

DAIMLER TRUCK SOUTHERN AFRICA LTD



Daimler Truck Southern Africa Ltd
Registration number 2018/ 300147/ 06
Consolidated Financial Statements
For the year ended 31 December 2025

Daimler Truck Southern Africa Limited

(Registration number 2018/300147/06)

Consolidated Financial Statements for the year ended 31 December 2025

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General Information

Directors	Initial and surname	Designation	Appointments/resignations
	M Gerber	Executive	
	P Kendzorra	Executive	Resigned 31 October 2025
	P Kriek	Executive	Appointed 01 November 2025
	H Schick (Chairperson)		
	J Distl	Non-executive	
	N Ketwa	Non-executive	
	BT Nkambule	Non-executive	
	TB Sefolo	Non-executive	
	A Walluschek van Wallfeld	Non-executive	
Registered office	Highway Business Park 1 Park Ave Rooihuiskraal Centurion 0154		
Holding company	Daimler Truck AG incorporated in Germany		
Ultimate holding company	Daimler Truck Holding AG incorporated in Germany		
Debt sponsor	The Standard Bank of South Africa Limited		

Abbreviations used in the consolidated financial statements

ARR	Alternative risk-free rate
CIPC	Companies and Intellectual Property Commission
Companies Act of South Africa	Companies Act, No. 71 of 2008 (South Africa)
Consolidated Financial Statements	Consolidated Financial Statements of DTSA and its subsidiaries
DAG	Daimler AG
DMTN	Domestic Medium Term Note
DTAG	Daimler Truck AG
DTFS	Daimler Truck Financial Services South Africa Proprietary Limited
DTHAG	Daimler Truck Holding AG
DTSA	Daimler Truck Southern Africa Limited
EAD	Exposure at default
EBIT	Earning Before Interest and Taxes
ECL	Expected Credit Loss
Group	Collectively DTSA and its subsidiaries
Group companies	Individual companies within the global Daimler group structure
IAS	International Accounting Standards
IBNR	Incurred But Not Reported
IBOR	Interbank Offered Rate
IFRS® Accounting Standards	IFRS® Accounting Standards as issued by the International Accounting Standards Board
Income Tax Act	Income Tax Act No. 58 of 1962
JIBAR	Johannesburg Interbank Agreed Rate
JSE	Johannesburg Stock Exchange
King IV	The King Code on Corporate Governance
LGD	Loss given default
OCI	Other Comprehensive Income
OEM	Original Equipment Manufacturer
PD	Probability of default
PSI	Portfolio Specific Impairment
SARB	South African Reserve Bank
SICR	Significant increase in credit risk
SMH	Sandown Motor Holdings Proprietary Limited
ZARONIA	South African Rand Overnight Index Average Rate

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Consolidated Financial Statements for the year ended 31 December 2025

Preparation of Consolidated Financial Statements

The consolidated financial statements for the period ended 31 December 2025 have been prepared under the supervision of Mr P Kriek, Chief Financial Officer.

The consolidated financial statements have been audited in compliance with Section 30 of the Companies Act of South Africa.

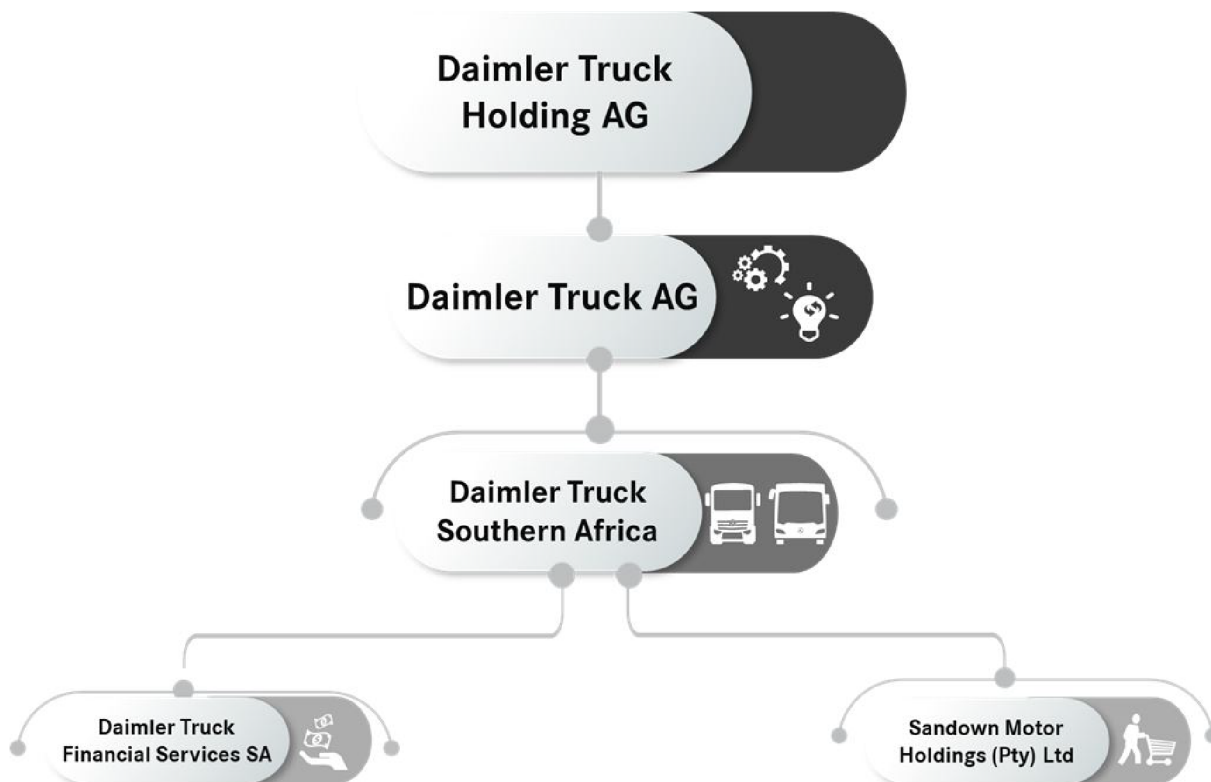
These consolidated financial statements were published on 24 April 2026.

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act of South Africa, as amended, I certify that, to the best of my knowledge and belief, Daimler Truck Southern Africa Limited has, in respect of the financial year ended 31 December 2025, lodged with the CIPC all returns and notices as are required of a public company in terms of the Companies Act of South Africa and that all returns are true, correct and up to date.

S Bishop
Company Secretary
24 April 2026

Simplified Group Organogram



Reporting entity Daimler Truck Southern Africa Limited is the holding company of the Daimler Truck Southern Africa group

Domicile The Republic of South Africa

The principal place of business and country of incorporation for all DTSA group entities is South Africa.

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Audit Committee Report

This report is provided by the audit committee and the board of directors appointed in respect of the 2025 financial year of Daimler Truck Southern Africa Limited.

The audit committee was nominated by the board of directors and appointed by the shareholder.

The audit committee met four times during the financial year ended 31 December 2025. The external auditor attended these meetings as an invitee and presented the formal reports, as required by the audit committee. All of the members of the audit committee are independent, non-executive directors, with permanent guests from the internal finance and control functions.

The audit committee and the board of directors complied with all of its responsibilities as set out in the Companies Act of South Africa, King IV and the governing charter of the audit committee and the board of directors is satisfied that the audit committee has complied with all of the aforementioned responsibilities for the financial year ended 31 December 2025. The audit committee provided, among others, independent oversight on the effectiveness of the company's assurance functions and services with particular focus on external assurance service providers, internal audit and controls and the finance function in general. Where it refers to the audit committee, it will include the board of directors who also considered matters as contained in this report.

The committee has, in relation to the annual financial statements:

- assisted the board in overseeing the quality and integrity of the group's reporting process, including the financial statements, and announcements in respect of the financial results, thereby enhancing the credibility of financial reporting and providing a channel for communication between the board, the internal and external auditors and management;
- ensured that an effective control environment in the group is maintained by supporting the board of directors in the discharge of its duties relating to the safeguarding of assets, the operation of adequate systems and controls, risk management and the integrity of financial statements and reporting; and
- provided the Chief Financial Officer, external auditor and internal audit with unrestricted access to the audit committee and its chairperson, as is required, in relation to any matter falling within the remit of the audit committee.

1. Members of the Audit Committee

The members of the audit committee include:

Name	Qualification
N Ketwa	Chartered Accountant (SA)
BT Nkambule	Masters of Business Administration
TB Sefolo	Masters of Business Administration and Chartered Accountant (SA)

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011.

2. Internal controls and risk management

The audit committee is satisfied with the design and implementation of internal controls, as supported and confirmed by the management of DTSA. The design, implementation and execution of internal controls are monitored in order to ensure that any weaknesses are addressed to mitigate material loss, fraud or errors.

The audit committee received reports on DTSA's digital transformation, as well as the impact of cyber security risks on information technology performance in order to support strategic execution.

The audit committee and the board of directors considered the reports from the information technology department which could have an impact on the control environment at DTSA. It is satisfied that management action plans are in place in relation to information technology controls.

The board has assigned oversight of the risk management function to the audit and risk committee. The committee satisfied itself that the processes and procedures followed in terms of identifying, managing and reporting on risks are adequate.

3. External auditor

The audit committee considered and assessed the suitability of KPMG and Mr Alfred Sithole, as per the requirements of the JSE, with regard to their current appointment.

The audit committee is satisfied that the appointment of the external auditor, Mr Alfred Sithole, complies with the legislative and regulatory requirements and the audit committee is satisfied with his independence. He will be nominated to be re-appointed as the group external auditor for the financial year ending December 2026.

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Audit Committee Report

3. External auditor (continued)

Adequate policies and controls are in place to address the provision of non-audit services by the external auditor to ensure compliance with legislation and other corporate governance guidelines or regulations. The audit committee considered the audit quality controls based on the Independent Regulatory Board for Auditors reports, as well as the relevant JSE requirements.

The audit committee, in consultation with executive management, agreed to the terms of the engagement. The audit committee approved and reviewed the fees proposed by the external auditor, taking into consideration such factors as the timing of the audit, the extent of the work required and the scope. It further, on an ongoing basis, reviewed the scope, independence and impartiality of the external auditor. KPMG has been the independent auditors of DTSA for five years. Mr Alfred Sithole has been involved in the audit and signing of the consolidated and separate financial statements from 2025. Therefore, the mandatory designated audit partner rotation will be required in four years i.e. for the 2028 financial year.

There were no reportable irregularities identified or reported by the external auditor to the audit committee.

The audit committee is satisfied with the quality and services of the external auditor and will ensure that the appointment of the auditor is tabled as a resolution of the annual general meeting pursuant to section 61(8) of the Companies Act of South Africa.

4. Compliance with legal and regulatory requirements

The audit committee is satisfied that, to the best of its knowledge, all regulatory and legislative requirements with regard to its function, duties and obligations has been complied with.

5. Key audit matters

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

The audit committee noted and considered the key audit matters set out in the report of the independent auditor included in these consolidated annual financial statements. The audit committee is satisfied with the appropriateness of the key audit matters reported on by the independent auditor.

6. Consolidated Financial Statements

The pro-active monitoring, which was completed by the JSE was considered. The result of such monitoring was presented to the audit committee, which satisfied itself that the findings and focus areas were adequately addressed in the consolidated annual financial statements for the year ended 31 December 2025 and that all of the debt listing requirements were complied with.

The audit committee ensured that the finance function has evaluated the accounting disclosures in line with the latest accounting developments.

A clear focus was placed on financial reporting risks posed by geopolitical, macro-economic conditions, including supply chain disruptions, inflation, interest rates and market volatility.

The audit committee is satisfied that, to the best of its knowledge, the consolidated annual financial statements for the financial year ended 31 December 2025 fairly reflect the financial position and results of the group.

There were no significant matters considered in the consolidated annual financial statements for the financial year ending 31 December 2025.

7. Accounting practices

The audit committee is satisfied that the consolidated annual financial statements have been prepared in accordance with relevant accounting practices, the Daimler Truck Southern Africa Limited group accounting policies, and are fully compliant with IFRS® Accounting Standards.

The audit committee is satisfied that the company has appropriate financial reporting procedures and that these procedures are operating and being monitored.

8. Effectiveness of finance function

The audit committee is satisfied with the qualifications, effectiveness and performance of Pierre Kriek (Chief Financial Officer) and the finance function in general.

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Consolidated Financial Statements for the year ended 31 December 2025

Audit Committee Report

9. Director education and development

The audit committee received an update on accounting developments relating to climate-related disclosures.

Key focus areas for 2026 include:

- emerging tax risks
- impact of cyber security risks and use of artificial intelligence in the finance and internal control environment.
- manage talent challenges in the finance environment as a result of global war for talent.

On behalf of the audit committee:

N Ketwa
Chairperson: Audit committee
24 April 2026

Daimler Truck Southern Africa Limited

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Consolidated Financial Statements for the year ended 31 December 2025

Directors' Report

The directors are pleased to present their report, which forms part of the consolidated financial statements of the group for the year ended 31 December 2025.

1. Nature of business

The group holds a manufacturing and distribution agreement from DTAG for the importation, assembly and distribution of Mercedes-Benz, Freightliner, FUSO and Western Star commercial vehicles for South Africa, Namibia, Botswana, Lesotho and Swaziland. The group has a general distribution agreement to sell commercial vehicles to Malawi, Mozambique, Zimbabwe and Zambia through approved general distributors in the respective countries.

