, being part of cash pooling with the Mercedes-Benz Group. Furthermore, in the second quarter of 2022, cash in the amount of €1.2 billion was transferred to the Mercedes-Benz Group as consideration in connection with the acquired financial services business.

In addition, the sale of 50% of cellcentric to the Volvo Group in the first half of 2021 had a significant impact on cash flow and resulted in a cash inflow of €0.6 billion.

B.08

Condensed statement of cash flows	Daimler Truck Group		Industrial Business		Financial Services	
	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021	Q1-2 2022	Q1-2 2021
In millions of euros						
Cash and cash equivalents at beginning of period	7,244	1,663	6,904	1,556	340	107
Profit before income taxes	1,512	2,517	1,304	2,414	209	103
Depreciation and amortization/impairments	566	560	540	557	26	3
Other non-cash expense and income and gains/losses on disposals of assets	63	-1,450	155	-1,469	-92	19
Change in operating assets and liabilities						
Inventories	-1,583	-1,237	-1,574	-1,238	-9	1
Trade receivables	-340	-35	-420	21	80	-56
Trade payables	737	1,025	746	1,029	-9	-4
Receivables from financial services	-1,085	64	-	-	-1,085	64
Vehicles on operating leases	31	190	109	174	-78	16
Other operating assets and liabilities	-775	-201	-712	-200	-63	-1
Income taxes paid/refunded	-606	-312	-620	-260	14	-52
Cash flows from operating activities	-1,480	1,121	-472	1,028	-1,008	93
Additions to property, plant and equipment and intangible assets	-358	-285	-342	-284	-16	-1
Net cash flows from acquisition of Financial Services businesses	-1,220	-	-1,078	-	-142	-
Investments in and proceeds from disposal of other shareholdings	53	590	59	590	-6	-
Acquisitions and disposal of marketable debt securities and similar investments	-443	1,181	-441	1,185	-2	-4
Other	86	111	84	116	2	-5
Cash flows from investing activities	-1,882	1,597	-1,718	1,608	-164	-11
Change in financing liabilities	1,708	-2,243	1,337	-2,152	371	-91
Transactions with the Mercedes-Benz Group	-23	-553	21	-716	-44	163
Dividends paid to non-controlling interests	-20	-25	-20	-24	-	-1
Internal equity and financing transactions	-	-	-741	224	741	-224
Cash flows from financing activities	1,665	-2,821	596	-2,667	1,069	-154
Effect of foreign exchange-rate changes on cash and cash equivalents	151	8	143	6	8	2
Cash and cash equivalents at end of period	5,699	1,568	5,454	1,531	245	37

Cash flows from financing activities \uparrow **B.08** resulted in a cash inflow of €1.7 billion (Q1-2 2021: cash outflow €2.8 billion) in the period under review. The change compared with the first half of 2021 was mainly the result of funds raised on the international money and capital markets in the amount of €3.4 billion. External financing was provided by issuing bonds in the USA and the Netherlands. Cash inflows were reduced by repayments to third party banks in the first half of 2022.

In addition, the decrease in payments due to transactions with the Mercedes-Benz Group prior to the spin-off had a positive effect on cash flows from financing activities. This resulted in a cash outflow in 2022 of €23.0 million (Q1-2 2021: €0.5 billion).

B.09**Free cash flow of the industrial business**

In millions of euros	Q1-2 2022	Q1-2 2021	Change
Cash provided by operating activities	-472	1,028	-1,500
Cash used for investing activities	-1,718	1,608	-3,326
Change in marketable debt securities and similar investments	441	-1,185	+1,626
Right-of-use assets	-48	-33	-15
Net cash flows from acquisition of Financial Services businesses	1,077	-	+1,077
Other adjustments	37	13	+24
Free cash flow of the industrial business	-683	1,431	-2,114
Legal proceedings (and related measures)	-	-	-
Restructuring measures	122	121	+1
M&A transactions	36	-592	+628
Adjusted free cash flow of the industrial business adjusted	-524	960	-1,484

Free cash flow of the industrial business

The measure used by Daimler Truck for the financial strength of its industrial activities is the **free cash flow of the industrial business** ↗ B.09, which is derived from the reported cash flows from operating and investing activities. The cash flows from the purchase and sale of marketable debt securities and similar cash investments included in cash flows from investing activities are eliminated, as these securities are classified as cash and cash equivalents and their change is therefore not part of the free cash flow of the industrial business.

The repayment of the existing financing liabilities by the Daimler Truck Group, which is part of the consideration transferred for the acquired financial services business and was financed by the industrial business, is excluded, as these are not part of the operating activities of the industrial business. Conversely, the effects in connection with the recognition and measurement of right-of-use assets, which result from lessee accounting and are largely non-cash items, are included in the free cash flow of the industrial business.

Other adjustments include the payment flows to be reported in cash flows from financing activities in connection with the acquisition or disposal of interests in subsidiaries without loss of control. Other adjustments also include the Daimler Truck Headquarters allocation to financial services and miscellaneous adjustments to reflect the economic amount of investments or divestments that are wholly or partially non-cash in nature.

In the first half of 2022, the **free cash flow of the industrial business** resulted in a cash outflow of €0.7 billion (Q2 2021: cash inflow €1.4 billion). The decline was influenced in the first half of 2022 by the following factors:

- Negative development of working capital, mainly due to the increase in inventories as a result of the global effects of raw material shortages and a high number of vehicles in the delivery process
- M&A transactions from the fuel cells joint venture, cellcentric, in 2021
- Special allocation to the pension fund
- Higher income tax payments

For a more transparent presentation of the ongoing business, we have identified and reported an **adjusted free cash flow of the industrial business** ↗ B.09. In the adjustments from M&A transactions in the prior year, positive effects were realized from the sale of shares in cellcentric to the Volvo Group. Additional adjustments resulted from restructuring. In the first half of 2022, the adjusted free cash flow of the industrial business resulted in a cash outflow of €0.5 billion (Q2 2021: cash inflow €1.0 billion).

In addition to the derivation from the published cash flows from operating and investing activities, **the free cash flow of the industrial business** can be derived from the cash flows before interest and taxes (CFBIT). The reconciliation of CFBIT to free cash flow of the industrial business also includes taxes and interest paid. In addition to the eliminations between the segment, the other reconciliation items include items that are attributable to the industrial business but for which the segments are not responsible. Table ↗ B.10 shows the reconciliation of the CFBIT to the free cash flow of the industrial business.

B.10

Reconciliation from CFBIT to the free cash flow of the industrial business

	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros				
CFBIT of the Industrial Business	-63	739	137	1,794
Income taxes paid/refunded	-473	-243	-620	-260
Interest paid/received	-20	-11	6	-29
Other reconciling items	-200	15	-205	-75
Free cash flow of the industrial business	-756	500	-683	1,431

The **CFBIT of the industrial business** is derived from EBIT and changes in operating assets and liabilities ("net assets") and also includes additions of rights-of-use assets. The repayment of the existing financing liabilities by the Daimler Truck Group, which is part of the consideration transferred for the acquired financial services business and was financed by the industrial business, is excluded, as these are not part of the operating activities of the industrial business. Table ↗ B.11 shows the

composition of the CFBIT for the Daimler Truck industrial business. Table ↗ B.12 shows the reconciliation of CFBIT to **adjusted CFBIT** and the **adjusted cash conversion rate** for the industrial business.

An adjusted cash conversion rate of 0.2 was achieved for the industrial business of the Daimler Truck Group. This is therefore below prior year's value of 1.0.

B.11**CFBIT****Industrial business**

	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros				
EBIT	911	798	1,326	2,461
Change in working capital	-1,110	-105	-1,248	-188
Net financial investments	140	-16	59	627
Net investments in property, plant and equipment and intangible assets	-194	-110	-328	-299
Depreciation and amortization/impairments	271	273	540	557
Other	-82	-102	-212	-1,364
CFBIT	-63	739	137	1,794

B.12**Reconciliation to CFBIT adjusted****Industrial business**

	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros				
CFBIT	-63	739	137	1,794
Legal proceedings (and related measures)	-	-	-	-
Restructuring measures	11	26	122	121
M&A transactions	14	-	36	-592
Adjusted CFBIT	-37	765	296	1,324
Adjusted EBIT	941	810	1,544	1,362
Cash conversion rate adjusted¹	-0.0	0.9	0.2	1.0

¹ The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

The **net liquidity of the industrial business** [↗ B.13](#) is calculated as the total of cash, cash equivalents as well as marketable debt securities and similar investments, as shown in the Condensed Consolidated Statement of Financial Position, included in liquidity management, less the currency-hedged repayment amounts of financing liabilities.

To the extent that the Group's internal refinancing of the financial services business is provided by the companies of the industrial business, this amount is deducted in the calculation of the net debt of the industrial business. Compared with December 31, 2021, the net liquidity of the industrial business decreased by €0.6 billion to €5.5 billion. The decrease was due to negative free cash flow of the industrial business of €0.7 billion.

Net debt at Group level, which primarily results from refinancing the leasing and sales-financing business, increased compared with December 31, 2021 by €4.1 billion to €13.4 billion [↗ B.14](#).

B.13**Net liquidity of the industrial business**

In millions of euros	June 30, 2022	Dec. 31, 2021	Change
Cash and cash equivalents	5,454	6,904	-1,450
Marketable debt securities and similar investments	542	99	+443
Liquidity	5,996	7,003	-1,007
Financing liabilities	-108	-966	+858
Market valuation and currency hedges for financing liabilities	-427	-14	-413
Financing liabilities (nominal)	-535	-980	+445
Net liquidity	5,460	6,024	-564

B.14**Net debt of the Daimler Truck Group**

In millions of euros	June 30, 2022	Dec. 31, 2021	Change
Cash and cash equivalents	5,699	7,244	-1,545
Marketable debt securities and similar investments	592	139	+453
Liquidity	6,291	7,383	-1,092
Financing liabilities	-19,231	-16,599	-2,632
Market valuation and currency hedges for financing liabilities	-427	-14	-413
Financing liabilities (nominal)	-19,658	-16,613	-3,045
Net debt	-13,367	-9,230	-4,137

Refinancing

In the first quarter of 2022, the Daimler Truck Group successfully issued **bonds** on the international money and capital markets of €3.4 billion, the funds of which were received by the Daimler Truck Group at the beginning of the second quarter. Benchmark bonds (bonds with high nominal volumes) are shown in table [B.15](#).

In addition, Daimler Truck has a syndicated **credit line** from an international banking syndicate that has been in place since August 2021 with an initial total of €18.0 billion. €5.0 billion of this amount is attributable to a revolving credit line, which had not been utilized as of the reporting date. €13.0 billion relates to bridge financing as part of the spin-off from Mercedes-Benz Group AG. In accordance with the contract, bridge financing was reduced to €3.8 billion through capital measures in December 2021, and April 2022. Of the €3.8 billion, €0.3 billion was used as of the reporting date of June 30, 2022.

