Audited Unconsolidated Financial Statements of Daimler Truck Holding AG as of and for the stub period from March 25, 2021 to September 30, 2021 in accordance with IFRS (as adopted by the European Union)

Daimler Truck Holding AG
Financial Statements for the stub period March 25 to September 30, 2021

Statement of comprehensive income of Daimler Truck Holding AG, Stuttgart, for the stub period March 25 to September 30, 2021

in € thousand

	Notes	March 25 – September 30, 2021
General administrative expenses	(4)	-14.9
Other operating income		-
Depreciation, Amortisation and Impairment	(6)	-2.0
Loss before taxes		-16.9
Income taxes	(5)	-
Loss for the period		**-16.9**
Total comprehensive income for the period		**-16.9**
Earnings per Share (in €)		
Basic		-0.34
Diluted		-0.34

Statement of Financial Position of Daimler Truck Holding AG, Stuttgart, as at September 30, 2021

Assets

in € thousand	Notes	**September 30, 2021**	March 25, 2021[1)]
Current assets			
Other Receivables	(6)		
Receivables from affiliated companies		**148.5**	-
Called up share capital - unpaid	(8)	**0**	50.0
Other assets	(6)	**504.5**	-
Cash and cash equivalents	(7) (10)	**50.8**	-
Total Assets		**703.8**	50.0

Equity and liabilities

In € thousand	Notes	**September 30, 2021**	March 25, 2021[1)]
Equity	(8)		
Capital subscribed to carry out the incorporation		**-**	50.0
Share capital		**50.0**	-
Capital reserve		**150.0**	-
Loss for the period		**-16.9**	-
Total Equity		**183.1**	50.0
Current Liabilities			
Trade and other Payables	(9)		
Accruals		**517.6**	
Liabilities to affiliated companies		**3.1**	-
Total Liabilities		**520.7**	
Total Equity and Liabilities		**703.8**	50.0

1) Opening balance sheet

Statement of Cash Flows of Daimler Truck Holding AG, Stuttgart, for the stub period March 25 to September 30, 2021

	Notes	**March 25 – September 30, 2021**
In € thousand	(10)	
Loss before taxes		-16.9
Depreciation and amortization/impairments		2.0
Other non-cash expense and income		14.7
Change in operating assets and liabilities		-
Income taxes paid		-
Cash used for/provided by operating activities		-0.2
Cash used for investing activities		-
Proceeds from the issue of share capital		50.0
Proceeds from addition to the capital reserve		1.0
Cash used for/provided by financing activities		**51.0**
Net Increase in cash and cash equivalents		**50.8**
Cash and cash equivalents at beginning of period		**-**
Cash and cash equivalents at end of period		**50.8**

Statement of Changes in Equity of Daimler Truck Holding AG, Stuttgart, for the stub period March 25 to September 30, 2021

	Notes	**Capital subscribed to carry out the incorporation**	**Share Capital**	**Capital Reserves**	**Retained Earnings**	**Total Equity**
In € thousand	(8)					
Balance at March 25, 2021[1]		**50.0**	**-**	-	-	**50.0**
Loss for the period			-	-	*-16.9*	*-16.9*
Total comprehensive income/loss			-	-	-16.9	-16.9
Dividends			-	-	-	-
Capital increase/issue of new shares		-50.0	50.0	-	-	0
Addition to capital reserves			-	150.0	-	150.0
Changes in Ownership interests			-	-	-	-
Balance at September 30, 2021		**0**	**50.0**	**150.0**	**-16.9**	**183.1**