DTSA was incorporated on 17 May 2018.

Effective 12 April 2022, Daimler Trucks and Buses Southern Africa Proprietary Limited registered as a public company under the name Daimler Truck Southern Africa Limited.

The group's business can be best described as follows:

1.1 Financial services and fleet management operations

These operations provide financing and fleet management solutions to external customers and companies of the group.

1.2 Wholesale and retail vehicle operations

These operations market and sell vehicles in the product portfolio, primarily through the authorised dealer network.

1.3 Assembly and component export operations

These operations, situated in East London, assemble knocked-down kits for commercial vehicle products.

2. Financial results for year under review

The consolidated financial statements have been prepared in accordance with and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these consolidated financial statements.

	2025 R '000	2024 R '000	Difference year on year R '000	Change year on year %
Income measures				
Vehicles and related services	7 916 495	11 659 759	(3 743 264)	(32.10)
Financial services	1 981 729	2 087 104	(105 375)	(5.05)
Profitability measures				
Gross profit	(230 950)	946 257	(1 177 207)	(124.41)
Operating profit	1 652 575	1 994 172	(341 597)	(17.13)
Profit for the year	142 476	326 417	(183 941)	(56.35)
Financial position measures				
Total assets	24 779 903	26 405 850	(1 625 947)	(6.16)
Total liabilities	21 101 981	22 838 951	(1 736 970)	(7.61)
Total equity	3 677 922	3 566 899	111 023	3.11

3. Dividends

The board approved the payment of a dividend of R nil (2024:R 168 202 000).

4. Availability of DTSA separate annual financial statements

The DTSA separate annual financial statements have been prepared and signed on 24 April 2026.

The DTSA separate annual financial statement have been prepared in accordance with the requirements of the Companies Act of South Africa and the company's independent auditors, KPMG Inc., have expressed an unmodified audit opinion.

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Consolidated Financial Statements for the year ended 31 December 2025

Directors' Report

5. Corporate governance

The directors have adopted the principles as provided for in King IV for the financial year 2025. The principle summary King IV report is published on the website of DTSA (<https://dtsa.daimlertruck.com/investor-relations/investor-king-iv>).

The board is satisfied that there is an appropriate mix of knowledge, skills, experience, diversity and independence.

Mr S Bishop is the company secretary of Daimler Truck Southern Africa Limited. The board is satisfied with the competence, qualifications and experience of the company secretary. The board has access to the company secretary and such arrangements are effective.

Mr J Keller is the group debt officer. The board confirms that it is satisfied with the competence, qualifications and experience of the group debt officer.

The board has a policy in place for the management of conflict of interests, which is the Integrity Code of the group. This Integrity Code is available on the website of DTSA. Board members submit, at least annually, their respective declarations concerning personal interests and is required at each meeting to indicate whether a conflict of interest may arise with a matter to be discussed. The board can confirm that there are no material and enduring personal conflicts of interest noted from any member.

Refer to note 26 of the consolidated financial statements for additional information on corporate bonds and the group audit committee report on pages 4 - 6 for confirmation of compliance with the applicable requirements.

6. Directorate

The following directors were in office at the date of this report:

Directors	Designation	Changes
M Gerber**	Executive	
P Kendzorra	Executive	Resigned 31 October 2025
P Kriek	Executive	Appointed 01 November 2025
H Schick (Chairperson)	Non-executive	
J Distl	Non-executive	
N Ketwa***	Non-executive	
BT Nkambule*	Non-executive	
TB Sefolo***	Non-executive	
A Walluschek van Wallfeld	Non-executive	

* Member of the audit committee

** Member of the social and ethics committee

*** Member of the audit committee and social and ethics committee

Active directors' curriculum vitae's are published on the website of DTSA (<https://dtsa.daimlertruck.com/leadership>).

Attendance register for directors' meetings is available on the King IV report.

The directors have executed their responsibility, under the evaluation policy, in relation to the evaluation of the performance of the board of directors of the group, its committees, its chairperson and its individual directors.

7. Holding company

The group's holding company is Daimler Truck AG which holds 100% (2024: 100%) of the issued share capital's equity. Daimler Truck AG is incorporated in Germany.

8. Going concern

The consolidated financial statements for the year ended 31 December 2025 have been prepared on a going concern basis, which assumes that the group will be able to meet its obligations for the foreseeable future. The group incurred a total comprehensive income for the year ended 31 December 2025 of R 110 million (2024: R 327 million) and recognised a net profit after tax of R 142 million (2024: R 326 million). At 31 December 2025 the group has a capital ratio of 14.93% (2024: 13.51%).

Management believes that the group will be able to meet all its obligations for the 2026 period. Management further believes that proceeds received from operating and financing activities during 2026 will be sufficient to meet the repayment requirements.

Further, the group has the full support of the holding company, DTAG, for its operations. To this extent, DTAG and DTHAG have issued an unconditional and irrevocable guarantee with regards to the notes issued under the DMTN Programme.

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Directors' Report

9. Events after the reporting period

At the date of finalisation of the consolidated financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the consolidated financial statements.

Approval of consolidated financial statements

These consolidated financial statements, which have been prepared on the going concern basis, were approved by the board on 24 April 2026, and are signed on its behalf by:

M Gerber
Chief Executive Officer

P Kriek
Chief Financial Officer



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Independent auditor's report

To the shareholder of Daimler Truck Southern Africa Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Daimler Truck Southern Africa Limited and its subsidiaries (the Group) set out on pages 22 to 78, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income; the consolidated statement of changes in equity; and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Daimler Truck Southern Africa Limited and its subsidiaries as at 31 December 2025, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

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 consolidated financial statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Incorporated, a South African company with registration number 1999/021543/21 and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

KPMG Incorporated is a Registered Auditor, in public practice, in terms of the Auditing Profession Act 26 of 2005.

Chairperson: Prof B Marx
Chief Executive: J Pierce
Directors: Full list on website

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown



In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the consolidated financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Final materiality	R98 million (rounded) which represents 0.96% (rounded) of total revenue.
Rationale for the benchmark and percentage applied	<p>We selected total revenue as the most appropriate benchmark because, in our view, it is the metric which best reflects the nature of the Group and focus of the users of the consolidated financial statements on which returns are generated for the benefit of its shareholder.</p> <p>We selected 0.96% (rounded) based on our professional judgement after consideration of qualitative factors that impact the Group.</p>

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the consolidated financial statements and which further audit procedures to perform at these components to address those risks. Our judgement included assessing the size of the components, nature of assets, liabilities and transactions within the components as well as specific risks.

In total, we identified 3 components. At all 3 components, we performed further audit procedures on the entire financial information of the component, either because audit evidence needed to be obtained on all or a significant proportion of the component's financial information, or that



component represents a pervasive risk of material misstatement to the consolidated financial statements.

Accordingly, we performed audit procedures on 3 components, of which we involved component auditors in performing the audit work on 2 components.

For the remaining financial information, we performed an analysis at an aggregated Group level to re-examine our risk assessment to support our final determination that there is less than a reasonable possibility of a material misstatement in the remaining financial information.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below:

<p>Revenue Recognition - sale of vehicles</p> <p>Refer to the following note to the consolidated financial statements:</p> <ul style="list-style-type: none"> • 4.2 Disaggregation of revenue • 4.4 Income from contracts with customers 	
<p>Key audit matter</p> <p>The Group reported revenue of R4.1 billion from the sale of vehicles during the year ended 31 December 2025.</p> <p>Revenue for the sale of vehicles is recognised when control of the vehicle is transferred to the customer, which is at the point in time when the performance obligation is satisfied in accordance with IFRS 15, <i>Revenue from Contracts with Customers</i> (IFRS 15).</p>	<p>How the matter was addressed in our audit</p> <p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"> • We assessed the design and implementation of controls related to the initiation, processing and recognition of revenue from sale of vehicles.



Revenue Recognition - sale of vehicles

Refer to the following note to the consolidated financial statements:

- 4.2 Disaggregation of revenue
- 4.4 Income from contracts with customers

Key audit matter	How the matter was addressed in our audit
<p>A significant portion of the Group’s revenue arises from high-volume transactions across a wide dealer network, which increases the risk of errors or omissions.</p> <p>The Group is involved in bill-and-hold transactions in which the Group bills the customer but remains in possession of the vehicles until a later date. The control of the product may transfer to the customer even though the product remains in the Group’s possession, which represents a risk that revenue could be recognised in the incorrect period.</p> <p>Due to the quantitative significance of revenue to the financial statements, the risk of recognising revenue in the incorrect period and the volume of vehicle sales transactions, we determined revenue recognition relating to the sales of vehicles to be a key audit matter.</p>	<ul style="list-style-type: none"> • We compared a sample of transactions of vehicle sales shortly before and after year end to invoices and delivery notes, to assess whether the revenue from the transaction was recognised when the customer takes delivery of the vehicle. • We assessed the appropriateness of revenue recognised from bill-and-hold transactions in accordance with IFRS 15 by agreeing the transactions to valid bill-and hold arrangements. <p>Based on the procedures performed above in respect of revenue recognition relating to sale of motor vehicles, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.</p>



Contract Liabilities – Maintenance, service and extended warranty contracts

Refer to the following notes to the consolidated financial statements:

- 3.4.1 Revenue from service plans and extended warranty contracts with customers
- 25 Contract Liabilities

Key audit matter	How the matter was addressed in our audit
<p>The maintenance, service and extended warranty contracts require the application of complex and subjective judgements over the timing of the recognition and the estimation of the valuation of the contract liabilities.</p> <p>Each maintenance and service contract is a separate contract with the customer and not a component of the sales price of the vehicle. The obligations are fulfilled within the lesser of the contract term – which may range between one to seven years – or the agreed mileage as determined per the contract agreement. Extended warranty is a distinct performance obligation. Depending on the vehicle, it is sold either as a separate product offering or together with the vehicle.</p> <p>Assumptions that affect the Group’s estimates include:</p> <ul style="list-style-type: none"> • distribution costs; • discount rate; • inflation rate; • scrapping ratio; • parts sales; • labor, parts and repair factors; and 	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding about the generation of revenue into its separately identifiable elements, and the apportionment from the sales transaction of the contract liability element. This was done through testing the design and implementation of key controls. • With the assistance of our own internal valuation specialist, we evaluated, based on the data provided from the Daimler Truck AG Group’s provisioning tool, whether the service and maintenance contract liability recognised was reasonable by recalculating the contract liability, using an independent model and comparing our results to those calculated by the Group. • We evaluated whether the methodology applied in determining the adequacy of the maintenance, service and warranty contract liability by the Group, aligned with IFRS 15, <i>Revenue from contracts with customers</i> (IFRS 15).



Contract Liabilities – Maintenance, service and extended warranty contracts

Refer to the following notes to the consolidated financial statements:

- 3.4.1 Revenue from service plans and extended warranty contracts with customers
- 25 Contract Liabilities

Key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> • profit margin on parts. <p>The Group is exposed to the risk that contract liabilities in respect of maintenance, service and extended warranties are incorrectly calculated due to the complexity of the assumptions applied in the calculations involved. Accordingly, this was considered a key audit matter.</p>	<ul style="list-style-type: none"> • We challenged management’s key estimates and assumptions in relation to the contract liability recognised, through our own expectations based on our knowledge of the Group and experience of the industry in which it operates. • We evaluated the accuracy and completeness of the data used to determine the contract liability by selecting a sample and recalculating the future income as well as the future cost. • We evaluated the appropriateness of the disclosures in the consolidated financial statements, in accordance with IFRS 15 and IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>. <p>Based on the procedures performed above in respect of contract liabilities relating to maintenance, service and extended warranties, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.</p>



Expected credit losses (ECL) on loans and advances to customers

Refer to the following notes to the consolidated financial statements:

- 3.4.1 Allowance for impairment of loans and advances to customers
- 14 Loans and advances to customers
- 34.3.2 Credit risk

Key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the gross loans and advances to customers amounted to R16.5 billion which constitutes 67% of the total assets of the Group and impairment losses amounted to R886 million.</p> <p>The Group’s ECL model includes significant judgements and estimates in respect of:</p> <ul style="list-style-type: none"> • The probability of a loan or advance becoming past due and subsequently defaulting (probability of default (PD)); • The exposure at default (EAD) which is the expected amount outstanding at the point of default; • The loss given default (LGD) which is the expected loss that will be realised at default after taking into account recoveries through collateral, and guarantees; and • The Group’s policy and application over trigger-events indicating a significant increase in credit risk (SICR) since initial recognition. 	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"> • We evaluated and tested the design and implementation, and operating effectiveness of the control environment around the calculation of the ECL recognised. • We assessed the identification of clients that had significant increase in credit risk (Stage 2) and in default (Stage 3) by reviewing the qualitative factors such as payments in arrears, requests for refinancing, business rescue and liquidation that were used by management in the staging of the loans. • We assessed the accuracy of the data used to determine the ECL by comparing it against a sample of correspondence with customers, current market value estimates of the underlying vehicles and other supporting documents. • We evaluated based on the data provided from the Group’s provisioning tool, whether the specific and portfolio impairment allowance recognised was reasonable by recalculating the estimated impairment on



Expected credit losses (ECL) on loans and advances to customers	
Refer to the following notes to the consolidated financial statements:	
<ul style="list-style-type: none"> • 3.4.1 Allowance for impairment of loans and advances to customers • 14 Loans and advances to customers • 34.3.2 Credit risk 	
Key audit matter	How the matter was addressed in our audit
Accordingly, due to the significance of the loans and advances to customers balance in the consolidated financial statements, the level of estimation uncertainty and judgement applied in determining the ECL, it was considered a key audit matter.	<p>the performing and non-performing retail portfolio, using our own independent assumptions in the ECL model and comparing our results to those calculated by the Group.</p> <ul style="list-style-type: none"> • We evaluated whether the key assumptions and methodology used by the Group in determining the ECL allowance were appropriate and reasonable by comparing them against our own independent assumptions. • We evaluated the amount recognised in the current year by comparing it to the allowance recognised in prior years and our own independent expectation based on our knowledge of the Group and experience of the industry in which it operates. • We evaluated the appropriateness of the disclosures in the consolidated financial statements in accordance with IFRS 7, <i>Financial Instruments: Disclosures</i> (IFRS 7). <p>Based on the procedures performed above in respect of the ECL on loans and advances to customers, we did not identify any significant matters requiring further consideration in concluding on the procedures performed.</p>



Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Daimler Truck Southern Africa Limited Consolidated Financial Statements for the year ended 31 December 2025", which includes the Directors' Report, the Audit Committee Report and the Company Secretary's Certification as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

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

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

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Daimler Truck Southern Africa Limited for 7 years.