B.15**Benchmark issuances¹**

Issuer	Volume	Month of issue	Maturity
Daimler Truck International Finance B.V.	€500 million	Mar 2022	Oct 2023
Daimler Truck International Finance B.V.	€625 million	Mar 2022	Apr 2025
Daimler Truck International Finance B.V.	€625 million	Mar 2022	Apr 2027
Daimler Trucks Finance North America LLC	US\$500 million	Mar 2022	Apr 2024
Daimler Trucks Finance North America LLC	US\$650 million	Mar 2022	Apr 2025
Daimler Trucks Finance North America LLC	US\$650 million	Mar 2022	Apr 2027

¹ Bonds were issued in March 2022. Fund inflows took place at the beginning of April 2022.

Financial Position

Total assets increased compared with December 31, 2021 from €54.8 billion to €60.0 billion. The increase includes €2.3 billion in effects from currency translation and after adjusting for currency effects, an increase of €2.9 billion was recorded. Of total assets, €21.8 billion was attributable to Financial Services (prior year: €17.9 billion). Current assets

account for 51.5% of the balance sheet total, slightly higher than the prior year (December 31, 2021: 51.0%). Current liabilities amount to 30.1% of balance sheet total, also slightly higher than that of the prior year (December 31, 2021: 31.6%).

Table **7 B.16** shows the Condensed Consolidated Statement of Financial Position for the Daimler Truck Group as well as the industrial business and Financial Services.

B.16

Condensed statement of financial position

	Daimler Truck Group		Industrial business		Financial Services	
	June 30, 2022	Dec. 31, 2021	June 30, 2022	Dec. 31, 2021	June 30, 2022	Dec. 31, 2021
In millions of euros						
Assets						
Intangible assets	2,777	2,700	2,751	2,688	26	12
Property, plant and equipment	7,792	7,860	7,708	7,784	84	76
Equipment on operating leases	3,741	3,542	3,193	3,294	548	248
Receivables from financial services	19,635	16,098	-	-	19,635	16,098
Equity-method investments	1,129	1,369	1,129	1,369	-	-
Inventories	9,818	7,793	9,759	7,783	59	10
Trade receivables	4,410	3,962	4,122	3,647	288	315
Cash and cash equivalents	5,699	7,244	5,454	6,904	245	340
Marketable debt securities and similar investments	592	139	542	99	50	40
thereof current	550	105	542	99	8	6
thereof non-current	42	34	-	-	42	34
Other financial assets	1,276	1,360	826	897	450	463
Other assets	3,089	2,733	2,624	2,409	465	324
Total	59,958	54,800	38,109	36,874	21,849	17,926
Equity and liabilities						
Equity	19,154	16,423	17,179	14,858	1,975	1,565
Provisions	5,724	7,161	5,605	7,047	119	114
Financing liabilities	19,231	16,599	108	966	19,123	15,633
thereof current	5,392	5,479	-5,203	-3,185	10,595	8,664
thereof non-current	13,839	11,120	5,311	4,151	8,528	6,969
Trade payables	5,199	4,359	5,132	4,243	67	116
Other financial liabilities	4,678	4,300	4,259	3,887	419	413
Contract and refund liabilities	3,638	3,419	3,638	3,419	-	-
Other liabilities	2,334	2,539	2,188	2,453	146	85
Total	59,958	54,800	38,109	36,874	21,849	17,926

Under assets, an increase in equipment on operating leases, receivables from financial services and inventories is recorded whereas cash and cash equivalents were below the prior-year level.

Intangible assets of €2.8 billion were slightly above the prior year level (December 31, 2021: €2.7 billion). The development costs capitalized in the first half of the year of 2022 amount to €89 million (Q1-2 2021: €86 million) which is equivalent to a share of 10.7% (Q1-2 2021: 11.6%) in the Group's total research and development activities.

Property, plant and equipment (including right-of-use assets) amount to €7.8 billion (December 31, 2021: €7.9 billion), slightly below that of the prior year. Investments in property, plant and equipment increased from €189 million to

€242 million. At the Group's production and assembly plants, investments were primarily made in new technologies (zero-emission vehicles), the further development of existing products and the expansion of sales structures. In the first half of the year of 2022, the German sites accounted for investments in property, plant and equipment of €89 million (Q1-2 2021: €79 million).

Equipment on operating leases and receivables from financial services increased to €23.4 billion (December 31, 2021: €19.6 billion). This is mainly due to the Financial Services business acquired from the Mercedes-Benz Group, but also due to new business and effects from currency translation. The share of leasing and sales financing business of 39.0% of total assets therefore was above that of the prior year (December 31, 2021: 35.8%).

Equity-method investments fell to €1.1 billion (December 31, 2021: €1.4 billion). On the one hand, the decline was due to the impairment of the equity investment of the shareholding in the Russian joint venture Daimler Kamaz Truck Holding GmbH. The Daimler Truck Group has decided to discontinue all business activities in Russia until further notice. On the other hand, the elimination of revenues at Group level reduced the carrying amount of the investment in the Chinese joint venture BFDA. This elimination took place in connection with a technology licensing agreement for the localization of Mercedes-Benz trucks for the Chinese market.

Inventories increased from €7.8 billion to €9.8 billion. The increase was mainly due to the bottlenecks for raw materials, especially semiconductors as well as a high number of vehicles in the delivery process.

Cash and cash equivalents decreased from €7.2 billion to €5.7 billion due repayments of loans to banks.

On the liabilities side of the balance sheet, there were increases in equity, financing liabilities and trade payables, while provisions were below the prior-year level.

Compared with December 31, 2021, the Group's **equity** increased from €16.4 billion to €19.2 billion. Positive effects were due to the Group's net profit of €0.9 billion, the effects of currency translation of €0.4 billion, actuarial gains from defined-benefit pension plans of €1.1 billion.

Whereas total assets increased by 9.4% equity increased by 16.6% compared with the prior year. The Group's **equity ratio** of 31.9% was therefore above the level of the prior year (December 31, 2021: 30.0%); the equity ratio for the industrial business was 45.1% (December 31, 2021: 40.3%).

At €5.7 billion **provisions** were below the prior year's level (December 31, 2021 €7.2 billion). In particular, provisions for pensions and similar obligations decreased, primarily as a result of the significant increase in actuarial interest rates.

Financing liabilities increased from €16.6 billion to €19.2 billion. The change was mainly due to the refinancing of the financial services business purchased from the Mercedes-Benz Group in the reporting period. Refinancing was achieved through borrowings on the capital markets and bilateral bank loans.

Trade payables of €5.2 billion were above the prior-year (December 31, 2021: €4.4 billion). The increase was related to higher order and production volumes.

Further information on the assets presented in the Consolidated Statement of Financial Position and on the Group's equity and liabilities is provided in the Consolidated Statement of Financial Position [↗ C.03](#), the Consolidated Statement of Changes in Equity [↗ C.05](#) and the related disclosure in the Notes to the Condensed Interim Consolidated Financial Statements.

Risk and Opportunity Report

The risks and opportunities that could have a significant impact on the profitability, liquidity and capital resources, and financial position of the Daimler Truck Group, as well as detailed information on our risk and opportunity management system, were presented in our Annual Report 2021 as part of the Combined Management Report on pages 95 to 109. In addition, we refer to the information on the forward-looking statements at the end of this Interim Group Management Report and to [Note 19](#) of the Interim Consolidated Financial Statements for further information on legal proceedings.

The further course of 2022 is subject to great uncertainty both for the global economy and for the business development of Daimler Truck and will be significantly influenced by the effects of the **Russia-Ukraine war**. The sanctions of the EU and the US remain in force and have been strengthened against Russia. Since June 2022, Russia has only been supplying natural gas to a limited extent, which means that the risk of **a lack of gas** cannot be ruled out in the coming winter. This could have a direct negative impact on the Daimler Truck production at German sites or cause disruptions in the supply chain. Accordingly, the risks described in the Annual Report 2021 remain high due to legal and political conditions and continue to be classified as having a medium probability of occurrence. The risks in the procurement market also remain high. The probability of occurrence remains at medium level.

Partly as a result of the Russia-Ukraine war, **inflation** is at a high level in the core markets of the USA and Europe. The further course of the economy in the 2022 financial year also depends on potential further countermeasures by the Federal Reserve and the European Central Bank. Both non-intervention and strong intervention by central banks can lead to significant upheavals in the financial and sales markets. In response to inflation, Daimler Truck made adjustments to its pricing in the first half of the year.

These events will determine both the further performance of the global economy and the business development of Daimler Truck. The statement made on the overall risk assessment as part of the Combined Management Report in the Annual Report 2021 remains valid.

Changes in risks and opportunities are continuously monitored, evaluated and, if appropriate, taken into account in planning during the year.

Outlook

The Russia-Ukraine war in connection with the COVID-19-related lockdowns in China are weighing on global economic growth, with the result that we expect growth for 2022 as a whole to be significantly lower than in the prior year (5.8%) at around 2.5%.

In front of the backdrop of the economic interdependence of Russia and the eurozone and their dependence on Russian oil, gas, and coal exports, the eurozone is particularly affected by the Russia-Ukraine conflict. We thus only expect economic growth of around 2.5% for the eurozone. In addition, our inflation expectations for 2022 are just over 7.5%, which is an exceptionally high level.

The outlook for the US economy is also deteriorating due to the high inflation rates and the more restrictive monetary policy environment so that we currently only expect growth of between 1.5% and 2% for 2022. Similarly, the inflation rate is also likely to reach a very high level of almost 8%.

The following table [➔ B.17](#) shows our current forecast figures for the 2022 financial year. The outlook is especially subject to the further developments in the war in Ukraine and its impact on the global economy as well as the development of the very high inflationary pressure and the associated central-bank increases in interest rates. The further macroeconomic, geopolitical as well as the COVID-19 pandemic development also harbor an exceptional degree of uncertainty. However, we assume decreasing supply bottlenecks compared with the first half of the year and no production downtimes due to the availability of gas.