1) Opening balance sheet

Notes to the financial statements of Daimler Truck Holding AG, Stuttgart

1. General information

Background

On February 3, 2021, the Supervisory Board and the Board of Management of Daimler AG, Stuttgart ("DAG") announced the plan for a fundamental change in the structure of DAG and its subsidiaries ("Daimler Group"). The intention of this change is to establish two independent companies and to unlock the full potential of its businesses in a zero-emissions, software-driven future. At an extraordinary meeting the Supervisory Board granted its approval for the Board of Management's decision to evaluate a spin-off of Daimler Group's Trucks & Buses as defined below and to begin preparations for a separate stock-exchange listing of the future Daimler Truck Group ("Daimler Truck Group") with Daimler Truck Holding AG, Stuttgart ("DTHAG") as the listed holding company. As result of such spin-off, a substantial majority shareholding in Daimler Truck Group is to be transferred to DAG's shareholders allowing for a deconsolidation. The Daimler Truck Group shall have a fully independent management and a stand-alone corporate governance. DAG would seek Supervisory Board representation at Daimler Truck Group in line with the intended deconsolidation. On July 30, 2021, the Board Members and Supervisory Board members of DAG, Daimler Truck AG ("DTAG"), Stuttgart, Mercedes-Benz AG, Stuttgart and Daimler Mobility AG, Stuttgart and the Board Members of DTHAG approved the decision to separate the Daimler Truck Group by means of a spin-off. After the planned spin-off Daimler Group will retain a minority interest of 35% in DTHAG and intends to transfer an interest in DTHAG in the amount of 5% to Daimler Pension Trust e.V. The spin-off will require the approval from shareholders of DAG and DTHAG. The Demerger Agreement has been approved by the extraordinary shareholders' meetings of Daimler AG on October 1, 2021. The shareholders' meeting of DTHAG is scheduled for early November 2021.

In this context, it is planned to separate the commercial vehicle business ("Daimler Trucks & Buses") along with the related financial services activities ("Daimler Trucks Financial Services") from Daimler Group in a sequence of steps, including:

(i) the completion of the legal reorganization of substantial parts of Daimler Trucks & Buses and dedicated parts of Daimler Trucks Financial Services (as such together referred to as the "Daimler Truck Business") to establish the Daimler Truck Group within the Daimler Group up until the spin-off,

(ii) spin-off of a majority shareholding of 65.00% in DTAG and the hive down of a 28.43% minority shareholding in DTAG (as such together referred to as the "legal demerger"),

(iii) the contribution of a 6.57% shareholding in DTAG into DTHAG by Daimler Verwaltungsgesellschaft für Grundbesitz mbH, Schönefeld ("Daimler Grund") (consisting of the new Daimler Truck shares received as consideration for the contribution of the so-called Gamma OHGs and 1,000 Daimler Truck shares issued in February, 2021)

(iv) the public listing of DTHAG on the stock exchange, and

(v) the transfer of additional parts of Daimler Trucks & Buses and Daimler Trucks Financial Services to the Daimler Truck Group after the listing.

In contemplation of the spin-off and subsequent listing the DTHAG with registered office in Stuttgart, Germany, was founded by Daimler Grund, on March 25, 2021, and sold to DAG in July 2021. DTHAG is a stock corporation organized under the laws of the Federal Republic of Germany and is registered with the commercial register of the District Court of Stuttgart under No. HRB 778600. DTHAG will be the issuer of the new shares and the ultimate parent company of the new stand-alone Daimler Truck Group, with DTAG, as a subsidiary and being the lead operating company that bundles the Daimler Truck Business at the time of the spin-off.

The headquarters and Board of Management of DTAG and DTHAG will be at the Daimler Truck Campus and Mercedes-Benz Campus, which are close to each other in Leinfelden-Echterdingen.

The consolidated financial statements of DAG represent the smallest and largest scope of consolidation. DAG is a stock corporation organized under the laws of the Federal Republic of Germany and is the ultimate parent company. The Company is entered in the Commercial Register of the Stuttgart District Court under No. HRB 19360 and its registered office is located at Mercedesstraße 120, 70372 Stuttgart, Germany.

The legal steps necessary to execute and close the demerger transaction have been set forth and agreed on in the Spin-Off and Hive-Down Agreement ("Demerger Agreement") by and between DAG and DTHAG, which has been signed and notarized on August 6, 2021, comprising the Group separation agreement and the Deconsolidation agreement in particular.

With the Convocation of the Extraordinary General Meeting of DAG on October 1 2021, the Demerger Agreement including annexes has been disclosed in the Federal Gazette on August 17, 2021, along with a reference to the Joint Spin-Off and Hive-Down Report ("Demerger Report") of the Board of Management of DAG and the Board of Management of DTHAG concerning the spin-off and hive-down of shares in DTAG and the spin-off of the control and profit and loss transfer agreement existing between DAG and DTAG. The Demerger Report, signed on August 9, 2021, as well as the further documents required by the transformation act have been made available to the shareholders on the Internet at the Investor Relation section of the Daimler website.