Disclosure of fee-related matters

In terms of the EAR Rule, we disclose the following fee-related matters:

Categories of services	Amount
Financial statements audits	R 7 919 661
Other services	R 0

KPMG Inc.

Per Alfred Sithole
Chartered Accountant
(SA) Registered Auditor
Director
24 April 2026

Daimler Truck Southern Africa Limited

(Registration number 2018/300147/06)

Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2025 R '000	2024 R '000
Income from sale of vehicles and related services			
Revenue	4	7 916 495	11 659 759
Cost of goods sold	5	(8 147 445)	(10 713 502)
		(230 950)	946 257
Income from financial and other services			
Interest received applying the effective interest method	4	1 680 309	1 810 487
Legal loss recoveries	4	74 113	56 978
Non-interest revenue	4	581 507	840 821
Non-interest expenditure	4	(354 200)	(621 182)
		1 981 729	2 087 104
Net income before other income and expenses		1 750 779	3 033 361
Other income	6	1 072 292	98 893
Movement in credit loss allowance		(284 536)	(305 626)
Operating expenses		(761 448)	(700 153)
Selling expenses		(124 512)	(132 303)
		1 652 575	1 994 172
Operating profit		1 652 575	1 994 172
Finance income	8	25 414	23 045
Finance costs	9	(1 494 902)	(1 602 485)
		183 087	414 732
Profit before taxation		183 087	414 732
Taxation	10	(40 611)	(88 315)
		142 476	326 417
Profit for the year		142 476	326 417
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurements on net defined benefit liability/asset		(43 086)	1 405
Deferred taxation on re-measurements of retirement benefit assets and liabilities		11 633	(379)
		(31 453)	1 026
Total items that will not be reclassified to profit or loss		(31 453)	1 026
Other comprehensive income for the year, net of taxation		(31 453)	1 026
Total comprehensive income for the year		111 023	327 443

Daimler Truck Southern Africa Limited

(Registration number 2018/300147/06)

Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Financial Position as at 31 December 2025

	Note	2025 R '000	2024 R '000
Assets			
Cash and cash equivalents	11	139 548	129 841
Trade and other receivables	12	532 998	546 332
Inventories	13	4 816 554	5 426 082
Current tax receivable	10	-	180 608
Loans and advances to customers	14	15 607 441	17 579 486
Deferred initial direct costs	15	15 592	18 017
Receivables from group companies	16	1 100 901	70 179
Property, plant and equipment	17	314 539	319 190
Right-of-use assets	17	46 467	47 968
Assets leased under operating leases	17	981 703	1 053 369
Intangible assets and goodwill	18	140 727	145 690
Deferred tax	20	1 083 433	889 088
Total Assets		24 779 903	26 405 850
Liabilities			
Trade and other payables	21	1 301 121	1 112 534
Payables to group companies	22	334 801	429 834
Lease liabilities	23	47 320	48 575
Deferred income		4 401	-
Provisions and other liabilities	24	335 725	119 198
Contract liabilities and refund liabilities	25	2 253 573	2 192 491
Current tax payable		31 848	-
Interest-bearing borrowings	26	16 640 128	18 835 213
Retirement benefit obligation	19	153 064	101 106
Total Liabilities		21 101 981	22 838 951
Equity			
Share capital	27	2 001 891	2 001 891
Reserves	28	306 262	337 715
Retained income		1 369 769	1 227 293
Total Equity		3 677 922	3 566 899
Total Equity and Liabilities		24 779 903	26 405 850

Daimler Truck Southern Africa Limited

(Registration number 2018/300147/06)

Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Changes in Equity

	Share capital R '000	Actuarial reserve R '000	Other reserves R '000	Retained income R '000	Total equity R '000
Balance at 01 January 2024	2 001 891	1 822	334 867	1 069 078	3 407 658
Profit for the year	-	-	-	326 417	326 417
Other comprehensive income	-	1 026	-	-	1 026
Total comprehensive income for the year	-	1 026	-	326 417	327 443
Deferred tax: unwinding reserves on acquired portfolio	-	-	(797)	-	(797)
Income tax: unwinding reserves on acquired portfolio	-	-	797	-	797
Dividends	-	-	-	(168 202)	(168 202)
Balance at 31 December 2024	2 001 891	2 848	334 867	1 227 293	3 566 899
Balance at 01 January 2025	2 001 891	2 848	334 867	1 227 293	3 566 899
Profit for the year	-	-	-	142 476	142 476
Other comprehensive income	-	(31 453)	-	-	(31 453)
Total comprehensive income for the year	-	(31 453)	-	142 476	111 023
Deferred tax: unwinding reserves on acquired portfolio	-	-	(28)	-	(28)
Impairment of deferred tax asset on acquisition	-	-	28	-	28
Balance at 31 December 2025	2 001 891	(28 605)	334 867	1 369 769	3 677 922
Note	27	28	28		

The acquisition of the portfolio transferred on 1 December 2021 resulted in a common control reserve of R 461.844 million. As the group falls within the scope of money lender as defined by the Income Tax Act, deferred tax of R 126.977 million was raised on the portfolio and other assets acquired. Consequently, any taxes (income tax and deferred tax) resulting from the unwinding of this reserve will be recognised through equity.

Daimler Truck Southern Africa Limited

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Consolidated Financial Statements for the year ended 31 December 2025

Consolidated Statement of Cash Flows

	Note	2025 R '000	2024 R '000
Cash flows from operating activities			
Cash flows from trading activities*	29	2 324 823	2 562 893
Working capital movements	29	1 433 282	(3 905 942)
		3 758 105	(1 343 049)
<i>Other cash flows</i>			
Interest received		25 390	22 998
Finance costs		(1 504 126)	(1 565 363)
Taxation paid	30	(10 839)	(177 290)
Contributions paid to retirement plan	19.1	(3 275)	(3 408)
Post-retirement medical aid benefits paid	19.2	(3 249)	(3 951)
		2 262 006	(3 070 063)
Cash flows from investing activities			
Additions to property, plant and equipment	17	(25 571)	(62 315)
Proceeds from disposal of property, plant and equipment		5 645	1 829
Additions to intangible assets	18	(454)	(72)
		(20 380)	(60 558)
Cash flows from financing activities			
Interest-bearing borrowings raised	26	3 978 916	4 500 230
Interest-bearing borrowings repaid	26	(4 677 000)	(3 158 000)
Payment of lease liability capital	23	(36 560)	(44 931)
Change in short-term financing liabilities	26	(1 497 000)	1 792 000
Dividends paid		-	(168 202)
		(2 231 644)	2 921 097
Increase/(decrease) in cash and cash equivalents for the year		9 982	(209 524)
Cash and cash equivalents at the beginning of the year		129 841	342 125
Unrealised forex losses on cash and cash equivalents		(275)	(2 760)
Total cash and cash equivalents at the end of the year	11	139 548	129 841

* As part of cash flows from trading activities, interest income amounting to R 1.680 billion (2024: R 1.810 billion) was received from financial services trading activities.

Daimler Truck Southern Africa Limited

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Consolidated Financial Statements for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

1. Corporate information

Reporting entity	DTSA
Reporting period	Financial year ended 31 December 2025
Domicile	The Republic of South Africa
Authorised by the board of directors	24 April 2026

2. Preparation of the consolidated financial statements

These accounting policies, and those included in the notes, represent a summary of the material accounting policy elections of the group.

2.1 Statement of compliance

These consolidated annual financial statements for the year ended 31 December 2025 have been prepared in accordance with:

- the requirements of IFRS® Accounting Standards, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, and the JSE Debt and Specialist Securities Listing Requirements; and
- the Companies Act of South Africa.

2.2 Basis of preparation

These consolidated financial statements have been prepared in accordance with the requirements of IFRS® Accounting Standards.

These consolidated financial statements can be obtained from the company secretary at the company's registered address. Separate financial statements for the company are also prepared and can be obtained at the company's registered address.

2.3 Functional and presentation currency

The functional currency of DTSA and the presentation currency of the group is Rand.

2.4 Rounding policy

All amounts in the consolidated annual financial statements are presented in Rand thousand ("R '000").

The group has a policy of rounding in increments of R 500. Amounts less than R 500 will therefore round to R nil and are presented as a dash.

2.5 Foreign currency translation

Procedures followed to translate to presentation currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

At the end of the reporting period:

- monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date;
- non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign exchange gains or losses are recognised in profit or loss.

Daimler Truck Southern Africa Limited

(Registration number 2018/300147/06)

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

3. Summary of material accounting policies

3.1 Group accounting

Group structure

Ultimate holding company:	Daimler Truck Holding AG
Holding company:	Daimler Truck AG
Subsidiaries:	Daimler Truck Financial Services Proprietary Limited 100% (2024: 100%) Sandown Motor Holdings Proprietary Limited 100% (2024: 100%)

Consolidation

Subsidiaries are entities controlled by the group. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

The group also considers the following facts and circumstances in assessing whether it has power over an entity:

- rights arising from contractual arrangements; and
- the group's voting rights and potential voting rights.

The group reassesses whether or not it controls an entity if facts and circumstances indicate changes to the elements of control.

Subsidiaries - recognition and measurement

Business combinations are accounted for using the acquisition method. When the group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the group's accounting policies as well as the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Subsidiaries are consolidated from the date of acquisition, which is the date on which the group obtains control of the subsidiary and continue to be consolidated until the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Business combinations under common control

For business combinations, involving entities under common control of the group, the group has accounted for the difference between the book value of the transferred assets, as a result of unbundling, and the fair value of the consideration transferred as an adjustment to equity.

Goodwill

Goodwill arises from business combinations and is initially measured at cost. Subsequently, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested annually for impairment with any impairment recognised in other operating expenses within profit or loss.

Intercompany transactions

All intergroup balances, transactions, income and expenses are eliminated in full in the consolidated financial statements.

3.2 Retained income

Retained earnings comprises of accumulated profits or losses less dividends to equity holders.

3.3. Write-off

The gross carrying amount of a financial asset is written off when the group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

The group makes an assessment with respect to the timing and amount of the write-off based on whether there is a reasonable expectation of recovery. The group expects no significant recovery from the amounts written off. However, financial assets that are written off could still be subject to enforcement activities.

Based on its experience, there have been no customer recoveries of previous write-offs.

Daimler Truck Southern Africa Limited

(Registration number 2018/300147/06)

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

3. Summary of material accounting policies (continued)

3.4 Accounting estimates, judgements and assumptions

In preparing these consolidated financial statements, management has made estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, income and expenses. These estimates, judgements and assumptions are guided by the application of IFRS® Accounting Standards while also taking into account the knowledge and experience of management.

Management believes that the estimates, judgements and assumptions made are appropriate considering the facts and circumstances available. However, the actual results may differ in line with subsequent changes to the underlying facts and circumstances.

Estimates, judgements and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. All estimates, judgements and assumptions are consistent with prior year, except where otherwise indicated.

3.4.1 Significant accounting estimates, judgements and assumptions

The following estimates, judgements and assumptions made in applying the accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements are:

Revenue from service plans and extended warranty contracts with customers

Refer to note 4.4.

Contract liabilities are not financial instruments as they are settled by the delivery or receipt of goods or services.

Assumptions that affect the group's estimate for maintenance, service and extended warranty obligations include:

- distribution cost;
- discount rate;
- inflation rate;
- scrapping ratio;
- part sales;
- labour, parts and repair factors; and
- profit margin on parts.

The above assumptions are incorporated in the calculation and provisioning tool utilised.

Assets leased under operating leases

Lease classification

The group leases trucks to external customers. The factors that have been taken into consideration in determining the classification as operating leases are:

- ownership of the underlying trucks is retained by the DTSA during, and in most cases, at the end of the lease term;
- there is no bargain purchase option offered to the customer;
- the lease term is shorter than the majority of the economic life of the asset;
- at the inception of the lease, the present value of the minimum lease payments does not amount to at least substantially all of the fair value of the underlying motor vehicle; and
- the leased assets are not specialised in nature.

Management has assessed that the significant risks and rewards incidental to ownership of the underlying trucks in these lease arrangements have not transferred to the customer. Additionally, the residual value of the trucks is guaranteed by DTSA.