B.17

Forecast key figures Daimler Truck

	2021 Combined Management Report	Q1 2022 Updated outlook for 2022	Q2 2022 Updated outlook for 2022	Explanations of the change in the outlook
	Outlook for 2022			
Market for heavy-duty trucks				
North America - in thousands of units -	255 to 295	-	-	
EU30 - in thousands of units -	240 to 280	-	-	
Group				
Revenue	45.5 to 47.5 bn €	48.0 to 50.0 bn €	-	
EBIT	slight decrease	at prior year level	-	
EBIT (adjusted)	significant increase	-	-	
Investment in property, plant and equipment	slight increase	-	-	
Research and development expenditure (including capitalized development costs)	slight increase	-	-	
Industrial business				
Unit sales - in thousands of units -	500 to 520	-	-	
Revenue	44.0 to 46.0 bn €	46.0 to 48.0 bn €	-	
Return on sales (adjusted)	7% to 9%	-	-	
Free Cash Flow	at prior year level	-	-	
Trucks North America				
Unit sales - in thousands of units -	175 to 195	-	-	
Return on sales (adjusted)	10% to 12%	-	-	
Mercedes-Benz				
Unit sales - in thousands of units -	155 to 175	-	-	
Return on sales (adjusted)	6% to 8%	-	-	
Trucks Asia				
Unit sales - in thousands of units -	140 to 160	-	-	
Return on sales (adjusted)	3% to 5%	-	1% to 3%	• Negative effects from BFDA at-equity results due to market development in China
Daimler Buses				
Unit sales - in thousands of units -	20 to 25	-	-	
Return on sales (adjusted)	> 0%	-	-	
Financial Services				
New business	8 to 9 bn €	-	9 to 10 bn €	• Positive effects from exchange rate development • Positive effects from exchange rate development • Improving risk costs
Return on equity (adjusted)	5% to 7%	-	9% to 11%	• Reduced project-related expenses

Forward-looking statements:

This document contains forward-looking statements that reflect our current views about future events. The words “aim”, “ambition”, “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “may”, “can”, “could”, “plan”, “project”, “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; a shift in consumer preferences; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilise our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labour strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes, or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.

Consolidated Statement of Income

C.01

	Note	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros					
Revenue	3	12,104	10,235	22,655	19,258
Cost of sales		-9,696	-8,261	-18,358	-15,625
Gross profit		2,408	1,974	4,297	3,633
Selling expenses		-703	-634	-1,470	-1,275
General administrative expenses		-482	-394	-852	-782
Research and non-capitalized development costs		-394	-323	-740	-656
Other operating income	4	304	159	466	1,591
Other operating expense	4	-106	-103	-136	-186
Profit/loss on equity-method investments, net	9	-17	89	-112	123
Other financial income/expense, net		64	99	82	118
Earnings before interest and taxes (EBIT)	22	1,074	867	1,535	2,566
Interest income		23	10	82	28
Interest expense		-44	-36	-105	-77
Profit before income taxes		1,053	841	1,512	2,517
Income taxes	5	-107	-233	-291	-466
Net profit		946	608	1,221	2,051
thereof profit attributable to non-controlling interests		24	7	42	16
thereof profit attributable to shareholders		922	601	1,179	2,035
Earnings per share (in euros)					
for profit attributable to shareholders	23				
Basic and diluted		1.12	0.73	1.43	2.47

Consolidated Statement of Comprehensive Income

C.02

	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros				
Net profit	946	608	1,221	2,051
Gains/losses on currency translation	198	-8	419	173
Gains/losses on debt instruments	6	-1	6	1
Gains/losses on derivative financial instruments	7	13	-	-20
Items that may be reclassified to profit/loss	211	4	425	154
Actuarial gains/losses from pensions and similar obligations	611	167	1,053	653
Gains/losses on equity instruments	-2	-1	2	-
Items that will not be reclassified to profit/loss	609	166	1,055	653
Other comprehensive income, net of taxes	821	170	1,481	807
thereof loss attributable to non-controlling interests, after taxes	-9	-3	-18	-7
thereof income attributable to shareholders, after taxes	830	173	1,499	814
Total comprehensive income	1,767	778	2,702	2,858
thereof income attributable to non-controlling interests	15	4	24	9
thereof income attributable to shareholders	1,752	774	2,678	2,849

Consolidated Statement of Financial Position

C.03

	Note	June 30, 2022	Dec. 31, 2021
In millions of euros			
Assets			
Intangible assets	6	2,777	2,700
Property, plant and equipment	7	7,792	7,860
Equipment on operating leases	8	3,741	3,542
Equity-method investments	9	1,129	1,369
Receivables from financial services	10	11,004	8,943
Marketable debt securities and similar investments		42	34
Other financial assets	11	701	706
Deferred tax assets		1,561	1,388
Other assets		345	309
Total non-current assets		29,092	26,851
Inventories	12	9,818	7,793
Trade receivables		4,410	3,962
Receivables from financial services	10	8,631	7,155
Cash and cash equivalents		5,699	7,244
Marketable debt securities and similar investments		550	105
Other financial assets	11	575	654
Other assets		1,183	1,036
Total current assets		30,866	27,949
Total assets		59,958	54,800
Equity and liabilities			
Share capital		823	823
Capital reserves		14,277	14,277
Retained earnings		4,164	1,886
Other reserves		-620	-1,066
Equity attributable to shareholders		18,644	15,920
Non-controlling interests		510	503
Total equity	13	19,154	16,423
Provisions for pensions and similar obligations	14	1,142	2,471
Provisions for other risks	15	2,655	2,645
Financing liabilities	16	13,839	11,120
Other financial liabilities	17	2,045	1,802
Deferred tax liabilities		77	68
Deferred income	18	1,015	1,111
Contract and refund liabilities		1,947	1,785
Other liabilities		52	31
Total non-current liabilities		22,772	21,033
Trade payables		5,199	4,359
Provisions for other risks	15	1,927	2,045
Financing liabilities	16	5,392	5,479
Other financial liabilities	17	2,633	2,498
Deferred income	18	617	664
Contract and refund liabilities		1,691	1,634
Other liabilities		573	665
Total current liabilities		18,032	17,344
Total equity and liabilities		59,958	54,800

The accompanying Notes are an integral part of these Interim Consolidated Financial Statements.

Consolidated Statement of Cash Flows

C.04

	Q1-2 2022	Q1-2 2021
In millions of euros		
Profit before income taxes	1,512	2,517
Depreciation and amortization/impairments	566	560
Other non-cash expense and income	70	-822
Gains (-)/losses (+) on disposals of assets	-7	-628
Change in operating assets and liabilities		
Inventories	-1,583	-1,237
Trade receivables	-340	-35
Trade payables	737	1,025
Receivables from financial services	-1,085	64
Vehicles on operating leases	31	190
Cash outflows from the settlement of pre-existing relationships	-104	-
Other operating assets and liabilities	-671	-201
Income taxes paid	-606	-312
Cash flows from operating activities	-1,480	1,121
Additions to property, plant and equipment	-242	-189
Additions to intangible assets	-116	-96
Proceeds from disposals of property, plant and equipment and intangible assets	65	51
Proceeds from the disposal of shares in Daimler Truck Fuel Cell GmbH & Co. KG ¹	-	634
Cash flows from disposals of shareholdings	149	3
Net cash flows from acquisition of Financial Services businesses ²	-1,220	-
Investments in other shareholdings	-96	-47
Acquisition of marketable debt securities and similar investments	-1,492	-870
Proceeds from sales of marketable debt securities and similar investments	1,049	2,051
Other	21	60
Cash flows from investing activities	-1,882	1,597
Change in financing liabilities	1,708	-2,243
Transactions with the Mercedes-Benz Group	-23	-553
Dividends paid to non-controlling interests	-20	-25
Cash flows from financing activities	1,665	-2,821
Effect of foreign exchange-rate changes on cash and cash equivalents	151	8
Net decrease in cash and cash equivalents	-1,546	-95
Cash and cash equivalents at beginning of period	7,244	1,663
Cash and cash equivalents at end of period	5,699	1,568

¹ Daimler Truck Fuel Cell GmbH & Co. KG changed its name to cellcentric GmbH & Co. KG after the acquisition of 50% of the shares by the Volvo Group.

² In connection with the Phase 2 Transactions, the Daimler Truck Group purchased the following truck and bus-related financial services companies as well as a financial service business (together hereinafter also referred to as the "Acquired Financial Services Business") from Mercedes-Benz Group.

Consolidated Statement of Changes in Equity

C.05

In millions of euros	Share capital	Capital reserve	Invested equity attributable to the Mercedes-Benz Group ¹ / Retained earnings ²	Other reserves	
				Currency translation	Items that may be reclassified in profit/loss Equity instruments/ debt instrument
Balance at January 1, 2021	-	-	9,703	-1,525	19
Net profit	-	-	2,035	-	-
Other comprehensive income/loss before taxes	-	-	807	180	1
Deferred taxes on other comprehensive income/loss	-	-	-154	-	-
Total comprehensive income/loss	-	-	2,688	180	1
Dividends to Non-controlling interests	-	-	-	-	-
Transactions with Mercedes-Benz Group ¹	-	-	-564	-	-
Other Changes	-	-	18	-	-
Balance at June 30, 2021	-	-	11,845	-1,345	20
Balance at January 1, 2022	823	14,277	1,886	-1,092	13
Net profit	-	-	1,179	-	-
Other comprehensive income/loss before taxes	-	-	1,259	437	9
Deferred taxes on other comprehensive income/loss	-	-	-206	-	-1
Total comprehensive income/loss	-	-	2,232	437	8
Dividends to Non-controlling interests	-	-	-	-	-
Other Changes ¹	-	-	46	-	-
Balance at June 30, 2022	823	14,277	4,164	-655	21

1 Until the spin-off on December 9, 2021, the net assets attributable to the Daimler Truck companies within the Mercedes-Benz Group were reported as invested equity. Daimler Truck companies' transactions with the Mercedes-Benz Group's companies recognized directly in equity were reported separately. After the spin-off, the invested equity was divided up in accordance with the legal structure and the articles of incorporation of Daimler Truck Holding AG as the Daimler Truck Group's parent company; transactions with the companies of the Mercedes-Benz Group recognized in equity are reported as transactions with shareholders in the item Other changes.

2 Retained earnings also include items that will not be reclassified to the Consolidated Statement of Income.

Derivative financial instruments	Equity attributable to shareholders	Non-controlling interests	Total equity	
				In millions of euros
28	8,225	483	8,708	Balance at January 1, 2021
-	2,035	16	2,051	Net profit
-26	962	-7	955	Other comprehensive income/loss before taxes
6	-148	-	-148	Deferred taxes on other comprehensive income/loss
-20	2,849	9	2,858	Total comprehensive income/loss
-	-	-25	-25	Dividends to Non-controlling interests
-	-564	-	-564	Transactions with Mercedes-Benz Group ¹
-	18	16	34	Other Changes
8	10,528	483	11,011	Balance at June 30, 2021
13	15,920	503	16,423	Balance at January 1, 2022
-	1,179	42	1,221	Net profit
-3	1,702	-18	1,685	Other comprehensive income/loss before taxes
3	-204	-	-204	Deferred taxes on other comprehensive income/loss
-	2,678	24	2,702	Total comprehensive income/loss
-	-	-52	-52	Dividends to Non-controlling interests
-	46	35	81	Other Changes
13	18,644	510	19,154	Balance at June 30, 2022

Notes to the Condensed Interim Consolidated Financial Statements

1. Principles and methods used in the Interim Financial Statements

General

The Interim Consolidated Financial Statements ("Interim Financial Statements") of Daimler Truck Holding AG (hereinafter also referred to as "DTH" or the "Company") and its subsidiaries (hereinafter also referred to as "Daimler Truck" or the "Group") have been prepared in accordance with Section 115 of the German Securities Trading Act (Wertpapierhandelsgesetz or WpHG) and International Accounting Standard ("IAS") 34 – Interim Reporting.