In order to secure the Daimler Trucks Business financial flexibility as well as to stabilize its capital market rating, a syndicated loan agreement in the amount of €18 billion was concluded with an international banking consortium by DTHAG, DTAG and various Daimler Truck financing companies, which includes a firm commitment of a revolving credit line in the amount of €5 billion ("Revolving Credit Facility") and a firm commitment for a credit line for bridge financing in the amount of €13 billion ("Bridge Facility"). The obligations under the Financing Agreement are subject to (aufschiebend bedingt) the occurrence of the Spin-Off Effective.

The syndicated loan agreement was signed with the banking consortium on August 6, 2021, with obligations of DTHAG under the loan agreement only arising upon the consummation of the Demerger Agreement. The Revolving Credit Facility has a term of at least five years with two extension options of one year each and was agreed at standard market conditions. The Daimler Truck Business does not intend to draw on the Revolving Credit Facility. The Bridge Facility has a term of twelve months with two six-month extension options.

The Bridge Facility serves to cover the general financing needs of the Daimler Truck Business, in particular in connection with the purchase of the Daimler Truck Financial Services legal entities and operations. The Bridge Facility is expected to be repaid primarily through the issuance of bonds by the Daimler Truck Business on the capital market, which will lead to a mandatory prepayment of the Bridge Facility in this respect. The credit line was agreed at standard market conditions. One or several capital market transactions are contemplated by the Daimler Truck Business even before the spin-off takes effect.

Description of the future Daimler Truck Group

Daimler Truck Group consists of Daimler Trucks & Buses and Daimler Trucks Financial Services.

Daimler Trucks & Buses develops, manufactures and distributes trucks and buses, and provides services to its customers. Trucks are distributed under the brand names Mercedes-Benz, Freightliner, FUSO, Western Star and BharatBenz. Furthermore, buses under the brands SETRA, Mercedes-Benz, Thomas Built Buses and FUSO are included in the product range of Daimler Trucks & Buses which sells its buses either completely built-up or as the bus chassis only.

Daimler Trucks Financial Services supports the sales of the Daimler Trucks & Buses brands worldwide with tailored financial services. These services range from customized leasing, financing and insurance packages to flexible rental models and other dynamic customer solutions for business customers.

2. Basis of preparation

The financial statements of DTHAG as of September 30, 2021, were prepared based on the assumption of going concern according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, and the interpretations of the IFRS Interpretations Committee (IFRS IC), both as endorsed by the European Union and in effect at the date of the financial statements.

IFRS issued but neither EU endorsed nor yet adopted

In May 2017, the IASB issued IFRS 17 Insurance Contracts. IFRS 17 will replace the currently applicable IFRS 4. It establishes more transparency and comparability with regard to the recognition, measurement, presentation and disclosure of insurance contracts with the insurer. The application of IFRS 17 is mandatory for reporting periods beginning on or after January 1, 2023. Early adoption is permitted. DTHAG does not expect any material impacts on the profitability, liquidity and capital resources or financial position due to the application of IFRS 17. Early adoption is not planned.

In addition, further amendments to standards and interpretations have been approved which are not expected to have a material impact on DTHAG's profitability, liquidity and capital resources and financial position.

The financial statements comparative figures are derived from the companies opening statement of financial position. No comparative period exists. The financial statements are presented for DTHAG as an individual entity for the stub period from March 25, 2021, until September 30, 2021, for inclusion in the prospectus to be submitted to BaFin in preparation of the public listing of DTHAG.

The financial statements as of September 30, 2021, have been prepared in Euro (€). Unless otherwise stated, all amounts are shown in thousands of euros (€ thousand). Any existing rounding differences between individual amounts and sums are accepted.

The financial statements are based on the principle of the historical cost.

Assets and liabilities are classified by maturity between current and non-current assets and liabilities. They are regarded as current if they mature within one year.

The statement of income is presented using the cost-of-sales method.