Residual values

The group regularly reviews the factors applied in determining the values of its leased vehicles. In particular, it is necessary to estimate the residual values of the trucks at the end of their leases, which constitutes a substantial part of the expected future cash flows from the trucks.

On a quarterly basis, management updates the residual values to be granted for future lease contracts. These values are based on calculations which use a combination of internal data and externally sourced market data. A Residual Value Steering Committee meets and approves the revised residual values each quarter. This committee has fixed terms of reference and its members comprise a group of persons with suitable qualifications and experience.

The residual values determined serve as a key input into the depreciation charge of the leased vehicles. Once a lease is entered into, the residual value is guaranteed. To account for changes in market conditions the vehicle is depreciated to the lower of its residual value guaranteed or net realisable value as determined by management.

Daimler Truck Southern Africa Limited

(Registration number 2018/300147/06)

Consolidated Financial Statements for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

3. Summary of material accounting policies (continued)

Depreciation

Depreciation rates applied to manufactured lease assets are consistent with the lease terms and ranges from approximately 3 months to 5 years.

Economic life

The lease term is understood to mean the period between the sale with residual value guarantee and the earliest date on which the residual value guarantee can be redeemed under the terms of the contract, being the non-cancellable period of the lease. If this period is less than 75% of the economic life of the asset, it is assumed that substantially all the risks and rewards incidental to ownership of the asset have remained with the group.

Present value of future minimum lease payments

The total minimum lease payments are considered to be the difference between the group's sales proceeds and the guaranteed residual value; in other words, the present value of the residual value guarantee must be greater than 10% of the original selling price to cause the present value of minimum lease payments to be less than 90% of the fair value.

In this case, it is assumed that substantially all the risks and rewards incidental to ownership of the asset have remained with the group. The determination of present value is based on a market related interest rate for similar leases.

Refer to note 17.

Allowance for impairment of loans and advances to customers

The group regularly estimates the risk of default on advances to customers. Many factors are taken into consideration in this context, including historical loss experience, the size and composition of certain portfolios, current economic events and conditions and the estimated fair values and adequacy of collateral. Changes in economic conditions can lead to changes in our customers' creditworthiness and to changes in used vehicle prices, which would have a direct effect on the market values of the vehicles assigned as collateral. Changes to the estimation and assessment of these factors influence the allowance for credit losses with a resulting impact on the group's profit or loss.

Scoring systems are applied for the assessment of the default risk of retail and small business customers. Corporate customers are evaluated using internal rating instruments. Both evaluation processes use external credit bureau data, if available. The scoring and rating results as well as the availability of security and other risk mitigation instruments, such as advance payments, guarantees and, to a lesser extent, residual debt insurance, are essential elements for credit decisions.

Loans and finance lease receivables related to retail or small business customers are grouped into homogeneous pools and collectively assessed for impairment. Impairments are required for example if there are adverse changes in the payment status of the borrowers included in the pool, adverse changes in expected loss frequency and severity, and adverse changes in economic conditions.

Significant loans and leases to corporate customers are tested individually for impairment. An individual loan or lease is considered impaired when there is objective evidence that the group will be unable to collect all amounts due as specified by the contractual terms. Examples of objective evidence that loans or lease receivables may be impaired include the following factors: significant financial difficulty of the borrower, a rising probability that the borrower will become bankrupt, delinquency in their installment payments, and restructured or renegotiated contracts to avoid immediate default.

In determining the amount of the impairment the group considers the following:

- the PD, which is a measure of the expectation of how likely the customer is to default;
- the EAD, which is the expected amount outstanding at the point of default; and
- the LGD, which is the expected loss that will be realised at default after taking into account recoveries through collateral and guarantees.

Onerous services and maintenance contracts and residual values

Significant judgements in recognising onerous contracts

Significant judgement is applied in identifying contracts giving rise to a present obligation, assessing the probability of an outflow, and determining whether expected economic benefits are insufficient to recover the unavoidable costs of fulfilling the contractual obligations.

Significant estimates and assumptions

The measurement of these provisions involves significant estimation uncertainty, particularly in respect of expected resale values, disposal costs, and future service contract and extended warranty claim costs, which are estimated using historical claims data adjusted for known quality initiatives, pricing trends and expected future claim behaviour. Changes in key assumptions, including used vehicle market values and future cost inflation, may result in material adjustments to the recognised provision. Changes in estimates are recognised prospectively in profit or loss (refer to note 24).

Daimler Truck Southern Africa Limited

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Consolidated Financial Statements for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

3. Summary of material accounting policies (continued)

3.4.2 Key sources of estimation uncertainty

These judgements and estimates may not individually have a significant effect on the amounts recognised in the consolidated financial statements. However, the input factors considered are in certain instances complimentary in such a way that the estimates and judgements may, at times, result in an additive effect. This effect would thus become significant to amounts recognised across the statement of financial position or profit or loss as a whole. Furthermore the amounts recognised in the consolidated financial statements to which these judgements and estimates relate are considered material to management.

Property, plant and equipment

Useful lives

Land is not depreciated as it is deemed to have an indefinite useful life.

The useful life of an asset is the period in which the group expects to utilise the benefits embodied in the assets, and not necessarily the assets' economic life. Useful lives of assets are reviewed annually.

The group uses the following indicators to determine useful life:

- expected usage of assets;
- expected physical wear and tear; and
- technical and commercial obsolescence.

The estimated useful lives assigned to the categories of property, plant and equipment, for current and prior year, are as follows:

Item	Average useful life (years)
Buildings	25
Plant and equipment	4 – 12
Other factory equipment and furniture	3 – 10
Motor vehicles	3 – 4
Assets leased under operating leases	3 months – 5 years
Right-of-use assets	over the term of the lease

Residual values

An estimate is made of the amount the group would expect to receive currently for the asset if the asset were already of the age and condition expected at the end of its useful life, which is considered to be its residual value. Residual values are reviewed annually with the exception of assets leased under operating leases as addressed in 3.4.1.

Impairment

Management assesses changes in interest rates, currency exchange rates as well as the state of affairs in the motor manufacturing sector as indicators that impairment testing may need to be performed.

Provisions and other liabilities

Guaranteed residual value provision

The group is exposed to the risk that leased trucks are returned at a value less than the residual value guaranteed to customers under the terms of each respective lease agreement. Accordingly, a provision is raised to the extent that the carrying values of leased trucks are impaired through residual values not being fully recoverable.

Uncertainties that affect the provision amount include:

- return-rates of leased motor vehicles;
- penetration rates;
- lease duration; and
- market conditions.

Furthermore, the group periodically reviews its exposure to the underwritten portfolio to changes in market conditions since inception of the agreements and ensures satisfactory coverage of the trucks and buses' projected valuations to underwritten values. Where risks are identified the group develops strategies to manage the risk position of the particular assets and further ensures provision is made for such potential loss.

Daimler Truck Southern Africa Limited

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Consolidated Financial Statements for the year ended 31 December 2025

Notes to the Consolidated Financial Statements

3. Summary of material accounting policies (continued)

Warranty provision

The provision is measured on the basis of past warranty expenses. The provision amount represents total warranty credits and costs required to investigate and settle warranty claims. The amount of the provision for warranty arrangements is determined based on the amount expected to be required to settle the warranty claims. Possible recall or buyback campaigns are excluded from this provision, as these are fully reimbursed by DTHAG.

Contract liabilities and refund liabilities

Dealer incentive provision

The group pays incentives to each franchised dealer who sells franchised trucks and buses.

The incentives are earned by the dealer based on their quarterly performance as well as for other incentive programmes that may be run. The provision for dealer incentives represents the amount to be paid over for the final quarter of the financial year. Estimates are made of the amount to be paid based on forecasted achievement of the incentive targets.

The incentives are paid to the dealers in cash before the end of the following quarter.

Employee benefits

Defined benefit schemes

The following actuarial assumptions are applied in determining the present value of the defined benefit obligation as well as the fair value of the plan assets:

	2025	2024
<i>Discount rates used</i>		
Pre-retirement discount rate	9.15 %	11.05 %
<i>Inflation rates used</i>		
General inflation rate	4.15 %	5.72 %
Salary inflation rate	4.15 %	5.72 %
Average age of members in-service (in years)	57	56
Average age of pensioners in-service (in years)	n/a	n/a

Post-retirement medical aid benefit

The following actuarial assumptions are applied in determining the present value of the post-retirement medical aid benefit:

Discount rate	10.11 %	11.76 %
Health care cost inflation	6.95 %	8.35 %
Real discount rate	2.95 %	3.15 %
Consumer price inflation	4.95 %	6.35 %

Mortality

Pre-expected retirement age
Post-retirement age

SA 1985 - 90 light
PA(90) - 2

2025	2024
R '000	R '000

4. Revenue and income from financial services

4.1 Revenue allocation

Revenue from sale of vehicles and related services

Vehicles and spare parts	6 764 473	10 610 277
Rendering of services	1 152 022	1 049 482
	7 916 495	11 659 759

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	2025 R '000	2024 R '000
4. Revenue and income from financial services (continued)		
Income from financial and other services		
<i>Interest received applying the effective interest rate method</i>		
Instalment sales	897 641	972 415
Finance leases	525 079	523 240
Wholesale finance income	257 589	314 832
	1 680 309	1 810 487
<i>Legal loss recoveries</i>		
Legal loss recoveries	74 113	56 978
<i>Non-interest revenue</i>		
Remarketing revenue	220 022	463 411
Operating lease income	296 777	317 133
Acceptance and initiation fee	64 708	60 277
	581 507	840 821
<i>Non-interest expenditure</i>		
Remarketing cost of sales	(150 057)	(397 912)
Depreciation - operating leases	(181 256)	(198 680)
Legal loss	(27 669)	(21 138)
Dealer commission	4 782	(3 452)
	(354 200)	(621 182)
4.2 Disaggregation of revenue		
The group disaggregates revenue as follows:		
Sale of goods		
Vehicles	4 076 183	8 209 676
Parts	2 661 901	2 366 024
Component exports	16 988	28 360
FleetBoard telematics hardware	9 401	6 217
	6 764 473	10 610 277
Rendering of services		
<i>Financial services</i>		
Interest received	1 680 309	1 810 487
Non-interest revenue	581 507	840 821
Legal loss recovery	74 113	56 978
	2 335 929	2 708 286
<i>Other services</i>		
Maintenance and service contracts	818 216	865 146
Extended warranty	140 173	92 399
Vehicle testing	52 801	42 802
Diagnostic equipment income	25 949	28 820
Dealer training	6 715	10 693
Finance and insurance income	12 479	4 928
Recharges and cost recoveries	2 253	2 239
FleetBoard telematics: service and tracking fees	90 314	1 281
Rental contracts	1 070	-
Used vehicles on-the-road, delivery and surplus charges	2 052	1 174
	1 152 022	1 049 482
Total revenue	10 252 424	14 368 045

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	2025 R '000	2024 R '000
4. Revenue and income from financial services (continued)		
4.3 Timing of revenue recognition		
At a point in time		
Vehicles	4 076 183	8 209 676
Parts	2 661 901	2 366 024
Remarketing	284 730	523 688
Component exports	16 988	28 360
FleetBoard telematics: hardware	9 401	6 217
Finance and insurance income	12 479	4 928
Recharges and cost recoveries	2 030	2 239
Used vehicles on-the-road, delivery and surplus charges	2 052	1 174
	7 065 764	11 142 306
Over time		
Interest received	1 680 309	1 810 487
Maintenance and service contracts	818 216	865 146
Operating lease instalments	296 777	317 133
Rental contracts	1 070	-
Extended warranty	140 173	92 399
Recoveries	74 113	56 978
Vehicle testing	52 801	42 802
Diagnostic equipment income	25 949	28 820
Dealer training	6 715	10 693
FleetBoard telematics: service and tracking fees	90 314	1 281
Recharge and cost recoveries	223	-
	3 186 660	3 225 739
Total revenue from contracts with customers	10 252 424	14 368 045

4.4 Income from contracts with customers

4.4.1 Revenue from sale and leasing of vehicles and other related services

This income comprises revenue and leasehold income generated on the sale (new and used) or lease of vehicles and the sale of related spare parts, as well as vehicle services and other related income.

Wholesale revenue comprises fees and interest charged to dealers in respect of wholesale or bulk vehicle financing provided to them in terms of their individual Floorplan agreements.

The standard payment terms are usually 30 days from invoicing.

Recognition and measurement

Sale of vehicles, service parts and other related products:

The group recognises revenue when it satisfies a performance obligation by transferring goods or services to a customer.

A significant portion of the group's revenue arises from high-volume transactions across a wider dealer network.

DTSA makes use of a number of sales promotion programs dependent on various market conditions during the year as well as the respective product life cycles and product-related factors (such as amounts of discounts offered by competitors, excess industry production capacity, the intensity of market competition and consumer demand for the products). These programs comprise special discounts to dealers and customers, as well as residual value enhancements.

DTSA recognises sales minus an allowance for incentive and sales promotion programs, and a refund liability presented within contract liabilities in the statement of financial position. The allowance and liability are measured at the amount expected to be refunded or credited to dealers and customers, estimated based on the programs' terms, market conditions and historical experience.

Revenue is recognised as performance obligations are met, either over time or at a point in time.

The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).

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4. Revenue and income from financial services (continued)

Rendering of services:

Rendering of services is recognised over time, most appropriate to the type of service:

- servicing fees included in the price of products sold are recognised by reference to the proportion of the cost to the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold;
- time and material contracts are recognised at the contractual rates as labour hours are delivered and direct expenses are incurred; and
- the group offers extended, separately priced warranties for certain products. Revenue from these contracts are deferred and recognised over the contract period in proportion to the costs expected to be incurred based on historical information.