The Interim Financial Statements comply with the International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Daimler Truck Holding AG is a stock corporation organized under the laws of the Federal Republic of Germany. The Company is domiciled in Stuttgart and entered in the Commercial Register of the District Court of Stuttgart under No. HRB 778600 with its business address at Fasanenweg 10, 70771 Leinfelden-Echterdingen, Germany.

The Interim Financial Statements are presented in Euros. Amounts are stated in millions of Euros, except where otherwise indicated. Rounding differences may arise when individual amounts or percentages are added together.

The Interim Consolidated Financial Statements were prepared and authorized for publication by the Board of Management of Daimler Truck Holding AG on August 09, 2022. The Interim Consolidated Financial Statements have been reviewed by the Group's auditors.

In the opinion of the management, the Interim Financial Statements reflect all adjustments (i.e., normal recurring adjustments) necessary for a fair presentation of the profitability, liquidity and capital resources, and financial position of the Group. All significant intercompany accounts and transactions have been eliminated.

Accounting policies

Unless otherwise stated, the Interim Financial Statements were prepared on the basis of the accounting policies of the audited and published IFRS Consolidated Financial Statements of Daimler Truck Holding AG and its subsidiaries at December 31, 2021 ("2021 Consolidated Financial Statements") and should be read in conjunction.

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

No new standards or other amendments and improvements to standards have been adopted that are mandatory for fiscal year beginning on January 1, 2022 and are expected to have a material impact on the net assets, financial position and results of operations of the Group.

IFRS issued, but not yet adopted

The impact of new and amended standards and interpretations effective for periods beginning after December 31, 2021 are disclosed in the 2021 Consolidated Financial Statements. Daimler Truck does not voluntarily apply any of the new or amended standards and interpretations prematurely.

Economic influences and irregular expenditure

Results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period or for the full financial year.

In all functional costs, there were expenses from cost-optimization programs in connection with the measures agreed with the General Works Council of Mercedes-Benz Group AG in December 2019 to reduce costs and reduce jobs in a socially responsible manner. The expenses were primarily attributable to the Mercedes-Benz and Daimler Buses segment. In the second quarter of 2022, expenses from cost optimization programs amount to €13 million (Q2 2021: €11 million) and in the first half of 2022, expenses from cost optimization programs amount to €33 million (Q1-2 2021: €99 million).

Income taxes

The income tax expense is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

Significant events and transactions during the reporting period

Russia has been at war with Ukraine since the end of February 2022 (“Russia-Ukraine War”). On February 27, 2022, the Group decided to suspend all its business activities in Russia until further notice. As a result of the Russia-Ukraine War, in the first half of 2022, trade receivables of €108 million has been impaired, recognized in selling expenses. Additionally, an impairment test was performed on February 28, 2022, on the joint venture Daimler KAMAZ Trucks Holding GmbH (“DKTH”), a joint venture with Russian truck manufacturer KAMAZ. This resulted in an impairment of the equity investment of €71 million to €0 million, presented in the Mercedes-Benz segment. The situation remained unchanged in the second quarter.

Consolidated Group

In connection with the Phase 2 transactions, the Daimler Truck Group acquired further companies from the Mercedes-Benz Group. Please refer to [Note 2](#). Business combinations.

2. Business combinations

Acquisition of truck and bus-related financial services companies and business unit from Mercedes-Benz Group

In connection with the Phase 2 transactions, the Daimler Truck Group purchased the following truck and bus related Financial Services companies as well as a Financial Services business (together hereinafter also referred to as the “Acquired Financial Services Business”) from Mercedes-Benz Group in the second quarter of 2022:

As of the acquisition date on April 1, 2022, the Daimler Truck Group acquired 100% of the shares in the financial services companies Mercedes-Benz Broker Argentina S.A. and Mercedes-Benz Servicios S.A.U including the shares in its subsidiaries Mercedes-Benz Compañía Financiera Argentina S.A. with registered office in Argentina, Buenos Aires, Daimler Truck Financial Services Belgium S.A./N.V. with registered office in Belgium, Brussels (hereinafter also referred to as “BEL”), Mercedes-Benz Trucks Financial Services Italia S.p.A. with registered office in Italy, Rome (hereinafter also referred to as “ITA”) and Daimler Truck Financial Services Nederland B.V. with registered office in the Netherlands, Utrecht (hereinafter also referred to as “NL”). The above stated share deal transactions constitute business combinations (together hereinafter also referred to as “share deal transactions”) within the meaning of IFRS 3 “Business Combinations”. Due to materiality issues, the information on the business combinations in Argentina regarding Mercedes-Benz Servicios S.A.U, including the shares in its subsidiary Mercedes-Benz Compañía Financiera Argentina S.A, as well as Mercedes-Benz Broker Argentina S.A. is presented below on an aggregated basis (hereinafter also referred to as “ARG”).

In addition, as of the acquisition date of May 6, 2022, the Daimler Truck Group acquired the truck and bus-related Financial Services business of Mercedes-Benz Renting, S.A, headquartered in Madrid, Spain, in an asset deal. This acquisition (hereinafter also referred to as “asset deal transaction” or “ESP”) also constitutes a business combination within the meaning of IFRS 3 “Business Combinations”.

With the above transactions the Daimler Truck Group is strengthening its focus on truck and bus-related leasing and financial services in Europe and South America.

Before the acquisition, there were already existing contractual relationships between the Daimler Truck Group as the acquirer and the acquired truck and bus-related financial services business (“pre-existing relationships”) in the context of the transfer of trucks/busses to the Financial Services companies for renting to end customers as well as from the assumption of opportunities and risks from residual values. These contractual relationships were terminated with the acquisition of the Financial Services companies. The fair value at the time of acquisition was €104 million. The fair value of the pre-existing relationships was measured using the Discounted Cash Flow method. This resulted in other operating income of €45 million, which was recognized in the Consolidated Income Statement for the second quarter of 2022 and allocated in full to the Financial Services segment. This amount corresponds to the lower of the termination amount and the value of the non-market component of the contracts. Existing assets and liabilities of the Daimler Truck Group as the acquirer were also taken into account.

As part of the spin-off agreement from 2021, valuation mechanisms were defined for determining the purchase prices. These include, among other aspects, the preparation of external valuation reports, some of which are not final as of the reporting date. The finalization of these external valuation reports and the associated possible purchase price adjustments are planned for the second half of the year. No material purchase price adjustments are expected from this.

Table [7 C.06](#) below shows the fair values of each major group of preliminary consideration transferred in respect of the purchased financial services business at the respective acquisition dates.

C.06**Consideration transferred in business combinations (preliminary)**

	ARG	BEL	ITA	NL	ESP	Total
In millions of euros						
Purchase prices of share deal transactions and asset deal transactions ¹	7	2	18	46	192	265
Repayment of financing liabilities to the Mercedes-Benz Group ²	-	80	601	396	-	1,077
Less cash allocated for the settlement of pre-existing relationships	-	-12	-5	-3	-83	-104
Total consideration transferred (preliminary purchase price)	7	70	614	439	109	1,238
Paid until June 30, 2022	7	70	614	439	109	1,238
Cash acquired	-10	-	-2	-6	-	-18
Net Payout until June 30 2022	-3	70	612	433	109	1,220

¹ The purchase prices for ARG, BEL, and NL are already final.

² The redeemed financing liabilities are also considered to be final.

As part of the purchase price allocation, the measurement at fair value of the assets purchased and liabilities acquired using discounted cash flow method led, in addition to the recognition of intangible assets relating to customer relationships and software, in particular to the recognition of the purchased leasing portfolio (receivables from financial services and leased assets) and of goodwill. Badwill from acquisitions at a price below fair value have directly effected the Consolidated Statement of Income.

The main assumptions made in the context of the purchase price allocation related to the development of revenue and margins in the corporate planning of the acquired truck and bus-related financial services business, expected margin from the credit and leasing portfolios, assumptions on future customer behavior and cost of capital.

Table [7 C.07](#) presents the preliminary allocation of the consideration transferred to the assets purchased and liabilities acquired, measured at fair value, at the respective acquisition dates.

C.07**Assets purchased and liabilities acquired at fair value (preliminary)**

	ARG	BEL	ITA	NL	ESP	Total
In millions of euros						
Intangible assets	1	-	-	3	-	4
Equipment on operating leases	-	8	18	97	95	218
Receivables from financial services	94	69	642	337	-	1,142
Trade receivables	1	6	-	13	-	20
Cash and cash equivalents	10	-	2	6	-	18
Other financial assets	1	-	-	-	3	4
Other assets	7	1	6	1	1	16
Total assets	114	84	668	457	99	1,422
Financing liabilities	68	-	-	-	-	68
Trade payables	-	5	-	4	-	9
Other financial liabilities	10	1	-	12	2	25
Other liabilities	4	1	2	6	2	15
Total liabilities	82	7	2	22	4	117
Purchased net assets	32	77	666	435	95	1,304
Total consideration transferred (preliminary)	7	70	614	439	109	1,238
Goodwill (+) or acquisition at a price below market value (-) (preliminary)	-25	-7	-52	4	14	-66

Table 7 C.08 presents the contractually agreed gross amounts of receivables from financial services acquired and trade receivables, as well as the best estimate of the contractual cash flows at the respective acquisition dates, which are expected to be irrecoverable:

C.08

Gross contractual amounts and best estimate of cash flows expected to be uncollectible

	ARG	BEL	ITA	NL	ESP	Total
In millions of euros						
Contractual gross amounts	97	76	668	354	-	1,195
Related cash flows expected to be uncollectible	1	1	27	4	-	33

The business combinations of BEL, ITA and ARG resulted in an acquisition at a price below fair value in the amount of €84 million and was recognized as other operating income in the Consolidated Statement of Income for the second quarter of 2022. The acquisition at a price below market value resulted primarily from the expected lower profitability of the companies in connection with the market-standard equity position.

The allocation of the purchase price and the pre-existing relationships is preliminary. The final allocation of the purchase price will be determined after a detailed analysis of the commercial data and assumptions of the financial planning to determine the fair value of all assets purchased and liabilities acquired. As certain information is not yet available or discussions are ongoing, simplified measurement parameters are currently applied for the measurement of existing pre-existing relationships and the purchase price allocation with regard to leasing or financing-related assets and liabilities as well as intangible assets. The purchase price allocation will be completed within one year.

Table 7 C.09 shows the amount of revenue generated and profit after tax of the transactions from the acquisition date to June 30, 2022 recognized in the Consolidated Income Statement for the second quarter of 2022.