3. Significant accounting policies

The **income taxes** recognized are reflected at the amounts likely to be payable under the statutory regulations in force, or already enacted in relation to future periods, as of the date of the financial statements.
Deferred tax assets or liabilities are calculated on the basis of temporary differences between the tax basis and the financial reporting of assets and liabilities, on unused tax loss carryforwards and unused tax credits. Deferred tax assets on tax loss carryforwards and tax credits are recognized to the extent that it is probable that there will be future taxable income against which the losses can be offset.

The calculation of income taxes is based on the legislation and regulations applicable in Germany. Due to their complexity, tax items presented are possibly subject to different interpretations by taxpayers on the one hand and local tax authorities on the other. Different interpretations can occur especially in connection with the recognition and measurement of balance sheet items as well as in connection with the judgement of expenses and income. To account for deferred taxes, assumptions have to be made regarding future taxable income and the time of realization of the deferred tax assets. In this context, DTHAG takes into consideration, among other things, the projected earnings from business operations, the effects on earnings of the reversal of taxable temporary differences, and realizable tax strategies. As future business developments are uncertain and sometimes beyond DTHAG's control, the assumptions made for the accounting of income taxes may include a substantial degree of uncertainty.

On each balance sheet date, DTHAG carries out impairment tests on deferred tax assets on the basis of the planned taxable income in future financial years. Deferred tax assets are only recognized if it is probable that future tax advantages can be realized.

Measurement is based on the tax rates expected to be effective in the period in which an asset is recognized or a liability is settled. For this purpose, the tax rates and tax rules are used which have been substantially enacted at the reporting date. Changes in deferred tax assets and liabilities are generally recognized through profit or loss in deferred taxes in the Combined Statement of Income, except for changes recognized in other comprehensive income or expense or directly in equity.

Deferred tax assets and liabilities are generally presented as non-current items.

A **financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized as soon as DTHAG becomes a party to the contractual provisions of the financial instrument. In the case of purchases or sales of financial assets through the regular market, DTHAG uses the transaction date as the date of initial recognition or derecognition.
Upon initial recognition, financial instruments are measured at fair value. For the purpose of subsequent measurement, financial instruments are allocated to one of the categories mentioned in IFRS 9 Financial Instruments (financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss). Transaction costs directly attributable to acquisition or issuance are considered when determining the carrying amount if the financial instruments are not measured at fair value through profit or loss. A receivable without a significant financing component is initially measured at the transaction price.

Financial assets primarily comprise receivables from affiliated companies, other assets and cash on hand. The classification of financial instruments is based on the business model in which these instruments are held and on their contractual cash flows. The determination of the business model is based on management's intention and past transaction patterns. Assessments of the contractual cash flows are made on an instrument-by-instrument basis.

Financial assets at amortized cost. Financial assets at amortized cost are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the nominal amount outstanding and which are held with the aim of collecting the contractual cash flows, such as receivables or cash and cash equivalents (business model "hold to collect"). **Cash and cash equivalents** consist solely of demand deposits at banks. Cash and cash equivalents correspond with the classification in the Statement of Cash Flows and are recognized at nominal value.

After initial recognition, financial assets are subsequently carried at amortized cost using the effective interest method less any loss allowances. Gains and losses are recognized in the Statement of Income when the financial assets at amortized cost are impaired or derecognized.

At each reporting date, a loss allowance is recognized for financial assets other than those to be measured at fair value through profit or loss reflecting expected losses for these instruments. Expected credit losses are allocated using three stages:

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

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

Stage 3: Expected credit losses over the lifetime – credit impaired
If a financial asset is defined as credit-impaired or in default, it is transferred to stage 3 and measured at lifetime expected credit loss. Objective evidence for a credit-impaired financial asset includes 91 days past due date and other information about significant financial difficulties of the borrower. The determination of whether a financial asset has experienced a significant increase in credit risk is based on an assessment of the probability of default, which is made at least quarterly, incorporating external credit rating information as well as internal information on the credit quality of the financial asset. For debt instruments that are not receivables from financial services, a significant increase in credit risk is assessed mainly based on past-due information or the probability of default.

A financial asset is migrated to stage 2 if the asset's credit risk has increased significantly compared to its credit risk at initial recognition. The credit risk is assessed based on the probability of default.