Lease of vehicles:

Lease income from operating leases is recognised in income on a straight-line basis from the commencement date over the lease term.

Bill-and-hold arrangement:

In a bill-and-hold arrangement, DTSA bills a customer for a product but retains physical possession of the product until a later date. A customer may obtain control of a product even though that product remains in DTSA's possession.

In this case, the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the product even though the customer has decided not to exercise its right to take physical possession of that product. Consequently, DTSA does not control the product. Instead, DTSA provides custodial services to the customer over the customer's asset.

Revenue is recognised upon transfer of control of the goods to the customer.

4.4.2 Income from financial services

Interest received

Interest received consists of interest earned on finance leases, installment sale agreements and wholesale funding provided to customers and dealers of DTSA products.

Interest received is recognised on the time proportion basis, using the effective interest method.

Interest received is measured at the interest rate that exactly discounts the estimated future cash receipts through the expected life of the underlying financial instrument.

Where the financial instrument has been credit-impaired interest income continues to be recognised on the amortised cost based on the original effective interest rate.

Non-interest revenue

Revenue generated by the financial services business which is non-interest in nature and includes:

- income from the leasing business;
- sales revenue from the sale of vehicles at the end of lease contract (remarketing revenue); and
- fees and commissions earned from related financial services activities.

Non-interest revenue is recognised on:

- the straight-line basis over the period of the lease;
- vehicles sales as noted above; and
- fees and commissions on a time proportion basis over the contract term.

Non-interest revenue is measured:

- on the straight-line basis over the period of the lease;
- for vehicles sales as noted above; and
- at the consideration specified in the contract with the customer.

Non-interest expenditure

These expenses are related and incremental to the non-interest revenue generated and include, among others:

- fees paid to dealers;
- depreciation and impairment charges on the operating lease assets;
- expenses related to fleet management; and
- the residual value of the vehicle at the date of sale.

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4. Revenue and income from financial services (continued)

4.4.3 Other income

Other income is recognised when the right to receive reimbursement has been established.

Other income is measured at the fair value of the consideration received/receivable.

4.4.4 Dealer incentive commission

The group pays motor dealerships trading in relevant group products commissions for engaging in financial services activities through the group's financing business. These commissions are initially capitalised within loans and advances to customers and subsequently expensed to profit or loss on a straight-line basis over the term of the related financial contract. Where contracts are terminated early any remaining balance is immediately expensed to profit or loss.

5. Cost of goods sold

Sale of goods

	2025 R '000	2024 R '000
Sale of goods	8 147 445	10 713 502

Cost of goods sold includes the following:

- carrying amount of inventories sold;
- costs incurred in relation to the rendering of services included in revenue;
- depreciation on plant, equipment and manufacturing facilities and operating leased assets;
- overheads incurred as part of the production activities;
- raw materials utilised in production;
- inventories utilised in the manufacture and sale of vehicles, parts and components; and
- write down of inventories to net realisable value and any loss of inventory or reversals of previous write-downs or losses in the period the write-down, loss or reversal occurs.

6. Other income

	2025 R '000	2024 R '000
Acceptance and initiation fee	-	3 915
Foreign exchange gains - realised	28 315	14 630
Foreign exchange (loss)/gains - unrealised	2 394	(2 622)
Income from cost recoveries	89 288	73 879
Market support compensation*	932 639	-
Warranty administration fees	9 511	9 091
Prescribed income	9 538	-
Sale of company vehicles	607	-
	1 072 292	98 893

* During the financial year ended 31 December 2025, the group recognised market support income of R 932.6 million received from DTAG.

The compensation arises in the context of the long-standing distributor agreement between DTAG and DTSA, under which DTSA acts as a distributor of Mercedes-Benz and Unimog trucks, spare parts and related services in Southern Africa. The market support was granted to compensate the group for the financial impact arising from the performance of its distribution activities. This aligns with DTAG's long-term strategic objective of strengthening market penetration and increasing brand awareness of Mercedes-Benz trucks in South Africa.

The amount of market support was contractually agreed for the 2025 financial year and determined in accordance with the arm's length principle set out in Article 9 of the OECD Model Tax Convention and the OECD Transfer Pricing Guidelines, with due consideration of base erosion and profit shifting ("BEPS") risks.

Having regard to the specific economic circumstances of the South African market, the transaction ensures that the group's operating margin reflects an arm's length outcome.

Other income is recognised when the right to receive reimbursement has been established.

Other income is measured at the fair value of the consideration received or receivable.

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	2025 R '000	2024 R '000
7. Operating profit		
Operating profit for the year includes:		
Staff costs		
Cost of goods sold	318 007	318 348
Operating expenses	374 599	387 502
Selling expenses	23 214	29 930
Total staff costs	715 820	735 780
Employee benefits		
<i>Short-term employee benefits</i>		
Short-term employee benefits includes salaries, wages and costs of temporary employees, paid vacation leave, sick leave, bonuses and non-monetary benefits such as medical care. It is recognised as an expense and included in staff costs as services are rendered.		
A liability is recognised for the amount expected to be paid as a result of past service provided.		
<i>Long-term service benefits</i>		
The group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefits that employees have earned in return for their services in the current and prior periods.		
The obligation is calculated using the projected unit credit method, is discounted to its present value and the fair value of any related assets is deducted. The discount rate used is based upon the rate for high quality corporate bonds at the valuation date. Re-measurements are recognised in profit or loss in the period when they arise.		
Refer to note 24 for details of staff related provisions.		
Depreciation recognised through		
Cost of goods sold	198 324	238 979
Operating expenses	31 646	35 463
Total depreciation	229 970	274 442
Expenses/(income)		
Loss on sale of property, plant and equipment and assets leased under operating leases	381	-
Royalty expenses	69 250	186 961
Write-down of stock	219 962	172 995
Defined contribution plan (included in staff costs)	36 567	35 846
Foreign exchange movements - unrealised	(17 180)	5 627
Foreign exchange movements - realised	5 294	5 382
Audit fees	9 563	7 278
Consulting and professional fees	380	380
8. Finance income		
Interest earned on		
Bank deposits, cash and other	5 624	5 637
Group companies	8 806	11 685
Tax authorities	10 984	5 723
Total interest income	25 414	23 045

Finance income consists of interest earned on loans granted to fellow subsidiaries, bank deposits and amounts owed by tax authorities.

Interest received is accrued on a time basis, by reference to the principal amount outstanding using the effective interest method. The effective interest method applies the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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	2025 R '000	2024 R '000
9. Finance costs		
Interest expense on/to		
Bank and other cash	378 144	419 045
Bonds	1 077 944	1 151 651
Group companies	21 277	14 319
Late payment of tax	-	92
Non-group lease liabilities	7 154	6 125
Retirement benefit obligations	10 383	11 253
Total finance costs	1 494 902	1 602 485
<p>Finance costs comprise the interest expense incurred on bonds issued, borrowings from group companies and financial institutions, defined benefit liabilities and non-group lease liabilities.</p> <p>Interest expense is accrued on a time basis, by reference to the principal amount outstanding using the effective interest method. The effective interest method applies the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount.</p>		
10. Taxation		
Major components of the tax expense		
Current		
Charge for the current year	208 353	246 509
Under/(over) provision from the previous year*	14 942	(68 576)
	223 295	177 933
Deferred		
Originating and reversing temporary differences	(166 744)	(159 014)
(Over)/under provision from the previous year*	(15 940)	69 396
	(182 684)	(89 618)
	40 611	88 315
<p>* Subsequent to publication of the annual financial statements for the financial year ended 31 December 2023, DTSA elected to utilise the S24C tax allowance. This gave rise to the (over)/under provision from the previous year disclosed.</p>		
Reconciliation of the tax rate		
Applicable tax rate	27.00 %	27.00 %
Adjusted for:		
Learnership agreements	(0.95)%	- %
Deferred tax credit loss realisation	(4.90)%	(5.74)%
Fines and penalties	- %	0.01 %
Recoupment	1.52 %	- %
Income received in advance	(0.13)%	(0.19)%
Donations	(0.19)%	- %
Under/(over) provision from the previous year - current taxation	8.03 %	(16.30)%
(Over)/under provision from the previous year - deferred taxation	(8.71)%	16.74 %
Other	0.51 %	(0.23)%
Effective taxation rate	22.18 %	21.29 %
<p>Taxation payable of R 26.76 million (2024: receivable of R 180.6 million) is recognised at the reporting date based on the group's assessment of taxable income, the taxation payable and the provisional tax payments made towards the tax authorities during the financial year.</p>		
Taxes		
<p>The taxation expense consists of current taxation and deferred taxation.</p>		

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10. Taxation (continued)

Current taxation

The current taxation charge is calculated as the expected tax payable on the taxable income for the reporting period using the tax rates and tax laws that are enacted or substantively enacted at the reporting date.

Taxation is recorded in profit or loss, unless the underlying transaction was accounted for in other comprehensive income or equity in which case it is recorded in other comprehensive income or equity.

Deferred taxation

Deferred taxation is provided for temporary differences at the reporting date between the carrying amounts of assets or liabilities and their respective tax bases. The measurement of deferred taxation reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of the group's assets and liabilities.

Deferred taxation is calculated at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

The group recognises deferred tax assets only when it is probable that, in the foreseeable future, taxable income will be available against which the deferred tax asset can be utilised. The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow part or all of the deferred tax asset to be utilised.

The group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxation relates to income taxes levied by the same taxation authority on the same taxable entity.

Deferred taxation is recorded in profit or loss, unless the underlying transaction was accounted for in other comprehensive income or equity in which case it is recorded in other comprehensive income or equity.

11. Cash and cash equivalents

Cash and cash equivalents comprise bank notes, money at call and short notice and balances with commercial banks. All balances included in cash and cash equivalents have a maturity date of less than three months from the date of acquisition. Money on short notice constitutes amounts withdrawable in 24 hours or less.

These instruments are considered financial assets carried at amortised cost.

	2025 R '000	2024 R '000
Cash and cash equivalents consist of:		
Cash on hand	200	200
Held locally	111 651	37 482
Held with Daimler Truck AG*	27 697	92 159
	139 548	129 841

* Funds held with Daimler Truck AG can be remitted to South Africa upon request. The settlement terms are T+2 (transaction date plus two business days).

12. Trade and other receivables

Financial instruments

Trade receivables, net of allowance for impairment	493 025	502 346
Other receivables	26 472	24 164
Trade receivables at amortised cost	519 497	526 510

Non-financial instruments

VAT	10 945	-
Other non-financial assets	2 556	19 822
Total trade and other receivables	532 998	546 332

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	2025 R '000	2024 R '000
12. Trade and other receivables (continued)		
Categorisation of trade and other receivables		
At amortised cost	519 497	526 510
Non-financial instruments	13 501	19 822
	532 998	546 332

Loss allowance

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

The group utilises a similar approach for the assessment of ECLs for other receivables than that used for trade receivables.

A loss allowance is recognised for all trade receivables and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix.

The "At risk" portion of trade receivables refers to the portion of trade receivables that are considered to have a higher likelihood of default or non-payment. The outstanding debt was classified into different risk categories and from this the group identified the relevant portion of the debt considered to be "at risk" of non-recoverability.

	2025 R '000	2024 R '000
Movement in allowance for impairment of doubtful receivables		
The movement in the loss allowance for trade receivables are as follows:		
Opening balance	89 774	74 840
Additional allowance raised	64 225	25 898
Unused amounts reversed	(14 887)	(8 442)
Amounts utilised	(36 023)	(769)
Amounts written off	-	(1 753)
Closing balance	103 089	89 774

Trade receivables to the extent of R nil million (2024: R 1.8 million) have been written off and are not subject to enforcement activity.

Credit risk rating - 2025

	Gross carrying amount R '000	At risk R '000	Weighted average loss rate	Loss allowance R '000
Minimal risk	298 783	25 090	2.1 %	5 351
Low risk	118 590	61 897	8.7 %	9 007
Medium risk	60 491	12 786	9.1 %	4 796
High risk	118 250	101 096	81.6 %	83 935
	596 114	200 869		103 089

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12. Trade and other receivables (continued)

Credit risk rating - 2024

	Gross carrying amount R '000	At risk R '000	Weighted average loss rate	Loss allowance R '000
Minimal risk	315 528	48 321	1.7 %	5 587
Low risk	56 039	28 508	18.6 %	9 060
Medium risk	36 770	25 497	32.2 %	10 298
High risk	183 783	82 416	40.6 %	64 829
	592 120	184 742		89 774

Financial assets at amortised cost

Financial assets recognised in the statement of financial position include cash and cash equivalents, trade and other receivables and receivables from group companies, comprising short-term receivables from customers and group companies from normal trading activities.

All financial assets are initially measured at fair value including transaction costs, except for those classified fair value through profit or loss in which case the transaction costs are expensed upfront in profit or loss, usually as part of other operating expenses. Any upfront income earned on financial instruments is recognised as deferred income, depending on the underlying nature of the income. Trade receivables without a significant financing component, arising from revenue contracts, are recognised at the transaction price.

Financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Financial assets - Business model management

The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. This information includes:

- stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate portfolio, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the group's management;
- risk that affects the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- frequency, volume and timing of sales of financial assets in prior periods, reason for such sales and expectations for future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for the derecognition are not considered for this purpose, consistent with the group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, the "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative cost), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal, interest, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet the condition. In making this assessment, the group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayments and extension features; and
- terms that limit the company's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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12. Trade and other receivables (continued)

Transfers and derecognition

Financial instruments are derecognised when the contractual rights or obligations expire or are extinguished, are discharged or cancelled (for example an outright sale or settlement). For financial assets this includes assets transferred that meet the derecognition criteria.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts. This is due to the short-term nature of the instruments.

	2025 R '000	2024 R '000
13. Inventories		
Raw materials	51 980	41 958
Work in progress	243 887	878 777
Finished goods	5 112 241	4 862 067
	5 408 108	5 782 802
Inventories (write-downs)	(591 554)	(356 720)
	4 816 554	5 426 082
Inventories expensed during the year	6 150 857	9 236 642
Write-down of stock	234 834	172 995

Inventories are measured at the lower of cost or net realisable value on a standard costing basis. The standard cost approximates the actual cost and is regularly reviewed and updated to reflect current conditions.

Capitalised manufacturing costs include an allocated portion of production overheads which are directly attributable to the cost of manufacturing such inventory. The allocation is determined based on the normal production capacity.

Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The commercial vehicle industry experienced a significant continued market decline in 2025, driven by weakened demand and economic uncertainties. This downturn led to a surplus of used vehicle inventory, necessitating a write-down of R 234.8 million (2024: R 155.6 million) to reflect the reduced market value of these assets.

14. Loans and advances to customers

Instalment sale receivables	8 627 797	8 730 837
Finance lease receivables	4 756 667	4 876 662
Wholesale vehicle financing receivables	3 077 012	4 629 577
Retail portfolio	42 361	34 436
Other receivables	(10 307)	6 034
Gross loans and advances to customers	16 493 530	18 277 546
Impairment losses	(886 089)	(698 060)
	15 607 441	17 579 486

The decrease in the carrying amount of R 120 million in finance leases and R 103 million in instalment sale receivables relate to a significant decline in business, which consequentially resulted in an decrease in the portfolio.

The above loan portfolio has not been pledged as security for any liabilities or contingent liabilities.

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14. Loans and advances to customers (continued)

Maturity profile for instalment sale and finance lease receivables

Instalment sale receivables	2025			2024		
	Gross investment	Unearned finance income	Net advances	Gross investment	Unearned finance income	Net advances
	R '000	R '000	R '000	R '000	R '000	R '000
1 year	3 352 982	(609 570)	2 743 412	3 447 474	(676 418)	2 771 056
1 - 2 years	2 728 845	(394 856)	2 333 989	2 746 535	(443 422)	2 303 113
2 - 3 years	2 017 129	(221 525)	1 795 604	2 038 914	(254 105)	1 784 809
3 - 4 years	1 148 663	(98 968)	1 049 695	1 272 501	(116 571)	1 155 930
4 - 5 years	444 577	(39 039)	405 538	554 185	(39 228)	514 957
5+ years	347 384	(47 825)	299 559	215 010	(14 038)	200 972
	10 039 580	(1 411 783)	8 627 797	10 274 619	(1 543 782)	8 730 837

Finance lease receivables	2025			2024		
	Gross investment	Unearned finance income	Net advances	Gross investment	Unearned finance income	Net advances
	R '000	R '000	R '000	R '000	R '000	R '000
1 year	2 245 065	(592 725)	1 652 340	1 859 394	(671 532)	1 187 862
1 - 2 years	1 756 472	(359 518)	1 396 954	2 041 979	(462 136)	1 579 843
2 - 3 years	1 212 587	(167 210)	1 045 377	1 415 708	(236 726)	1 178 982
3 - 4 years	643 054	(51 694)	591 360	808 707	(80 730)	727 977
4 - 5 years	75 474	(4 838)	70 636	215 803	(15 755)	200 048
5+ years	-	-	-	1 973	(23)	1 950
	5 932 652	(1 175 985)	4 756 667	6 343 564	(1 466 902)	4 876 662

Credit risk rating

The exposure of each customer is allocated a credit risk grade by DTFS. The risk grade is determined by an internal scoring system that is based on data that is deemed predictive of potential loss. This data includes, but is not limited to external ratings, financial statements, management accounts, projections, available public information and documented discussions and write ups.

The ECL is calculated on each credit risk grade based on the delinquency status and actual credit losses experienced, using a set of parameters managed centrally by head office. These parameters are adjusted twice yearly, once for future expectations ("FE") and once for LGD based on the most up to date internal and external information available for the South African region.

The comparative credit risk grading has been enhanced to include the wholesale portfolio.

The ECL on the retail portfolio and other receivables is not material.

Credit risk rating

2025

	Gross carrying amount R '000	Net carrying amount R '000	Weighted average loss rate	Loss allowance R '000
Class A: Risk grade 1&2 - Good	2 031 605	2 007 202	1.2 %	24 403
Class B: Risk grade 3&4 - Fair	12 477 287	12 029 488	3.6 %	447 799
Class C: Risk grade 5&6 - Medium	985 303	936 681	4.9 %	48 622
Class D: Risk grade 7&8 - Risky	967 281	602 016	37.8 %	365 265
	16 461 476	15 575 387		886 089

2024

	Gross carrying amount R '000	Net carrying amount R '000	Weighted average loss rate	Loss allowance R '000
Class A: Risk grade 1&2 - Good	6 724 800	6 660 849	1.0 %	63 951
Class B: Risk grade 3&4 - Fair	8 969 859	8 785 761	2.1 %	184 098
Class C: Risk grade 5&6 - Medium	1 662 949	1 506 083	9.4 %	156 866
Class D: Risk grade 7&8 - Risky	912 446	619 301	32.1 %	293 145
	18 270 054	17 571 994		698 060

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14. Loans and advances to customers (continued)

Credit risk rating per stage - 2025

Loan retail	Gross exposure			Loss allowance			Net exposure			Coverage %
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
Class A (Risk grade 1-3: Good)	1 082 113	12 772	8 039	(8 798)	(1 554)	(3 608)	1 073 315	11 218	4 431	(1.27)%
Class B (Risk grade 4-5: Fair)	5 597 116	95 880	526 566	(39 969)	(2 649)	(310 341)	5 557 147	93 231	216 225	(5.67)%
Class C (Risk grade 6-7: Medium)	626 450	7 752	38 407	(10 022)	(1 910)	(23 749)	616 428	5 842	14 658	(5.30)%
Class D (Risk grade 8-10: High risk)	271 446	-	361 256	(4 533)	-	(176 604)	266 913	-	184 652	(28.63)%
	7 577 125	116 404	934 268	(63 322)	(6 113)	(514 302)	7 513 803	110 291	419 966	(6.77)%

Finance lease	Gross exposure			Loss allowance			Net exposure			Coverage %
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
Class A (Risk grade 1-3: Good)	374 072	29 410	506	(5 639)	(4 119)	(98)	368 433	25 291	408	(2.44)%
Class B (Risk grade 4-5: Fair)	3 513 467	85 726	106 211	(45 763)	(11 666)	(34 216)	3 467 704	74 060	71 995	(2.47)%
Class C (Risk grade 6-7: Medium)	295 934	3 217	13 544	(5 555)	(734)	(6 652)	290 379	2 483	6 892	(4.14)%
Class D (Risk grade 8-10: High risk)	82 813	404	251 363	(1 578)	(7)	(182 543)	81 235	397	68 820	(55.03)%
	4 266 286	118 757	371 624	(58 535)	(16 526)	(223 509)	4 207 751	102 231	148 115	(6.28)%

Wholesale	Gross exposure			Loss allowance			Net exposure			Coverage %
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
Class A (Risk grade 1-3: Good)	524 692	-	-	(587)	-	-	524 105	-	-	(0.11)%
Class B (Risk grade 4-5: Fair)	2 552 320	-	-	(3 195)	-	-	2 549 125	-	-	(0.13)%
	3 077 012	-	-	(3 782)	-	-	3 073 230	-	-	(0.12)%

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14. Loans and advances to customers (continued)

2024

Loan retail	Gross exposure			Loss allowance			Net exposure			Coverage %
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
Class A (Risk grade 1-3: Good)	1 744 214	862	86 718	(13 777)	(118)	(22 163)	1 730 437	744	64 555	(1.97)%
Class B (Risk grade 4-5: Fair)	5 069 856	250 915	159 906	(45 871)	(8 344)	(38 145)	5 023 985	242 571	121 761	(1.69)%
Class C (Risk grade 6-7: Medium)	664 497	13 696	197 826	(9 447)	(1 354)	(131 247)	655 050	12 342	66 579	(16.22)%
Class D (Risk grade 8-10: High risk)	295 687	2 065	244 595	(3 110)	-	(119 969)	292 577	2 065	124 626	(22.69)%
	7 774 254	267 538	689 045	(72 205)	(9 816)	(311 524)	7 702 049	257 722	377 521	(4.51)%

Finance lease	Gross exposure			Loss allowance			Net exposure			Coverage %
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
Class A (Risk grade 1-3: Good)	1 699 373	14 774	-	(21 984)	(1 848)	-	1 677 389	12 926	-	(1.39)%
Class B (Risk grade 4-5: Fair)	1 804 425	63 704	137 357	(16 221)	(8 899)	(64 916)	1 788 204	54 805	72 441	(4.49)%
Class C (Risk grade 6-7: Medium)	772 442	8 539	5 948	(9 993)	(994)	(3 831)	762 449	7 545	2 117	(1.88)%
Class D (Risk grade 8-10: High risk)	114 287	45 390	210 423	(2 150)	(1 617)	(166 299)	112 137	43 773	44 124	(45.95)%
	4 390 527	132 407	353 728	(50 348)	(13 358)	(235 046)	4 340 179	119 049	118 682	(6.13)%

Wholesale	Gross exposure			Loss allowance			Net exposure			Coverage %
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
Class A (Risk grade 1-3: Good)	3 145 883	-	-	(4 061)	-	-	3 141 822	-	-	(0.13)%
Class B (Risk grade 4-5: Fair)	1 483 694	-	-	(1 702)	-	-	1 481 992	-	-	(0.11)%
	4 629 577	-	-	(5 763)	-	-	4 623 814	-	-	(0.12)%

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14. Loans and advances to customers (continued)

Summary of loss allowance

At 31 December 2025, loans and advances to customers of R 886 million were impaired and provided for.

Classification	Stage 1	Stage 2	Stage 3	Total R '000
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
2025				
Instalment sale agreements	63 322	6 113	514 303	583 738
Finance leases	58 535	16 526	223 508	298 569
Wholesale vehicle financing - corporate dealers	3 782	-	-	3 782
	125 639	22 639	737 811	886 089
2024				
Instalment sale agreements	72 205	9 816	311 523	393 544
Finance leases	50 348	13 358	235 047	298 753
Wholesale vehicle financing - corporate dealers	5 763	-	-	5 763
	128 316	23 174	546 570	698 060

The comparative wholesale vehicle financing ECL allowance has been allocated to the stage in which it was classified.

Loss allowance per category

2025	Finance lease R '000	Instalment sale agreements R '000	Wholesale R '000	Total R '000
	Corporate financing	285 844	555 558	3 782
Corporate dealers	181	1 391	-	1 572
Retail small business	12 544	26 789	-	39 333
	298 569	583 738	3 782	886 089
2024				
Corporate financing	287 041	360 119	5 763	652 923
Retail small business	11 783	33 354	-	45 137
	298 824	393 473	5 763	698 060

Movement in allowance for impairment losses on loans and advances to customers

	2025 R '000	2024 R '000
Opening balance	698 060	668 621
Net remeasurement of loss allowance	285 498	181 841
Amounts written off as uncollectable	(97 469)	(152 402)
Closing balance	886 089	698 060

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	2025 R '000	2024 R '000
14. Loans and advances to customers (continued)		
Ageing of loss allowance on loans and advances to customers		
Not past due	349 618	414 025
1 - 30 days	21 208	13 781
31 - 60 days	95 696	10 573
61 - 90 days	85 174	739
91 - 365 days	334 393	258 942
	886 089	698 060

Impairment of loans and advances to customers

The increase in ECL is due to the prevailing market conditions and the deterioration of customer credit risk, which resulted in a corresponding growth in the ECL. The target provision coverage of 3.9% to 4.2%, which is based on the current portfolio performance and delinquencies, was maintained.

The adequacy of impairments of advances is assessed through the ongoing review of the quality of credit exposures. For amortised cost advances, impairments are recognised through the use of the allowance account method and an impairment charge in the consolidated statement of profit or loss and other comprehensive income.

Specific impairments

Created for non-performing loans where there is objective evidence that an incurred loss event will have an adverse impact on the estimated future cash flows from the advance.

Potential recoveries from guarantees and collateral are incorporated into the calculation of impairment figures.

Portfolio impairments

Created with reference to performing advances. The impairment provision on the performing portfolio is split into two parts:

- an IBNR provision i.e. the portion of the performing portfolio where an incurred impairment event is inherent in a portfolio of performing advances but has not specifically been identified; and
- the PSI which reflects the decrease in estimated future cash flows for the sub-segment of the performing portfolio where there is objective evidence of impairment.