C.09

Revenues and earnings after tax generated between acquisition date and 30 June 2022

	ARG	BEL	ITA	NL	ESP	Total
In millions of euros						
In millions of euros	10	4	10	15	10	49
Profit/loss after tax	-	1	-1	3	-	3

The pro forma revenue and pro forma net income after tax that would have been recognized in the Consolidated Statement of Income in the first half of 2022 if the business combinations had already taken place on January 1, 2022 if the business combinations had already taken place on January 1, 2022 would amount to €115 million and €6 million. In determining these amounts, management assumed that the preliminary fair value adjustments made at the acquisition date would also have been effective in the event of an acquisition on January 1, 2022.

Table 7 C.10 shows the respective pro forma components of the purchased financial services business from January 1, 2022 until acquisition date in the above-mentioned pro forma revenues and pro forma consolidated profit after tax:

C.10

Pro forma components of pro forma revenues and pro forma net profit after tax from Jan 1 2022 until acquisition date

	ARG	BEL	ITA	NL	ESP	Total
In millions of euros						
Pro forma revenues (pro rata)	8	4	9	23	22	66
Pro forma consolidated profit/loss after tax (pro rata)	2	-	-	1	-	3

The acquired financial services business was fully integrated into the existing Financial Services segment.

3. Revenue

Revenue disclosed in the Consolidated Statement of Income includes revenue from contracts with customers and other revenue not in the scope of IFRS 15 – Revenue from Contracts with Customers.

Revenue from contracts with customers (according to IFRS 15) is disaggregated by the two categories – type of products and services, and geographical regions – and presented in table [C.11](#). The category type of products and services corresponds to the reportable segments as presented in [Note 22](#). Segment reporting.

Other revenue primarily comprises revenue from the rental and leasing business, interest from the financial services business and effects from currency hedging.

Revenue in accordance with IFRS 15 includes revenue from a license agreement with Beijing Foton Daimler Automotive Co., Ltd. (“BFDA”), an at-equity valued financial investment of the Daimler Truck Group (see [Note 24](#). Transactions with related parties).

C.11

Revenue for the three-month periods ended June 30

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconcilia- tion	Daimler Truck Group
In millions of euros								
Q2 2022								
Revenue according to IFRS 15	5,145	4,743	1,530	816	40	12,274	-711	11,563
Europe	42	2,789	112	585	8	3,536	-220	3,316
North America	4,991	279	29	53	12	5,364	-300	5,064
Asia	2	692	1,165	14	4	1,877	-129	1,748
Latin America	47	816	56	147	5	1,071	-50	1,021
Other markets	63	167	168	17	11	426	-12	414
Other revenue	5	137	16	57	358	573	-32	541
Total revenue	5,150	4,880	1,546	873	398	12,847	-743	12,104

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconcilia- tion	Daimler Truck Group
In millions of euros								
Q2 2021								
Revenue according to IFRS 15	4,089	4,156	1,452	655	21	10,373	-603	9,770
Europe	23	2,763	49	494	–	3,329	-173	3,156
North America	3,971	284	17	34	11	4,317	-291	4,026
Asia	3	282	1,032	12	2	1,331	-102	1,229
Latin America	34	603	32	98	3	770	-39	731
Other markets	58	224	322	17	5	626	2	628
Other revenue	-4	145	3	72	252	468	-3	465
Total revenue	4,085	4,301	1,455	727	273	10,841	-606	10,235

Revenue for the six-month periods ended 30 June

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconcilia- tion	Daimler Truck Group
In millions of euros								
Q1-2 2022								
Revenue according to IFRS 15	9,720	8,904	2,949	1,380	73	23,026	-1,396	21,630
Europe	69	5,579	166	990	8	6,812	-377	6,435
North America	9,458	555	46	102	24	10,185	-584	9,601
Asia	4	1,008	2,367	25	9	3,413	-314	3,099
Latin America	88	1,420	95	231	9	1,843	-94	1,749
Other markets	101	342	275	32	23	773	-27	746
Other revenue	13	281	18	119	634	1,065	-40	1,025
Total revenue	9,733	9,185	2,967	1,499	707	24,091	-1,436	22,655

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconcilia- tion	Daimler Truck Group
In millions of euros								
Q1-2 2021								
Revenue according to IFRS 15	7,581	7,818	2,927	1,103	48	19,477	-1,141	18,336
Europe	48	5,244	81	786	0	6,159	-335	5,824
North America	7,359	525	53	66	23	8,026	-535	7,491
Asia	9	544	2,292	30	4	2,879	-202	2,677
Latin America	60	1,029	66	176	5	1,336	-66	1,270
Other markets	105	476	435	45	16	1,077	-3	1,074
Other revenue	0	288	6	130	503	927	-5	922
Total revenue	7,581	8,106	2,933	1,233	551	20,404	-1,146	19,258

4. Other operating income and expense

Other operating income in the second quarter of 2022 amount €304 million (Q2 2021: €159 million) and in the first half of 2022 amount to €466 million (Q1-2 2021: €1,591 million).

In March 2021, other operating income included the gain from the loss of control of cellcentric GmbH & Co. KG ("cellcentric") resulting in a positive effect on earnings of €1,215 million, of which €624 million is accounted for by the remeasurement of the 50% share in cellcentric that is held by the Daimler Truck Group.

In the second quarter of 2022, other operating income included the income due to recognition of goodwill in the amount of €84 million and income from the termination of existing contractual relationships (pre-existing relationships) in the amount of €45 million due to the acquisition of the Financial Services Business.

In the second quarter of 2022 **other operating expense** amounts to €106 million (Q2 2021: €103 million) and in the first half of 2022 amounts to €136 million (Q1-2 2021: €186 million).

Other operating expense also include provisions for liability and litigation risks and regulatory proceedings.

5. Income taxes

Table [7 C.12](#) shows profit before income taxes, income taxes and the derived effective tax rate.

C.12

Income Taxes

	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros				
Income/loss before income taxes	1,053	841	1,512	2,517
Income taxes	-107	-233	-291	-466
Effective tax rate	10.2%	27.7%	19.2%	18.5%

In the second quarter and the first half of 2022, the effective tax rate was affected by a reversal of the valuation allowance on deferred tax assets of € 110 million, which mainly results from the reduction of temporary differences from provisions for pensions and similar obligations in the German tax group.

In the first half of the year of 2021, the effective tax rate was reduced due to the formation of the fuel-cell joint venture cellcentric. The income from that transaction was only subject to a deferred tax expense for corporate income tax (15.825% including the German solidarity surcharge).

6. Intangible assets

The composition of intangible assets is shown in table [C.13](#).

C.13

Intangible assets

	June 30, 2022	Dec. 31, 2021
In millions of euros		
Goodwill (acquired)	694	634
Development costs (internally generated)	743	714
Other intangible assets ¹	1,340	1,352
	2,777	2,700

¹ Other intangible assets include assets subject to amortization and assets with indefinite useful lives not subject to amortization.

Intangible assets include development costs capitalized in the second quarter of 2022 of €49 million (Q2 2021: €41 million) and in first half of the year of 2022 of €89 million (Q1-2 2021: €86 million). Depreciation of capitalized development costs for the second quarter of 2022 amount to €30 million (Q2 2021: €51 million) and in first half of the year of 2022 to €60 million (Q2 2021: €102 million).

7. Property, plant and equipment

Property, plant and equipment as shown in the Consolidated Statement of Financial Position with a carrying amount of €7,792 million as of June 30, 2022 includes right-of-use assets from lessee accounting (December 31, 2021: €7,860 million).

Property, plant and equipment by category, excluding right-of-use assets, can be found in table [C.14](#).

C.14

Property, plant and equipment (excluding right-of-use assets)

	June 30, 2022	Dec. 31, 2021
In millions of euros		
Land, buildings and leasehold improvements	2,578	2,590
Technical equipment and machinery	1,870	1,873
Other equipment, factory and office equipment	1,652	1,607
Advance payments relating to plant and equipment and construction in progress	562	581
	6,662	6,651

Table [C.15](#) shows the composition of the right-of-use assets.

C.15

Right-of-use assets

	June 30, 2022	Dec. 31, 2021
In millions of euros		
Land, buildings and leasehold improvements	1,088	1,166
Technical equipment and machinery	4	3
Other equipment, factory and office equipment	38	40
	1,130	1,209

8. Equipment on operating leases

As of June 30, 2022, the carrying amount of equipment on operating leases was €3,741 million (December 31, 2021: €3,542 million).

The changes in the second quarter of 2022 and in the first half of the year 2022 can be found in the following table [C.16](#):

C.16

Overview Additions and Disposals Equipment on operating leases

	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros				
Additions	329	263	662	497
Carrying amount of additions due to business combinations (Fair Value)	218	0	218	0
Net disposals	164	152	386	336
Depreciation	161	173	305	359

Other changes primarily comprise the effects of currency translation.

Additions due to business combinations represent the Financial Services business acquired from Mercedes-Benz Group.

9. Equity-method investments

Table [C.17](#) shows the carrying amounts and gains/losses on equity-method investments.

Table [C.18](#) presents key figures on interests in joint ventures accounted for using the equity method in the Daimler Truck Group's Consolidated Financial Statements.

For the change in the carrying amount of BFDA, see

🔗 [Note 24](#). Transactions with related parties.

cellcentric

In the first half of 2022, the Daimler Truck Group and the Volvo Group provided capital contributions totaling €100 million to cellcentric GmbH & Co. KG (“cellcentric”), resulting in an increase in the Daimler Truck Group’s equity investment of €50 million.

C.17

Summary of carrying amounts and gains/losses on equity-method investments

	Associated companies	Joint ventures	Joint venture operations	Total
In millions of euros				
June 30, 2022				
Equity investment	124	990	15	1,129
Equity earnings (Q2 2022)	6	-24	1	-17
Equity earnings (Q1-2 2022)	8	-123	3	-112
At December 31, 2021				
Equity investment	120	1,233	16	1,369
Equity earnings (Q2 2021)	11	76	2	89
Equity earnings (Q1-2 2021)	11	109	3	123

C.18

Key figures on interests in joint ventures accounted for using the equity method

	cellcentric ¹	BFDA ^{1,3}	Other ⁴	Total
In millions of euros				
At June 30, 2022				
Equity interest (in %)	50	50		
Equity investment	676	304	10	990
Equity result (Q2 2022)	-11	-14	1	-24
Equity result (Q1-2 2022)	-28	-25	-70	-123
At December 31, 2021				
Equity interest (in %)	50.0	50.0	-	-
Equity investment	654	474	105	1,233
Equity result (Q2 2021)	-12	69	19	76
Equity result (Q1-2 2021)	-17 ²	87	39	109

1 No dividends were paid to the Daimler Truck Group in any of the presented periods.

2 The figures for the equity result relate to the period of March 1 to June 30, 2021.

3 Beijing Foton Daimler Automotive Co. Ltd (“BFDA”).

4 At June 30, 2022, including the impairment of DKTH’s at-equity investment of €71 million.

10. Receivables from financial services

As a result of the acquisition of the Financial Services Business, the finance leases increased to €3,654 million as of June 30, 2022 (December 31, 2021: €2,446 million). The increase in sales financing with dealers and end customers is mainly due to existing companies. Receivables from financial services are presented in table [7 C.19](#).