In stage 1 and 2, the effective interest revenue is calculated based on gross carrying amounts. If a financial asset becomes credit impaired in stage 3, the effective interest revenue is calculated based on its net carrying amount (gross carrying amount adjusted for any loss allowance).

Measurement of expected credit losses.
Expected credit losses are measured in a way that reflects:
a) the unbiased and probability-weighted amount;
b) the time value of money and
c) reasonable and supportable information (if available without undue cost or effort) at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Expected credit losses are measured as the probability weighted present value of all cash shortfalls over the expected life of each financial asset.

The estimation of risk parameters incorporates all available relevant information, not only historical and current loss data, but also reasonable and supportable forward-looking information reflected by the future expectation factors. This information includes macroeconomic factors and forecasts of future economic conditions. The impairment amount for receivables is predominantly determined on a collective basis.

A financial instrument is written off when there is no reasonable expectation of recovery, for example, at the end of insolvency proceedings or after a court decision of uncollectibility. Significant modification of financial assets (e.g., with a change in the present value of the contractual cash flows of 10%) also leads to derecognition of the financial assets with a simultaneous recognition of new financial assets.

Financial liabilities primarily include trade payables and other liabilities.

Financial liabilities measured at amortized cost.
After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method.

An **accrual** is recognized when goods or services have been received or supplied but have not been paid, invoiced or formally agreed with the supplier. The amount recognized represents the best estimate of the obligation at the reporting date. Accruals are recognized at their settlement amount deemed necessary in accordance with prudent business judgment.

If the criteria of the regulations on recognition and measurement of provisions or accruals are not fulfilled and the possibility of a cash outflow upon settlement is not unlikely, the item is to be presented as a contingent liability, insofar as it is adequately measurable. The amount disclosed as a contingent liability represents the best estimate of the possible obligation at the reporting date. Provisions and contingent liabilities are regularly reviewed and adjusted as further information becomes available or circumstances change.

4. Functional costs

General administrative expenses amounted to €14.9 thousand. They consist of expenses which are not attributable to production, sales or research and development functions, and comprise solely other administrative costs.

5. Taxes

The current and deferred tax income or expense of the company is € 0 for the stub period.

DTHAG is domiciled in Germany with an applicable income tax rate as of September 30, 2021, at 30.5%. It consists of a federal corporate income tax rate of 15.0%, a solidarity tax surcharge of 5.5% on each year's federal corporate income taxes, and a trade tax rate of 14.7%. The deferred taxes were measured using the substantively enacted tax rates.

Temporary differences and unused tax loss carryforwards without recognition of DTA	As of September 30, 2021
In € thousand	
Deductible temporary differences	-2.0
Unused tax loss carryforwards	-14.9

The change of unrecognized deferred tax assets results from a non-recognition of deferred tax assets in 2021.

At September 30, 2021, unrecognized deferred tax assets relating to corporate income tax loss carryforwards and to temporary differences can be carried forward indefinitely.

DTHAG believes that the utilization of those deferred tax assets is not probable, or it cannot be reliably documented that sufficient future taxable income will be available against which the deductible temporary differences, tax loss carryforwards and tax credits can be offset. As the probability criterion required by IAS 12 is therefore not fulfilled, no deferred tax assets are recognized. The current estimate of deferred tax assets which are considered to be realizable may change in the future, necessitating higher or lower deferred tax assets.

Based on the applicable German income tax rate of 30.5 % multiplied with the company's loss before taxes (€ -16.9 thousand) expected income tax income amounts to € 5.1 thousand. The amount of expected tax income deviates from the amount of tax income booked (€ 0), since no deferred tax on temporary differences (€ 0.6 thousand) nor on current year tax losses (€ 4.5 thousand) has been recognized.

6. Other receivables and assets

Other receivables comprise only receivables from affiliated companies (€ 148.5 thousand). These result from the addition to the company's capital reserve which was handled via the group's internal central finance and liquidity management (€ 150 thousand; thereof € 1 thousand already paid).

All receivables have terms to maturity of up to one year. Due to the short terms of these financial instruments and the fundamentally lower credit risk, it is assumed that their fair values are equal to the carrying amounts.