The following table sets out the group policy on the ageing of advances (i.e. when an advance is considered past due or non-performing):

Description	Type of advance	Group policy on past due/impaired
Past due advances	Retail loans	Individually impaired if three or more instalments are due or unpaid or if there is evidence before this event that the customer is unlikely to repay the obligations fully.
Non-performing loans	Wholesale advances to motor vehicle dealerships	Analysed on a case-by-case basis taking into account breaches of key loan conditions, excesses and similar risk indicators.
Renegotiated advances	Past due advances which have been re-negotiated i.e. due to deterioration in the counterparty's financial condition, the group granted a concession where the original terms and conditions of the facility were amended and the counterparty is within the new terms of the advance. Excludes advances extended or renewed as part of the ordinary course of business for similar terms and conditions as the original.	Separately classified as neither past due nor impaired assets and remain classified as such until the terms of the re-negotiated contract expire. Non-performing advances cannot be reclassified as re-negotiated but current unless the arrears balance has been repaid. Re-negotiated advances are considered as part of the collective evaluation of impairment where advances are grouped on the basis of similar credit risk characteristics. The adherence to the new terms and conditions is closely monitored.

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14. Loans and advances to customers (continued)

Write-offs

When an advance is uncollectable, it is written off against the related allowance account. Such advances are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are disclosed separately as "recoveries" in profit or loss.

Amounts written off as uncollectable, amounting to R 97 million (2024: R 152 million), are subject to a continuing legal debt collection process.

	2025 R '000	2024 R '000
15. Deferred initial direct costs		
Opening balance	18 017	18 884
Costs capitalised on contract activations	9 898	17 678
Disposals on contract terminations	(2 024)	(6 819)
Amortisation	(10 299)	(11 726)
	15 592	18 017
Less: Current portion	(5 126)	(5 281)
Non-current portion	10 466	12 736

Deferred initial direct costs have been capitalised as a result of the activation of lease contracts as follows

Receivables from financial services	14 678	16 863
Rental and operating assets	914	1 154
	15 592	18 017

Initial direct costs include dealer commissions directly incurred in arranging financing transactions. These costs are capitalised and charged to income over the term of the instalment sale or lease contract.

16. Receivables from group companies

Trade receivables

Daimler Truck AG	995 523	50 522
Mitsubishi Fuso Truck and Bus Corporation	76 751	5 477
Daimler India Commercial Vehicles Private Limited	393	392
Daimler Trucks Korea Limited	1 193	1 108
EvoBus GmbH	48	49
Daimler Truck Financial Services Germany	1 145	1 145
Daimler Trucks North America LLC	4 593	147
Daimler Truck MEA FZE	1 098	-
Daimler Truck South East Asia Pte. Ltd.	41	-
PT Daimler Commercial Vehicles Indonesia	4 927	-
Warranty recoveries from Daimler Truck AG	15 189	11 339
	1 100 901	70 179

Receivables from group companies are repayable 30 days from statement. No interest is charged on overdue accounts.

Exposure to credit risk

Intercompany trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Management has assessed and concluded that the provision for ECL allowance is immaterial due to intercompany debt arrangements and the level of oversight provided by the holding company on intercompany transactions and balances.

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16. Receivables from group companies (continued)

Financial assets at amortised cost are initially measured at fair value including transaction costs, except for those classified as fair value through profit or loss, without a significant financing component, in which case the transaction costs are expensed upfront in profit or loss, usually as part of other operating expenses. Any upfront income earned on financial instruments is recognised as deferred income, depending on the underlying nature of the income.

Subsequently receivables are measured at amortised cost using the effective interest method, less any impairment losses.

The carrying value of receivables from group companies approximates the fair value, due to market related interest rates applied.

17. Property, plant and equipment, assets leased under operating leases and right-of-use assets

	2025			2024		
	Cost R '000	Accumulated depreciation and impairment R '000	Carrying amount R '000	Cost R '000	Accumulated depreciation and impairment R '000	Carrying amount R '000
Land and buildings	241 607	(18 995)	222 612	220 382	(11 951)	208 431
Plant and machinery	52 742	(21 816)	30 926	48 424	(18 411)	30 013
Other equipment, factory and office equipment	100 327	(50 143)	50 184	89 015	(40 201)	48 814
Motor vehicles	10 030	(6 676)	3 354	14 577	(7 583)	6 994
Assets under construction	7 463	-	7 463	24 938	-	24 938
Property, plant and equipment	412 169	(97 630)	314 539	397 336	(78 146)	319 190
Rental and operating leases	1 057 715	(310 689)	747 026	1 051 221	(307 125)	744 096
Manufacturing leases	271 752	(37 075)	234 677	331 408	(22 135)	309 273
Assets leased under operating leases	1 329 467	(347 764)	981 703	1 382 629	(329 260)	1 053 369
Right-of-use assets (refer note 17.1)	165 969	(119 502)	46 467	220 806	(172 838)	47 968

Reconciliation of property, plant and equipment, assets leased under operating leases and right-of-use assets - 2025

	Opening balance R '000	Additions R '000	Disposal/ scrapping R '000	Transfers R '000	Deprecia- tion R '000	Impair- ment loss R '000	Re- measure- ments R '000	Closing balance R '000
Land and buildings	208 431	2 501	-	18 725	(7 045)	-	-	222 612
Plant and machinery	30 013	5 247	(381)	-	(3 953)	-	-	30 926
Other equipment, factory and office equipment	48 814	12 040	(791)	201	(10 080)	-	-	50 184
Motor vehicles	6 994	4 332	(4 854)	-	(3 118)	-	-	3 354
Assets under construction	24 938	1 451	-	(18 926)	-	-	-	7 463
Property, plant and equipment	319 190	25 571	(6 026)	-	(24 196)	-	-	314 539
Rental and operating leases	744 096	306 765	(167 755)	-	(132 690)	(3 390)	-	747 026
Manufacturing leases	309 273	50 328	(90 271)	-	(34 653)	-	-	234 677
Assets leased under operating leases	1 053 369	357 093	(258 026)	-	(167 343)	(3 390)	-	981 703
Right-of-use assets (refer note 17.1)	47 968	25 982	-	-	(33 012)	-	5 529	46 467

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17. Property, plant and equipment, assets leased under operating leases and right-of-use assets (continued)

Reconciliation of property, plant and equipment, assets leased under operating leases and right-of-use assets - 2024

	Opening balance R '000	Additions R '000	Disposal or scrapping R '000	Transfers R '000	Depreciation R '000	Impairment (loss)/reversal R '000	Re-measurements R '000	Closing balance R '000
Land and buildings	178 311	13 131	-	23 005	(6 016)	-	-	208 431
Plant and machinery	23 338	10 610	(1)	-	(3 934)	-	-	30 013
Other equipment, factory and office equipment	37 546	16 891	-	2 435	(8 058)	-	-	48 814
Motor vehicles	9 111	2 823	(1 828)	-	(3 112)	-	-	6 994
Assets under construction	31 518	18 860	-	(25 440)	-	-	-	24 938
Property, plant and equipment	279 824	62 315	(1 829)	-	(21 120)	-	-	319 190
Rental and operating leases	832 831	311 150	(150 539)	-	(166 398)	(82 948)	-	744 096
Manufacturing leases	230 741	421 338	(309 665)	-	(38 586)	5 445	-	309 273
Assets leased under operating leases	1 063 572	732 488	(460 204)	-	(204 984)	(77 503)	-	1 053 369
Right-of-use assets (refer note 17.1)	76 572	14 223	-	-	(42 543)	-	(284)	47 968

Land and buildings comprise Erf 455, Kirkney Extension 11, Pretoria, Gauteng.

2025 R '000	2024 R '000
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Maturity profile of operating leases due

1 year	213 862	284 190
1 - 2 years	680 968	645 594
2 - 3 years	2 811	71 927
3 - 4 years	117 254	3 488
4 - 5 years	-	131 314
	1 014 895	1 136 513

Property, plant and equipment categories and measurement

Categories	Initial measurement	Subsequent measurement	Depreciation method	Impairment
Land	Property, plant and equipment is initially recognised at cost.	Cost less accumulated impairment losses.	Not depreciated.	Assets are tested for impairment, when there is an indication that it may be impaired, by determining the recoverable amount of the assets either individually or at the cash generating unit level.
Buildings Plant and equipment Other equipment, factory and office equipment Assets leased under operating leases		Cost less accumulated depreciation and accumulated impairment losses.	Depreciation on straight-line method over the estimated useful life to the residual values.	
Assets under construction		Cost less accumulated impairment losses.	Not depreciated.	

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17. Property, plant and equipment, assets leased under operating leases and right-of-use assets (continued)

The assets' depreciation method, residual value and useful life are reviewed annually at each reporting date and adjusted if appropriate.

Assets leased under operating leases

Assets held under operating leases are recognised, at inception, as a separate category of property, plant and equipment and depreciated over their contract term to the lower of their residual value or net realisable value.

The net realisable value is calculated based on the anticipated market value at the end of the contract and is revised on a monthly basis.

The residual value guaranteed is based on the value stipulated in the contract, as well as the vehicle condition having to meet the requirements as set out in the contract. The group is not at risk for impairment considerations based on the condition of the vehicle and thus only market risk is taken into account when considering the impairment of the leased assets.

Rental and operating assets are operating lease contracts with customers, where DTFS is the lessor and administers these assets on behalf of DTSA. Operating leases concluded by DTFS where DTSA, as the manufacturer of the vehicles, guarantees the residual value of the underlying vehicle, are classified as manufacturing leases.

Recoverable amount

The group regularly reviews the factors determining the values of its leased vehicles. In particular it is necessary to estimate the residual values of vehicles at the end of their leases, which constitute a substantial part of the expected future cash flows from leased assets. In this context, assumptions are made regarding major influencing factors, such as the expected number of model changes.

Those assumptions are determined either by:

- qualified estimates, which are based, as far as publicly available, on external data with consideration of internally available additional information such as historical experience of price developments and recent sales prices; or
- publications provided by expert third parties.

The residual values thus determined serve as a basis for depreciation considerations. Changes in residual values lead either to prospective adjustments of the depreciation or, in the case of a significant decline in expected residual values, to an impairment. If depreciation is prospectively adjusted, change in estimates of residual values do not have a direct effect, but are equally distributed over the remaining periods of the lease contract.

Impairment of assets leased under operating leases

As at 31 December 2025 an impairment of R 33.4 million (2024: R 77.5 million) was raised on assets leased under operating leases.

The impairment loss is due to the group expecting to realise less than the estimated residual values of these vehicles, on termination date, than anticipated in prior years. There were no material reversals of impairment.

Refer to note 32 for the reportable segments of the impaired assets.

After initial recognition, the leased asset is tested for impairment according to IAS 36, whereas due and overdue lease rentals are reviewed for impairment according to IFRS 9.

From an economical point of view, the credit risk associated with a contract does not depend on the type of leasing or financing; therefore the DAG group implemented one common model, the DTAG IBIS model, to calculate allowances for all its contracts applying the principles of IFRS 9. The IFRS 9 impairment model includes the requirements of IAS 36 with certain adjustments.

Factors that could lead to potential impairment includes, but are not limited to:

- default of rental payments;
- lower market value of the vehicle; or
- losses from remarketing in the event of a hostile termination etc.

Below is a summary of the assumptions and estimates used in calculating impairment.

Future cash flows

The present value of all contracts, as a series of discounted cash flows, is considered based on statistical and historical information PD, LGD as well as future expectations ("FE"). The total exposure of the operating lease contracts consists of the future instalments, including the expected residual value and the lease rentals presented as trade receivables.

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17. Property, plant and equipment, assets leased under operating leases and right-of-use assets (continued)

Discount rate

The contractual interest rate for discounting the future cash flows is applied, in line with IAS 36, for the usage of a current market risk free rate adjusted by risks specific to the asset.

The interest rate of the lease contract reflects accurately the risk adjusted interest specific to the contract, which is also in accordance with the overall approach on a group level.

Trigger event

The impairment calculation of the portfolio is performed for all contracts within all three stages until the vehicle is repossessed. Since there is no trigger observable for stage one, the ECL related to stage one will be reversed at group level in line with IAS 36.

Triggering events could result from overdue customers payments, losses from remarketing in the case of hostile terminations etc.

17.1 Right-of-use assets

2025	Opening balance R '000	Additions R '000	Remeasures R '000	Depreciation R '000	Closing balance R '000
Land and buildings	12 024	-	18 217	(25 435)	4 806
Vehicles	35 944	25 982	(12 688)	(7 577)	41 661
	47 968	25 982	5 529	(33 012)	46 467

2024	Opening balance R '000	Additions R '000	Remeasures R '000	Depreciation R '000	Closing balance R '000
Land and buildings	37 570	1 604	(284)	(26 866)	12 024
Vehicles	39 002	12 619	-	(15 677)	35 944
	76 572	14 223	(284)	(42 543)	47 968

IFRS 16 applies a single lessee accounting model, requiring lessees to recognise assets for the right-to-use as well as leasing liabilities for the outstanding lease payments.

According to IFRS 16, a lessee may elect, for leases with a lease term of 12 months or less (short-term leases) and for leases for which the underlying asset is of low value, not to recognise a right-of-use asset and a lease liability. The group applies both recognition exemptions. The lease payments associated with those leases are recognised as an expense on either a straight-line basis over the lease term or another systematic basis. The related expense is not considered material.

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

Depreciation of the right-of-use assets is recognised within functional costs.

DTSA leases land and buildings from MBSA, including space for its plant.