C.19**Receivables from financial services**

	June 30, 2022			Dec. 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Gross carrying amount	8,795	11,322	20,117	7,278	9,218	16,496
Sales financing with customers	4,094	8,025	12,119	3,481	6,989	10,470
Sales financing with dealers	3,494	850	4,344	2,858	722	3,580
Finance lease contracts	1,207	2,447	3,654	939	1,507	2,446
Loss allowances	-164	-318	-482	-123	-275	-398
Net carrying amount	8,631	11,004	19,635	7,155	8,943	16,098

11. Other financial assets

Other financial assets presented in the Consolidated Statement of Financial Position was comprised as shown in table [C.20](#).

Other financial assets recognized at fair value through profit or loss relate exclusively to derivative financial instruments which are not used in hedge accounting.

Further information on other financial assets is provided in [Note 21](#). Financial instruments.

C.20**Other financial assets**

	June 30, 2022			Dec. 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Equity instruments and debt instruments	-	441	441	-	482	482
Recognized at fair value through other comprehensive income	-	79	79	-	85	85
Recognized at fair value through profit or loss	-	211	211	-	244	244
Measured at amortized cost	-	151	151	-	153	153
Derivative financial instruments used in hedge accounting	37	49	86	42	21	63
Other financial assets recognized at fair value through profit or loss	28	-	28	3	2	5
Other financial receivables and miscellaneous other financial assets	510	211	721	609	201	810
	575	701	1,276	654	706	1,360

12. Inventories

Inventories are shown in table [C.21](#).

The increase in inventories was mainly due to supply bottlenecks for raw materials, particularly for semiconductors, as well as a high number of vehicles in the delivery process.

C.21**Inventories**

	June 30, 2022	December 31, 2021
In millions of euros		
Raw materials and manufacturing supplies	1,715	1,314
Work in progress	3,396	2,642
Finished goods, parts and products held for resale	4,694	3,832
Advance payments to suppliers	13	5
	9,818	7,793

13. Equity

The individual components of equity and their development over the first half year of 2022 are presented in the Consolidated Statement of Changes in Equity [C.05](#).

Share capital

At December 31, 2021, Mercedes-Benz Group AG held a 35.00% interest in the share capital of Daimler Truck Holding AG, of which 6.57% was held indirectly via Daimler Verwaltungsgesellschaft für Grundbesitz mbH, Schönefeld, a wholly-owned subsidiary of Mercedes-Benz-Group AG.

In January 2022, Mercedes-Benz Group AG transferred 4.99% of the shares held directly in Daimler Pension Trust e.V. and included them in the pension plan assets. At June 30, 2022 the voting share held by Mercedes-Benz Group AG, excluding the voting rights arising from these shares and including the existing shares held by Daimler Verwaltungsgesellschaft für Grundbesitz mbH, is 30.01%.

Dividend

The Annual General Meeting on June 22, 2022 resolved not to distribute a dividend to shareholders for financial year 2021.

Other equity components

Other equity components include, among others, changes in the scope of consolidation, resulting from the first time consolidation of Daimler Trucks Asia Taiwan Ltd.

14. Pensions and similar obligations

Composition of provisions for pensions and similar obligations

The composition of provisions for pensions and similar obligations is shown in table [C.22](#).

C.22

Composition of provisions for pensions and similar obligations

	June 30, 2022	December 31, 2021
In millions of euros		
Provision for pension benefits	562	1,850
Provision for other post-employment benefits	580	621
	1,142	2,471

C.24

Provisions for other risks

	June 30, 2022			December 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Product warranties	816	973	1,789	811	877	1,688
Personnel and social costs	665	653	1,318	689	800	1,489
Liability and litigation risks and regulatory proceedings	123	947	1,070	201	869	1,070
Other	323	82	405	344	99	443
	1,927	2,655	4,582	2,045	2,645	4,690

Development of funded status

The funded status of the pension obligations is shown in table [C.23](#). The decrease in the present value of defined benefit obligations resulted especially from the significant increase in discount rates.

C.23

Development of funded status

	June 30, 2022	December 31, 2021
In millions of euros		
Present value of the defined benefit obligation for pension benefits	-6,167	-7,951
Fair value of plan assets	5,619	6,109
Net defined benefit liability	-548	-1,842
thereof recognized in other assets	14	8
thereof recognized in provisions for pensions and similar obligations	-562	-1,850

15. Provisions for other risks

Provisions for other risks are comprised as shown in table [C.24](#).

The decrease in provisions for other risks was due to an update in the valuation assumptions, resulting mainly from interest rate changes, relating to personnel and social expenses.

16. Financing liabilities

Table [7 C.25](#) shows the composition of the financing liabilities.

C.25

Financing liabilities

	June 30, 2022			Dec. 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Notes/bonds	1,067	10,102	11,169	470	6,837	7,307
Liabilities to financial institutions	3,194	2,095	5,289	4,016	2,225	6,241
Deposits in the direct banking business	237	377	614	191	361	552
Liabilities from ABS transactions	356	110	466	501	250	751
Lease liabilities	175	982	1,157	174	1,061	1,235
Loans, other financing liabilities	153	174	327	127	177	304
Non-controlling shareholdings (puttable instruments) in accordance with IAS 32 – Financial Instruments: Presentation	211	–	211	–	209	209
	5,392	13,839	19,231	5,479	11,120	16,599

17. Other financial liabilities

The composition of other financial liabilities is shown in table [7 C.26](#).

Financial liabilities measured at fair value through profit or loss relate to derivative financial instruments, which are not related to hedge accounting.

Miscellaneous other financial liabilities include various financial obligations such as liabilities from residual-value guarantees, liabilities from wages and salaries, accrued interest expenses and deposits received.

Further information on other financial liabilities is provided in [7 Note 21](#). Financial instruments.

C.26

Other financial liabilities

	June 30, 2022			Dec. 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Derivative financial instruments used in hedge accounting	85	352	437	–	17	17
Financial liabilities recognized at fair value through profit or loss	22	–	22	3	–	3
Miscellaneous other financial liabilities	2,526	1,693	4,219	2,495	1,785	4,280
Liabilities from residual value guarantees	791	1,493	2,284	874	1,574	2,448
Liabilities from wages and salaries	650	43	693	554	40	594
Accrued interest expenses	239	–	239	138	–	138
Deposits received	314	25	339	289	26	315
Other	532	132	664	640	145	785
	2,633	2,045	4,678	2,498	1,802	4,300

18. Deferred income

The composition of deferred income is shown in table [7 C.27](#). The decline was mainly due to the deferral of sales revenues received from sales with residual value guarantees at companies in the industrial business segment. The settlement of the pre-existing relationships in the context of the acquisition of

Financial Services companies from the Mercedes-Benz Group in the second quarter led to a reduction of this item by €60 million. Furthermore, fewer new contracts were concluded with customers due to logistical problems in vehicle production.

C.27**Deferred income**

	At June 30, 2022			At December 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Deferral of sales revenue received from sales with residual-value guarantees	560	996	1,556	623	1,085	1,708
Deferral of advance rental payments received from operating lease arrangements	12	3	15	6	3	9
Other deferred income	45	16	61	35	23	58
	617	1,015	1,632	664	1,111	1,775

19. Legal proceedings

The subsidiaries of Daimler Truck Holding AG (especially Daimler Truck AG) are confronted with various legal proceedings, claims as well as governmental investigations and orders (legal proceedings) on a large number of topics, including vehicle safety, dealer, supplier and other contractual relationships, intellectual property rights (including but not limited to patent-infringement actions), warranty claims, as well as antitrust matters (including actions for damages). If the outcome of such legal proceedings is negative for the Daimler Truck Group or such legal proceedings are settled, the Group may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions. Legal proceedings and related settlements may have an impact on the Group's reputation.

The Group generally records warranty provisions in its Consolidated Financial Statements based on past experience and known claims, but such provisions may not be adequate for any liability ultimately incurred as a result of potential vehicle defects. In addition, defective products, product liability claims, warranty claims, product recalls and other similar issues could damage the Group's reputation.

Antitrust law proceedings (including actions for damages)

Mercedes-Benz Group AG, under the former name Daimler AG the former parent entity of Daimler Truck AG, was subject to an antitrust proceeding initiated by the European Commission. In July 2016, the European Commission issued a settlement decision against Daimler AG (now known as Mercedes-Benz Group AG) and four other European truck manufacturers for their participation in anti-competitive behavior in violation of European antitrust rules with regard to pricing and passing on the costs of compliance with strict emission rules for trucks.

Following the settlement decision by the European Commission, legal actions, class actions and other forms of legal redress for damages by direct and indirect truck customers have been filed or initiated in several jurisdictions. Damage claims could result in substantial liabilities for the Daimler Truck Group as well as significant costs expended for defense measures, which may have a material adverse effect on its operations and liquidity and capital resources.

The Daimler Truck Group takes appropriate legal remedies to defend itself.

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (paragraph 92), no further information is disclosed with respect to whether, or to what extent, provisions have been recognized and/or contingent liabilities have been disclosed, so as not to prejudice the Group's position.

Accounting estimates and management judgments relating to all legal proceedings

The Daimler Truck Group recognizes provisions for pending and threatened litigation to the extent that an obligation is probable and its amount can be determined with sufficient accuracy. These provisions are included in the Interim Consolidated Financial Statements and are based on estimates. Contingent liabilities in connection with legal proceedings are disclosed in the Interim Consolidated Financial Statements if they can be measured. Risks resulting from legal proceedings sometimes cannot be assessed reliably or only to a limited extent. It is therefore possible that amounts accrued may prove to be insufficient after the conclusion of some of these proceedings or that the Daimler Truck Group may be required to make payments in legal proceedings for which no provisions have been recognized or contingent liabilities disclosed. Uncertainty exists with regard to the amounts or due dates of possible cash outflows. Although the final result of any such proceedings could materially affect the Daimler Truck Group's operating results and cash flows for a particular reporting period, the Daimler Truck Group believes that it should not exert a sustained influence on the Group's profitability, liquidity and capital resources or financial position.

20. Other financial obligations

Phase 2 transactions

As part of the demerger agreement, the Daimler Truck Group has committed to purchase the business of certain “Phase 2” entities from the Mercedes-Benz Group in order to complete the reorganizational measures (see [Note 2. Business combinations](#)). The transactions will take place in the form of share deals or asset deals, at market value or fair value. A preliminary valuation of the consideration (purchase price) to acquire the remaining outstanding shares or net assets of the Phase 2 companies not yet transferred was performed, with a preliminary expected total purchase price of €0.6 billion. In addition, as part of the determination of the transaction structure of certain outstanding Phase 2 transactions, it was agreed that the Daimler Truck Group will redeem existing loans of the companies to be acquired with the Mercedes-Benz Group in the amount of €0.2 billion.