The calculated loss allowance as at September 30, 2021, is € 0.5 thousand. This reflects the portion of the lifetime expected credit losses resulting from default events possible within the next 12 months.

Other assets mainly result from deferred costs incurred in anticipation of the equity issuance by spin-off (€ 504.1 thousand) after deduction of a loss allowance as at September 30, 2021, in the amount of € 1.5 thousand. The loss allowance reflects the portion of the lifetime expected credit losses resulting from default events possible within the next 12 months.

Other receivables and assets include certain credit risks. As of September 30, 2021, no receivables are overdue.

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt in accordance with the contractual terms. Credit risk encompasses both the direct risk of default and the risk of a deterioration of creditworthiness as well as concentration risks. The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts at the balance sheet date (without consideration of collateral, if available).

DAG provides IC-accounts to the group companies. Positive balances (i.e., receivables) on these accounts bear 0 % interest. Negative balances bear interest at market rates.

7. Cash and cash equivalents

Cash and cash equivalents amount to € 50.8 thousand and solely consist of bank balances which mainly result from the cash contribution by Daimler Grund, relating to the establishment of DTHAG. The amount is paid as capital stock.

8. Equity

Share capital

Share capital (authorized capital) in the amount of € 50 thousand consists of 50,000 no-par value shares with a nominal value of € 1 each. All shares are fully paid up. Each share grants one voting right at the Annual Shareholder's Meeting and is entitled to dividend.

Capital reserves

Until June 30, 2021, Daimler Grund made an additional payment via the IC-account provided by DAG in the amount of € 150 thousand to the capital reserve pursuant to Section 272 subsection 2 number 4 of the HGB (the amount of other additional payments made by shareholders to equity).

Retained earnings

Retained earnings comprise the net result. Net loss for the period amounts to € -16.9 thousand.

9. Trade and other payables

Liabilities to affiliated companies are liabilities that arose in the context of the Group's internal cost transfer (€ 3.1 thousand). These costs include in particular audit fees and notary costs which were settled by DTAG and will be reimbursed by DTHAG to DTAG.

Liabilities have terms to maturity of up to one year. Due to the short maturities of these financial instruments, it is assumed that their fair values are equal to the carrying amounts.

Accruals (€ 517.5 thousand) primarily comprise audit services and costs for the preparation of the financial statements that have not yet been invoiced. Accrued costs in connection with the spin-off will be reimbursed by DAG (refer to note 11). All accruals have terms to maturity of up to one year.

10. Statement of Cash Flows

At September 30, 2021, cash and cash equivalents amount to € 50.8 thousand and exclusively consist of bank balances.

The cash flow in the amount of € 50.8 thousand results mainly from financing activities and relates to the payment of capital stock and partial payment of the addition to capital reserves.

Capital stock was called-up on March 25, 2021 and paid to the company's bank account during the period.

DTHAG's operating cashflow (€ -0.2 thousand) consists of bank fees for the operating accounts.

11. Related party disclosures

Related parties as defined in IAS 24 (Related Party Disclosures) are those legal entities and natural persons that are able to exert influence on DTHAG or over which the DTHAG exercises control or joint control or has a significant influence.

They include, in particular, companies in the Daimler Group (DAG and its direct and indirect interests – including Daimler Truck operations), since DTHAG is controlled by DAG. Related parties also include nonconsolidated DAG subsidiaries, joint ventures, associates, and post-employment benefit plans. Furthermore, it includes persons, who exercise a significant influence on the financial and business policy of the Daimler Truck Business. The latter category includes all persons in key positions and their close family members. For the Daimler Truck Business, those persons are the members of the Board of Management and of the Supervisory Board of DTHAG as well as DAG as the ultimate controlling parent.

Board Members
With effect from July 12, 2021, the following members of the Board of Management of DTAG were appointed as members of the Board of Management of DTHAG in addition to their existing roles within Daimler Truck Business:

- Martin Daum (appointed until the end of February 2025),
- Jochen Götz (appointed until the end of June 2026),

In the course of the formation of DTHAG, Fabian Römer and Lars Wettlaufer were initially appointed in March 2021 as members of the Board of Management. The aforementioned persons are executives of DAG who were appointed for the purpose of preparing the spin-off and hive-down. Both have therefore resigned from office with effect from the expiry of July 11, 2021.