For a list of Phase 2 entities and expected transfer dates, refer see table [C.28](#).

C.28

Phase 2 – Reorganizational measures

Phase 2 company	Country	Transaction type	Expected acquisition date
Mercedes-Benz Financial Services España, E.F.C., S.A. ¹	Spain	Share Deal	Q4 2022
Mercedes-Benz Financial Services UK Limited ²	United Kingdom	Asset Deal	Q3 2022
Mercedes-Benz Finansman Türk A.S.1	Turkey	Share Deal	Q4 2022
Mercedes-Benz Retail, S.A.	Spain	Share Deal	Q4 2022
Mercedes-Benz Retail, Unipessoal Lda.	Portugal	Asset Deal	Q3 2022
Mercedes-Benz Slovakia s.r.o.	Slovakia	Asset Deal	Q1 2023
Mercedes-Benz Sosnowiec Sp. z o.o.	Poland	Asset Deal	Q1 2023
Mercedes-Benz Warszawa Sp. z o.o.	Poland	Asset Deal	Q1 2023
Sandown Motor Holdings (Pty) Ltd	South Africa	Share Deal	Q3 2022

¹ The Financial Services business operations will be locally demerged by the Mercedes-Benz Group to newly established entities, which will be subject to acquisition via share deals by the Daimler Truck Group.

² See also [Note 25](#). Events after the reporting period.

21. Financial instruments

Table [C.29](#) shows the carrying amounts and fair values of the respective classes of the Group’s financial instruments, excluding equity instruments measured at amortized cost and not in the scope of IFRS 9 – Financial Instruments, and lease liabilities.

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 the financial instruments were calculated on the basis of market information available on the reporting date. The following methods and premises were used:

Marketable debt securities and similar investments and Other financial assets and liabilities

Marketable debt securities are recognized at fair value through other comprehensive income or at fair value through profit or loss. Similar investments are measured at amortized cost and are not included in the measurement hierarchy, as their carrying amounts are a reasonable approximation of fair value due to the short terms of these financial instruments and the fundamentally low credit risk.

Equity instruments are recognized at fair value through other comprehensive income or at fair value through profit or loss. The Group does not generally intend to sell its equity instruments which are presented at June 30, 2022. Equity instruments held at amortized cost and not in the scope of IFRS 9 have been excluded.

Marketable debt securities and equity instruments recognized at fair value were measured using quoted market prices at the end of the reporting period. If quoted market prices are not available for these debt and equity instruments, fair value measurement is based on inputs that are either directly or indirectly observable in active markets. Fair values are calculated using recognized financial valuation models such as discounted cash flow models or multiples.

Other financial assets and liabilities recognized at fair value through profit or loss and *liabilities* relate to derivative financial instruments not used in hedge accounting. These financial instruments as well as *derivative financial instruments used in hedge accounting* 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 (taking account of credit premiums and default risks) using market interest rates appropriate to the remaining terms of the financial instruments. The valuation of currency forwards is based on market quotes of forward curves;
- Derivative interest rate hedging contracts; the fair values of interest rate hedging instruments (e.g. interest rate swaps) are calculated on the basis of the discounted estimated future cash flows (taking account of credit premiums and default risks) using the market interest rates appropriate to the remaining terms of the financial instruments.
- Derivative commodity hedging contracts; the fair values of commodity hedging contracts (e.g. commodity forwards) are determined on the basis of current reference prices with consideration of forward premiums and discounts and default risks.

Financing liabilities

The fair values of loans, commercial papers, notes/bonds and liabilities from ABS transactions are calculated as present values of the estimated future cash flows (taking account of credit premiums and credit risks). Market interest rates for the appropriate terms are used for discounting. Financing liabilities exclude lease liabilities.

Other financial liabilities

Financial liabilities recognized at fair value through profit or loss comprise derivative financial instruments not used in hedge accounting. For information regarding these financial instruments as well as derivative financial instruments used in hedge accounting, refer to the above under marketable debt securities and similar investments, other financial assets.

Contract and refund liabilities

Contract and refund liabilities include obligations from sales transactions that qualify as financial instruments. Obligations from sales transactions should generally be regarded as short term. Due to the short maturities of these financial instruments, it is assumed that their fair values are equal to their carrying amounts.

Table [7 C.30](#) provides an overview of the classification into measurement hierarchies of financial assets and liabilities recognized at fair value (according to IFRS 13 – Fair value measurement). At the end of each reporting period, Daimler Truck reviews the necessity for reclassification between the fair value hierarchies.

C.29**Carrying amounts and fair values of financial instruments**

	June 30, 2022		Dec. 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
Financial assets				
Receivables from financial services	19,635	19,426	16,098	16,173
Trade receivables	4,410	4,410	3,962	3,962
Cash and cash equivalents	5,699	5,699	7,244	7,244
Marketable debt securities and similar investments	592	592	139	139
Recognized at fair value through other comprehensive income	543	543	116	116
Recognized at fair value through profit or loss	41	41	14	14
Measured at amortized cost	8	8	9	9
Other financial assets				
Equity instruments and debt instruments	290	290	329	329
Recognized at fair value through other comprehensive income	79	79	85	85
Recognized at fair value through profit or loss	211	211	244	244
Other financial assets recognized at fair value through profit or loss	28	28	5	5
Derivative financial instruments used in hedge accounting	86	86	63	63
Other financial receivables and miscellaneous other financial assets	721	721	810	810
	31,461	31,252	28,650	28,725
Financial liabilities				
Financing liabilities	18,074	17,718	15,364	15,445
Trade payables	5,199	5,199	4,359	4,359
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	22	22	3	3
Derivative financial instruments used in hedge accounting	437	437	17	17
Miscellaneous other financial liabilities	4,219	4,219	4,280	4,280
Contract and refund liabilities				
Obligations from sales transactions	398	398	353	353
	28,349	27,993	24,376	24,457

C.30**Measurement hierarchy of financial assets and liabilities recognized at fair value**

	June 30, 2022				Dec. 31, 2021			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
In millions of euros								
Financial assets recognized at fair value								
Marketable debt securities	584	44	539	1	130	33	96	1
Recognized at fair value through other comprehensive income	543	43	500	-	116	33	83	-
Recognized at fair value through profit or loss	41	1	39	1	14	-	13	1
Equity instruments and debt instruments	290	164	22	104	329	185	20	124
Recognized at fair value through other comprehensive income	79	71	-	8	85	76	-	9
Recognized at fair value through profit or loss	211	93	22	96	244	109	20	115
Other financial assets recognized at fair value through profit or loss	28	-	28	-	5	-	5	-
Derivative financial instruments used in hedge accounting	86	-	86	-	63	-	63	-
	988	208	675	105	527	218	184	125
Financial liabilities recognized at fair value								
Financial liabilities recognized at fair value through profit or loss	22	-	22	-	3	-	3	-
Derivative financial instruments used in hedge accounting	437	-	437	-	17	-	17	-
	459	-	459	-	20	-	20	-

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

2 Fair value measurement based on inputs that are observable in active markets either directly (i.e. as prices) or indirectly (i.e. derived from prices).

3 Fair value measurement based on inputs for which no observable market data is available.

22. Segment reporting

Segment information for the second quarter and first half of 2022 as well as the second quarter and first half of 2021 can be found in table [↗ C.31](#).

C.31**Segment reporting**

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconcilia- tion	Daimler Truck Group
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In millions of euros

Q2 2022

External revenue	5,123	4,372	1,376	844	389	12,104	-	12,104
Intersegment revenue	27	508	170	29	9	743	-743	-
Total revenue	5,150	4,880	1,546	873	398	12,847	-743	12,104

Segment profit/loss (EBIT)	523	505	31	-26	163	1,196	-122	1,074
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June 30, 2022

Segment assets	7,727	14,147	5,484	3,325	21,849	52,532	1,257	53,789
Segment liabilities	6,275	8,700	1,899	2,191	19,874	38,939	114	39,053

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconcilia- tion	Daimler Truck Group
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In millions of euros

Q2 2021

External revenue	4,062	3,811	1,383	707	271	10,234	1	10,235
Intersegment revenue	23	490	72	20	2	607	-607	-
Total revenue	4,085	4,301	1,455	727	273	10,841	-606	10,235

Segment profit/loss (EBIT)	440	236	140	11	68	895	-28	867
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December 31, 2021

Segment assets	6,385	13,127	5,731	3,282	17,926	46,451	1,300	47,751
Segment liabilities	5,674	8,357	1,987	2,240	16,361	34,619	290	34,909

Segment reporting

	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconcilia- tion	Daimler Truck Group
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In millions of euros

Q1-2 2022

External revenue	9,681	8,116	2,724	1,440	694	22,655	-	22,655
Intersegment revenue	52	1,069	243	59	13	1,436	-1,436	-
Total revenue	9,733	9,185	2,967	1,499	707	24,091	-1,436	22,655

Segment profit/loss (EBIT)	909	681	54	-87	210	1,767	-232	1,535
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	Trucks North America	Mercedes- Benz	Trucks Asia	Daimler Buses	Financial Services	Total segments	Reconcilia- tion	Daimler Truck Group
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In millions of euros

Q1-2 2021

External revenue	7,532	7,203	2,792	1,182	548	19,257	1	19,258
Intersegment revenue	49	903	141	51	3	1,147	-1,147	-
Total revenue	7,581	8,106	2,933	1,233	551	20,404	-1,146	19,258

Segment profit/loss (EBIT)	854	339	198	-78	104	1,417	1,149	2,566
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Reconciliation

The reconciliation of the total segments' profit/loss (EBIT) to the Daimler Truck Group's EBIT is as shown in table [7 C.32](#).

C.32

Reconciliation of the segments to the Consolidated Statement of Income

	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros				
Total segments' profit/loss (EBIT)	1,195	893	1,767	1,417
Profit/loss on equity-method investments	-12	-12	-29	-18
Other operating income	-	-	-	1,215
Other business activities and corporate items	-101	-17	-160	-50
Eliminations	-8	3	-43	2
EBIT of the Group	1,074	867	1,535	2,566

The reconciliation comprises business activities for which the Group's headquarters is responsible. Transactions between the segments are eliminated in the context of consolidation.

In the first half of 2021, other operating income includes the gain from the loss of control of cellcentric GmbH & Co. KG (cellcentric), resulting in a positive effect on earnings of €1,215 million.

In the first half of 2022, "Other business activities and corporate items" is comprised primarily of operational expenses of €80 million related to the Daimler Truck Group's autonomous driving business activities (Q1-2 2021: €48 million).

23. Earnings per share

The calculation of basic and diluted earnings per share is based on net profit attributable to shareholders of the Daimler Truck Group. As a newly listed company, there are no dilutive effects on the shares. For the second quarter of 2022, the

profit/loss attributable to shareholders of the Daimler Truck Group (basic and diluted) amounts to €922 million (Q2 2021: €601 million) and €1,179 million in the first half of 2022 (Q1-2 2021: €2,035 million). The weighted-average number of shares outstanding (basic and diluted) corresponded to the total number of shares issued after the execution of the demerger agreement and amount to 822,951,882 for which the result is calculated.

These 822,951,882 include 50,000 shares that are entitled to dividends for financial year 2021 and are held completely by the Mercedes-Benz Group.

The same number of shares was used to calculate earnings per share for the respective periods. There are currently no instruments outstanding or planned with a potential dilutive effect on the earnings per share.

Table [7 C.33](#) shows the numerator and the denominator for the calculation of earnings per share.

C.33

Earnings per share

	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
In millions of euros				
Consolidated profit/loss attributable to shareholders	922	601	1,179	2,035
In millions of shares				
Weighted average number of shares outstanding - basic and diluted	823	823	823	823
Earnings per share - basic and diluted	1.12	0.73	1.43	2.47

24. Transactions with related parties

Related parties (companies or persons) are deemed to be Mercedes-Benz Group entities, associated companies, joint ventures and non-consolidated companies, as well as persons who exercise a significant influence on the financial and business policy of the Daimler Truck Group. For further information regarding related parties and the nature of these business relationships, please see the disclosures in the 2021 Consolidated Financial Statements, Note 39. Transactions with related parties.

The deliveries and services between the Daimler Truck Group and related parties are listed in table [7 C.34](#).

Leases with the Mercedes-Benz Group

For the sale of vehicles to Mercedes-Benz Group companies by which the Daimler Truck Group is obliged to repurchase the vehicles, which are accounted for as a lease, the corresponding liabilities from residual-value guarantees as of June 30, 2022 amounted to €1,260 million (December 31, 2021: €1,393 million). Deferred income as of June 30, 2022 amounted to €786 million (December 31, 2021: €902 million).

For lease transactions where Financial Services leases passenger vehicles to third-party customers, which were previously acquired from external dealers, the Mercedes-Benz Group issued residual-value guarantees. As of June 30, 2022, the residual-value guarantees issued by the Mercedes-Benz Group to Financial Services with respect to the capitalized leased passenger cars (leased out to end customers under operating leases) amounted to €61 million (December 31, 2021: €47 million). Residual-value guarantees issued by the Mercedes-Benz Group to Financial Services where passenger cars were leased out to customers under a finance lease amounted to €73 million (December 31, 2021: €60 million).

In addition, prior to the spin-off, the Daimler Truck Business granted Financial Services part of the Mercedes-Benz Group credit risk guarantees which required the issuer to make specified payments to reimburse the holder for a loss it incurs because its customers fail to make payments when due. Financial liabilities due to Mercedes-Benz Group companies as of June 30, 2022 amounted to €3 million (December 31, 2021: €32 million).

The corresponding off-balance-sheet amounts for the financial liabilities resulting from credit risk guarantees issued to the Mercedes-Benz Group as of June 30, 2022 amounted to €29 million (December 31, 2021: €32 million).

In the second quarter, a financial liability for a default risk of an external customer in the amount of €15 million with the Mercedes-Benz Group was redeemed.

Financial liabilities resulting from transactions with companies of the Mercedes-Benz Group include financial liabilities from sale and leaseback transactions where the sale does not satisfy the requirements of IFRS 15.

Guarantees

The Mercedes-Benz Group has issued letters of credit and guarantees in favor of the Daimler Truck Group and its customers.

As of June 30, 2022, the guarantees issued by the Mercedes-Benz Group amounted to €404 million (December 31, 2021: €582 million).

Guarantees issued by the Daimler Truck Group in favor of the Mercedes-Benz Group, associates and joint ventures amounted to €92 million as of June 30, 2022 (December 31, 2021: €100 million).

Transfer of Phase 2 legal entities and operations from the Mercedes-Benz Group

Following the performance of the spin-off agreement in 2021, there will be further transfers of certain companies and business unit from the Mercedes-Benz Group to the Daimler Truck Group in 2022. Truck and bus-related leasing portfolios and dealer-end customer financing will be acquired as asset deals or share deals. Table [7 C.34](#) does not include the effects of these transfers.

For more information, see [Note 2](#). Business combinations.

Contributions to plan assets

Daimler Truck Pension Trust e.V. administers the plan assets to secure pension obligations in Germany on a fiduciary basis and is therefore a related party of the Daimler Truck Group. Daimler Truck AG bears insignificant expenses and provides services for the company. Under the demerger agreement from 2021, Daimler Truck AG contributed €150 million and Evo-Bus GmbH €100 million to Daimler Truck Pension Trust e.V. in the second quarter of 2022.

License agreement with BFDA

In October 2020, the Daimler Truck Group concluded a technology license agreement (TLA) with the joint venture BFDA in connection with the localization of Mercedes-Benz trucks for the Chinese market. This agreement includes the use of certain intellectual property rights by BFDA for the localization of Mercedes-Benz H6 technology in exchange for a license fee totaling €318 million.

Daimler Truck AG transferred the final technical product documentation in the second quarter of 2022 and thus fulfilled the obligation from the TLA. This therefore led to revenue recognition of the license fee (€318 million) and an increase in receivables from BFDA as an affiliated company.

At Group level, this transaction is a downstream transaction with a joint venture. Therefore, elimination was recorded, which reduced revenue in the Mercedes-Benz segment and the equity-valued investment in the Trucks Asia segment. After elimination, the positive effect in EBIT of the Mercedes-Benz segment and the Daimler Truck Group amounted to €159 million in the second quarter of 2022.

C.34

Business relationships with related parties

In millions of euros	Deliveries and services rendered and other income				Purchases of goods and services and other expenses			
	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021	Q2 2022	Q2 2021	Q1-2 2022	Q1-2 2021
Associated companies	43	87	76	154	3	12	6	25
thereof KAMAZ PAO ³	-	52	-	100	-	8	-	18
thereof MFTBC investees	34	35	61	54	3	3	6	6
Joint ventures	387	95	468	183	13	4	65	7
thereof DKTH ⁵	-	70	33	140	-	2	49	3
thereof National Automobile Industry Company Ltd.	54	24	97	41	-	1	-	1
thereof BFDA	330	1	335	1	9	-	10	-
Mercedes-Benz Group ⁴	735	919	1,535	1,815	335	465	633	924

in Millionen €	Receivables ¹		Payables ²	
	June 30, 2022	Dec. 31, 2021	June 30, 2022	Dec. 31, 2021
Associated companies	15	21	2	2
thereof KAMAZ PAO ³	-	-	-	-
thereof MFTBC investees	13	16	2	2
Joint ventures	335	87	14	13
thereof DKTH ⁵	-	53	-	-
thereof National Automobile Industry Company Ltd.	55	22	-	-
thereof BFDA	272	3	-	-
Mercedes-Benz Group ⁴	461	739	1,927	2,530

- 1 Receivables comprise balance sheet items that result in cash inflows. These include trade receivables, loans granted and other receivables. Receivables include impairment losses totaling €60 million, of which €49 million to DKTH (no impairment loss was recognized against DKTH as of December 31, 2021).
- 2 Liabilities comprise balance sheet items that lead to potential future cash outflows. They include trade accounts payable, residual value guarantees, default risks from guarantees, financing liabilities, lease liabilities and other liabilities.
- 3 The Group transferred its equity-method investment in KAMAZ PAO to Mercedes-Benz Group AG on September 21, 2021, effective on September 28, 2021. Since the spin-off, KAMAZ PAO has therefore no longer been a related company for the Daimler Truck Group. For Q2 2021, the Consolidated Statement of Income reflects all transactions with KAMAZ PAO. The receivables and payables reported from December 31, 2021 and the Income Statement for Q2 2022 no longer include any balances and transactions with KAMAZ PAO.
- 4 Thereof expenses for services received from the Mercedes-Benz Group in Q2 2022 of €156 million (Q2 2021: €128 million) and in the first half of 2022 in the amount of €285 million (Q1-2 2021: €258 million).
- 5 Business activities with DKTH were discontinued on February 27, 2022 until further notice. In Q2 2022, trade and other expenses received from DKTH included impairment losses on trade receivables in the amount of €0 million (Q2 2021: €0 million) and €49 million in the first half of 2022 (Q1-2 2021: €0 million).

25. Events after the reporting period

Changes in the group of companies due to M&A transactions

On August 8, 2022 the Daimler Truck Group acquired around 10% of the shares in Manz AG based in Reutlingen, Germany. The purchase price for the acquisition of the shares amounted to €31 million. In accordance with IFRS 9 Financial Instruments, the investment was recognized and measured at fair value through Other Comprehensive Income.

High-tech machine manufacturer Manz AG will supply essential systems for a battery pilot line at the Mercedes-Benz Mannheim plant as a strategic partner of Daimler Truck in battery technology.

Furthermore, on July 8, 2022, the Daimler Truck Group, together with the Volvo Group and TRATON GROUP, founded a joint venture for a publicly accessible high-performance charging network for battery-powered trucks and coaches in Europe. Daimler Truck invested €5 million in the company in July.

The joint venture is intended to make an important contribution to the European Union's Green Deal and thus to climate-neutral freight transport by 2050.

In addition, on August 1, 2022 the Daimler Truck Group acquired Daimler Truck Financial Services UK for €0.5 billion in connection with Phase 2 transactions as part of a asset deal. This asset deal represents a business combination as defined by IFRS 3 Business Combinations.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Leinfelden-Echterdingen, August 09, 2022

Martin Daum

Jochen Götz

Karin Rådström

John O'Leary

Karl Deppen

Stephan Unger

Dr. Andreas Gorbach

Jürgen Hartwig

Auditor's Review Report

To Daimler Truck Holding AG, Stuttgart

We have reviewed the condensed interim consolidated financial statements of Daimler Truck Holding AG – comprising consolidated statement of income/loss, consolidated statement of comprehensive income/loss, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and selected, explanatory notes – together with the interim group management report of the Daimler Truck Holding AG, for the period from January 1 to June 30, 2022 that are part of the semi annual financial report according to Section 115 WpHG [“Wertpapierhandelsgesetz”: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor’s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Stuttgart, August 10, 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

Pritzer
Wirtschaftsprüfer

Mokler
Wirtschaftsprüfer

Further Information

Information on the Internet

Specific information on our stocks and Profitability development can be found on our website

 [Website](#)

under the heading Investors. The Annual and Interim Reports and the company Financial Statements of Daimler Truck Holding AG are and can be accessed there.

You can also find topical reports, presentations, an overview of various key figures, information on our share price and other services.

 [Website](#)

For sustainability reasons, the Annual and Interim Reports and the Financial Statements are not printed in hard copy. We make all Annual and Interim Reports available online and as PDF files to download.

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Financial Calendar

Interim Report Q3 2022

November 11, 2022

Since we are cannot rule out that deadlines, being rescheduled, we recommend you check the current status on the Internet a short time in advance.

 [Website](#)