Members of the Board of Management are currently employed by DTAG (Jochen Götz) and DAG (Martin Daum). The employment contracts will be transferred to DTHAG with execution of the spin-off. Compensation will be paid by DTHAG as of that date and no compensation was owed in the stub period from March 25 to September 30, 2021.

As at the balance sheet date members of the founding supervisory board are Tim Zech, Robert Köthner and Dr. Annette Matzat. With execution of the spin-off, they will resign, and the first general meeting of DTHAG will elect 20 members. There was no compensation owed in the stub period from March 25 to September 30, 2021.

Transactions with related parties
In the course of the establishment of DTHAG, Daimler Grund has contributed €150,000 thousand (thereof: € 1 thousand already paid) to DTHAG in July 2021. Transactions with other related companies comprise DAG and DTAG as counterparties.

As provided in the cost reimbursement agreement DAG exempts DTHAG from all costs that it incurs, and which are directly linked to the spin-off procedures. These include but are not limited to costs of the general meeting, entries in the commercial register, spin-off report, audit of spin-off and costs for consultants, banks, insurers. For further transactions with related parties in the course of the spin-off also refer to Note 1 “General information”.

The balances are shown in the following table:

Transactions with related companies

	September 30, 2021
in € thousand	
Income for the period March 25 – September 30, 2021	**-**
Expense for the period March 25 – September 30, 2021	**2.8**
Receivables at September 30, 2021	**149.0**
Liabilities at September 30, 2021	**3.1**

12. Events after the reporting period

The listing on the stock exchange is contemplated to take place immediately after the legal demerger in early December 2021 and is dependent on the ability to resolve possible actions for avoidance taken by shareholders. The demerger will be conducted by way of a spin-off and a simultaneous hive-down of DAG’s shareholding in DTAG into DTHAG (Abspaltung und Ausgliederung zur Aufnahme), with the (i) issuance of new shares in DTHAG to the shareholders of DAG (Abspaltung) and the (ii) issuance of new shares in DTHAG to DAG (Ausgliederung) in exchange for the transfer of the investment.
The Demerger Agreement has been approved by the extraordinary shareholders’ meeting of Daimler AG on October 1, 2021. The shareholders’ meeting of DTHAG is scheduled for early November 2021.

Accordingly, DTHAG will be the issuer of all of the new shares. The shares are to be admitted to trading on the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), Germany, with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange.

However, immediately after the spin-off and the hive-down, DTHAG will issue additional new shares to Daimler Grund, a direct and fully owned subsidiary of Daimler AG, in exchange for a capital contribution in kind by Daimler Grund into DTHAG, that is a contribution of its shareholding in Daimler Truck AG.

Nomination of Members of the Board of Management and Supervisory Board of DTHAG

Board of Management

For reasons of Board efficiency, the future corporate bodies of DTHAG and DTAG are to be composed of the same persons. For this reason, the members of the Board of Management of DTHAG and DTAG are intended in future to be identical persons. Therefore, in addition to Martin Daum and Jochen Götz, the other current members of the Board of Management of DTAG are also to be appointed as members of the Board of Management of DTHAG.

The Board of Management of DTHAG is therefore to be comprised of the following members after the spin-off has taken effect:

- Martin Daum (appointment planned until the end of February 2025),
- Jochen Götz (appointment planned until the end of June 2026),
- John O'Leary, (appointment planned until the end of March 2024),
- Karin Rådström (appointment planned until the end of April 2024),
- Dr. Andreas Gorbach (appointment planned until the end of June 2024),
- Jürgen Hartwig (appointment planned until the end of November 2026),
- Stephan Unger (appointment planned until the end of June 2024),
- Karl Deppen (appointment planned until the end of November 2024).

It is intended in this regard to appoint the members of the Board of Management prior to the spin-off taking effect and thus prior to the increase of the number of members of the Supervisory Board of DTHAG by the three-member founding Supervisory Board of DTHAG.

Supervisory Board

It is intended to enlarge the Supervisory Board of DTHAG to 20 members by amending the articles of association immediately after the spin-off takes effect. The 20 members all are to be elected prior to the spin-off by the General Meeting of DTHAG and thus formally as shareholder representatives. Ten of these members are to be elected in coordination with the employees' side.

With the goal of efficient work of the Board, it is intended that the Supervisory Board of DTHAG and the Supervisory Board of DTAG are to be composed of the same persons.

It is therefore intended that the following ten persons will be elected to the Supervisory Board of DTHAG as shareholder representatives:

- Jacques Esculier, former Chief Executive Officer of WABCO Holdings Inc.;
- Renata Jungo Brüngger, Member of the Board of Management of DAG, Integrity and Law;
- Joe Kaeser, Chairman of the Supervisory Board of Siemens Energy AG;
- Martin Richenhagen, former Chief Executive Officer of AGCO Corporation;
- Marie Wieck, former General Manager of IBM Blockchain;
- Harald Wilhelm, Member of the Board of Management of DAG, Finance & Controlling and Daimler Mobility;
- Akihiro Eto, former President and Global Chief Operating Officer of Bridgestone Corporation;
- John Krafcik, former Chief Executive Officer of Waymo LLC;
- Michael Brosnan, former Chief Financial Officer of Fresenius Medical Care Management AG;
- Laura Ipsen, President and Chief Executive Officer of Ellucian Company L.P.

Renata Jungo Brüngger and Harald Wilhelm are representatives of DAG. The other shareholder representatives on the Supervisory Board of DTHAG are independent of DAG. To the extent that some of the aforementioned persons are not currently members of the Supervisory Board of DTAG, they are also to be elected to the Supervisory Board of DTAG prior to the spin-off taking effect.

It is intended that the following eight persons will be elected to the Supervisory Board of DTHAG upon proposal from the employees' side:

- Michael Brecht, Deputy Chairman of the Supervisory Board of DAG; Chairman of the Group Works Council of DAG; Chairman of the General Works Council of DAG; Chairman of the Works Council of the Mercedes-Benz plant in Gaggenau;
- Bruno Buschbacher, Chairman of the Works Council of the Mercedes-Benz plant in Mannheim;
- Harald Dorn, Chairman of the Spokespersons' Committee Wörth/Germersheim and member of the Group Spokespersons' Committee;
- Jörg Lorz, Chairman of the Works Council of the Mercedes-Benz plant in Kassel;
- Claudia Peter, First Authorized Representative of IG Metall Gaggenau;
- Roman Zitzelsberger, District Manager of IG Metall Baden-Württemberg;
- Thomas Zwick, Chairman of the Works Council of the Mercedes-Benz plant in Wörth;
- Jörg Köhlinger, Representative of IG Metall (German Metalworkers' Union);
- Andrea Reith.

The proposal of the employees' side for one further person to be elected to the Supervisory Board of DTHAG is currently still pending.

With the appointment of the new Supervisory Board members, the current members of the Supervisory Board of DTHAG, which are Tim Zech (Vice President Head of Tax Daimler Group, and Chairman of the Supervisory Board), Robert Köthner (Vice President Accounting & Financial Reporting, Chief Accounting Officer, and Deputy Chairman of the Supervisory Board), and Dr. Annette Matzat (Head of HR & Labor Policy HRP), will resign from office.

The financial statements were authorised for issue on October 22, 2021 by DTHAG's Board of Management.

Leinfelden-Echterdingen, October 22, 2021

Martin Daum

Member of Board of Management
Daimler Truck Holding AG

Jochen Götz

Member of Board of Management
Daimler Truck Holding AG

Independent Auditor's Report

To Daimler Truck Holding AG, Stuttgart

Opinion

We have audited the financial statements of Daimler Truck Holding AG, Stuttgart, (the Company), which comprise the statement of financial position as at September 30, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the stub period from March 25, 2021 to September 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021, and (of) its financial performance and its cash flows for the stub period from March 25, 2021 to September 30, 2021 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants “Code of Ethics for Professional Accountants (IESBA Code)” together with the ethical requirements that are relevant to our audit of the financial statements in Germany, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuttgart, October 22, 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

Bock	Mokler
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]