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18. Intangible assets and goodwill

	2025			2024		
	Cost R '000	Accumulated amortisation R '000	Carrying amount R '000	Cost R '000	Accumulated amortisation R '000	Carrying amount R '000
Software	45 504	(19 256)	26 248	45 050	(14 799)	30 251
Goodwill	112 079	-	112 079	112 079	-	112 079
Customer base	4 800	(2 400)	2 400	4 800	(1 440)	3 360
Total	162 383	(21 656)	140 727	161 929	(16 239)	145 690

Reconciliation of intangible assets and goodwill - 2025

	Opening balance R '000	Additions R '000	Amortisation R '000	Closing balance R '000
Software	30 251	454	(4 457)	26 248
Goodwill	112 079	-	-	112 079
Customer base	3 360	-	(960)	2 400
	145 690	454	(5 417)	140 727

Reconciliation of intangible assets and goodwill - 2024

	Opening balance R '000	Additions R '000	Amortisation R '000	Closing balance R '000
Software	35 014	71	(4 834)	30 251
Goodwill	112 079	-	-	112 079
Customer base	4 320	-	(960)	3 360
	151 413	71	(5 794)	145 690

Intangible assets and goodwill are measured at cost less any accumulated amortisation, in the case of intangible assets, and any impairment losses.

The amortisation of intangible assets is included in "operating expenses" in the consolidated statement of profit or loss and other comprehensive income.

Computer software

Purchased software and the direct costs associated with the customisation and installation thereof are capitalised. These costs are amortised on a straight-line basis over their estimated useful lives of 10 years from the date they are available for use. Amortisation is based on the cost of the asset less its residual value. The amortisation methods, residual values and estimated remaining useful lives are reviewed at least annually.

Goodwill

Goodwill arose solely from the acquisition of SMH.

Goodwill is not subject to amortisation and the impairment is reviewed and assessed annually at the reporting date.

For 2025, the basis on which the recoverable amount has been determined is fair value less cost of disposal estimated using the discounted cashflow. The key assumptions used in calculating the discounted cashflow includes a terminal growth rate of 2.2% (2024: 2.2%) and the discount rate of 10.5% (2024: 16.5%), this is based on Level 3 fair value. The period on which the discounted cash flow is based, is up to 2029.

Customer base

The customer base was recognised as an intangible assets upon acquisition of SMH. These costs are amortised on a straight-line basis over their estimated useful lives of 5 years from the date of acquisition.

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		2025 R '000	2024 R '000
19. Retirement benefit plan assets and obligations	Note		
Net retirement defined benefit plan obligation	19.1	-	(594)
Post-retirement medical aid benefit obligation	19.2	(153 064)	(100 512)
		(153 064)	(101 106)
19.1 Net retirement defined benefit plan asset			
Present value of obligation		(154 392)	(148 313)
Fair value of plan assets		154 392	147 719
Net defined benefit obligation		-	(594)

The policy of the group is to provide retirement benefits for its employees. All employees were either members of the Mercedes-Benz Pension Fund or the Mercedes-Benz Retirement Fund, which are defined benefit schemes, or of the Mercedes-Benz Provident Fund which is a defined contribution scheme. These schemes are governed by the Pension Funds Act.

The group ceased participation as an employer in the Mercedes-Benz South Africa Pension Fund with effect from 1 December 2021. At this date, employees joined the FundsAtWork Umbrella Provident Fund, which is contractually a defined contribution arrangement. However, the group provides a guarantee of the members' accumulated capital value at retirement and, as a result, the arrangement is accounted for as a defined benefit plan in terms IAS 19. No further benefits accrued in respect of the Mercedes-Benz South Africa Pension Fund after 1 December 2021. The transfer of members' benefits from the Mercedes-Benz South Africa Pension Fund was completed following the finalisation of the Section 14 transfer process in 2023.

The post-retirement obligation and the annual cost of those benefits, were determined by independent actuaries. The policy for determining the contribution to be paid by the entities is based on an actuarial calculation as per the legal requirements.

The overall expected rate of return on assets is determined based on the market expectations prevailing on that date, applicable to the period over which the obligation is to be settled.

The actuarial reserve comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling.

Reconciliation of movement in defined benefit schemes

The following table reconciles the movement for the plan assets and the present value of the obligation and its components:

	Movement in plan assets		Movement in present value of obligation	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
Opening balance	147 719	113 804	(148 313)	(113 804)
	-	-	-	-
<i>Included in OCI</i>				
Actuarial losses				
Financial assumptions	594	-	-	(594)
	594	-	-	(594)
<i>Other</i>				
Benefits paid	(23 507)	-	23 507	-
Contributions received	3 275	3 408	(3 275)	(3 408)
Employee contributions	1 369	2 857	(1 369)	(2 857)
Change in plan assets and obligations	-	27 650	-	(27 650)
Past service cost	24 942	-	(24 942)	-
	6 079	33 915	(6 079)	(33 915)
Closing balance	154 392	147 719	(154 392)	(148 313)

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	2025 R '000	2024 R '000
19. Retirement benefit plan assets and obligations (continued)		
Impact on future cash flows		
The expected contributions to the plan for the next annual reporting period (2026) are:		
Employer contribution	1 873	2 183
Fair value of plan assets comprises		
Bonds	25 191	27 080
Equities	109 798	103 318
Property	9 746	8 869
Non-exchange traded instruments	1 281	238
Alternative investments	855	105
Cash and cash equivalents	7 521	8 109
	154 392	147 719
Bonds and equities have quoted prices in active markets. Refer to note 3.4.2 for the actuarial assumptions applied in determining the present value of the fair value of planned assets.		
19.2 Continuation of the post-retirement medical aid benefit obligation		
Present value of portfolio obligation	153 064	100 512
Portfolio		
The group has funded its obligations to provide certain continued post-retirement medical aid benefits to its pensioners via the group's medical aid fund. The entitlement of these benefits is dependent upon the employee remaining in service until retirement age, completing a minimum service period and is subject to periodic review. The group funds the estimated liability over the working life of the eligible employees.		
The post-retirement medical aid obligation and the annual cost of those benefits were determined by the independent actuaries of the fund. The assumptions used are consistent with those adopted by the actuaries in determining pension costs and in addition, include long-term estimates of the increase in medical costs and appropriate discount rates. The level of claims is based on the group's experiences.		
Reconciliation of movement in present value of post retirement medical aid obligation		
The following table shows a reconciliation from the opening balance to the closing balance for the obligation and its components:		
Opening balance	100 512	92 759
<i>Included in profit or loss</i>		
Current service cost	1 710	1 652
Interest cost	10 383	11 253
	12 093	12 905
<i>Included in OCI</i>		
Financial assumptions	2 202	1 928
Change in demographic profile of membership	18 613	-
Subsidy policy	265	(7 736)
Economic assumptions	(680)	1 323
Experience adjustments	23 280	2 486
	43 680	(1 999)
<i>Other</i>		
Benefits paid	(3 221)	(3 153)
Closing balance	153 064	100 512

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19. Retirement benefit plan assets and obligations (continued)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the obligation by the percentages shown below:

2025	Change applied to assumption	Resulting change in past service contractual liability		Resulting change in service cost and interest cost	
		%	R '000	%	R '000
Health care cost inflation	1.00 %	14.25 %	19 254	15.55 %	2 628
	(1.00)%	(11.76)%	(15 895)	(12.74)%	(2 153)
Mortality	+1 year	(11.20)%	(15 138)	(11.88)%	(2 007)
	-1 year	13.50 %	18 251	14.42 %	2 436
Resignation	1.00 %	(3.56)%	(4 813)	(4.41)%	(745)
	(1.00)%	3.97 %	5 368	4.94 %	835

2024	Change applied to assumption	Resulting change in past service contractual liability		Resulting change in service cost and interest cost	
		%	R '000	%	R '000
Health care cost inflation	1.00 %	13.17 %	11 181	14.29 %	1 747
	(1.00)%	(10.96)%	(9 305)	(11.80)%	(1 443)
Mortality	+1 year	(10.51)%	(8 927)	(11.01)%	(1 360)
	-1 year	12.65 %	10 738	13.48 %	1 649
Resignation	1.00 %	(3.02)%	(2 568)	(3.69)%	(451)
	(1.00)%	3.38 %	2 867	4.13 %	505

Refer to note 3.4.2 for the actuarial assumptions applied in determining the present value of the defined benefit obligation.

	2025 R '000	2024 R '000
Impact on future cash flows		
The expected benefit payments for the next annual reporting period are:		
Benefit payments	-	3 221

19.3 Post-employment benefits

Defined contribution plans

The defined contribution plan refers to the Momentum Provident Fund. Obligations for contributions to defined contribution pension plans are recognised as an expense in staff costs in profit or loss as incurred in the periods during which services are rendered by employees.

Defined benefit plans

The defined benefit plans refer to the Momentum Funds at Work, Mercedes-Benz Pension Fund, the Mercedes-Benz Retirement Fund and the Post Employment Medical Aid Benefit Fund Portfolio.

Defined benefit obligation

The liabilities and assets of these funds are reflected as a net asset or liability in the statement of financial position i.e. the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Where the value is a net asset, the amount recognised is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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19. Retirement benefit plan assets and obligations (continued)

The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate used is the rate of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related pension liability.

Plan assets

The plan assets are carried at fair value. Where the plan assets include qualifying insurance policies that exactly match the amount and timing of some or all of the benefits under the plan, the fair value is deemed to be the present value of the related obligation. If the qualifying insurance policy has a limit of indemnity the fair value of the insurance policy is limited to that amount.

Profit or loss

Included as part of staff costs:

- current and past service costs calculated using the projected unit credit method;
- gains or losses on curtailments and settlements that took place in the current period; and
- realised actuarial gains or losses on long term employee benefits.

Finance income and expenses are calculated by applying the discount rate at the beginning of the period to the net asset or liability.

Other comprehensive income

Actuarial gains or losses excluding interest on long term employee benefits are recognised in OCI. All other re-measurements in respect of the obligation and plan assets are included in OCI and never reclassified to profit or loss.

Actuarial reserve

The actuarial reserve in respect of the obligation and plan assets represents the effect of the changes in the actuarial assumptions and incorporates the differences between the actual experience and the assumed experience. The re-measurements in respect of the obligation and plan assets are included in other comprehensive income and never reclassified to profit or loss.

20. Deferred tax

Reconciliation of movement in net deferred tax asset

	2025 R '000	2024 R '000
At beginning of year	889 088	799 052
Current period charge through profit or loss	166 744	159 014
Current period charge through OCI		
Retirement benefit asset and liabilities - current year	11 633	(379)
Prior period charge through profit or loss	15 940	(69 396)
Impairment of acquired portfolio (recognised in equity)	28	797
Closing balance	1 083 433	889 088

Deferred tax asset

Deferred revenue	594 966	561 571
Credit impairment provisions	165 629	135 756
Accruals	39 943	44 886
Stock provisions	136 667	84 836
Provisions and other liabilities	90 646	25 771
Retirement benefit assets	25 996	23 407
Allowance for impairment on trade receivables	14 457	12 557
Income received in advance	12 899	13 480
Assessed tax loss carried forward	4 860	-
Post retirement benefits - OCI	10 974	-
Lease liability	22 628	26 022
Inventories	-	1 286
Vehicles and equipment	145	238
	1 119 810	929 810

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	2025 R '000	2024 R '000
20. Deferred tax (continued)		
Deferred tax liability		
Right-of-use assets	(12 546)	(12 819)
Capital allowances	(15 918)	(14 362)
Vehicles and equipment	(6 839)	(8 064)
Operating lease portfolio	(144)	(201)
Post retirement - prepaid pension	-	(160)
Post retirement benefits - OCI	-	(2 379)
Intangible assets	(907)	(1 166)
Prepayments	(23)	(26)
SARS interest	-	(1 545)
	(36 377)	(40 722)
Total net deferred tax asset	1 083 433	889 088
21. Trade and other payables		
Financial instruments		
Trade payables	546 780	550 938
Other payables	233 931	179 663
Accruals	462 222	319 669
	1 242 933	1 050 270
Non-financial instruments		
VAT	10 293	11 967
Employee related liabilities	47 184	49 586
Other non-financial payables	711	711
	1 301 121	1 112 534

Liabilities at amortised cost

Financial instruments recognised in the consolidated statement of financial position include trade and other payables to third parties, accruals to third parties, payables to group companies, bank overdrafts and interest-bearing borrowings (refer to note 26):

- the group classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Instruments which have been written down and conversion features are classified based on the nature of the instrument and the definitions of debt and equity;
- funding liabilities, bank overdrafts and trade and other payables are measured at amortised cost, but may be measured at fair value through profit or loss if they are managed on a fair value basis or the fair value designation reduces or eliminates an accounting mismatch.

All financial liabilities are initially measured at fair value including transaction costs, except for those classified as fair value through profit or loss, in which case the transaction costs are expensed upfront in profit or loss, usually as part of other operating expenses. Any upfront income earned on financial instruments is recognised as deferred income, depending on the underlying nature of the income.

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Transfers and derecognition

Financial instruments are derecognised when the contractual rights or obligations expire or are extinguished, are discharged or cancelled for example an outright sale or settlement.

For financial liabilities this includes substantial modification to the terms and conditions of an existing financial liability. A substantial modification to the terms occurs where the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Non-derivative financial liabilities including trade and other payables and interest-bearing borrowings are subsequently measured at amortised cost.

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	2025 R '000	2024 R '000
22. Payables to group companies		
Daimler Truck AG	163 120	351 775
Mercedes-Benz do Brazil Ltda.	165 180	52 091
Daimler Truck North America LLC	7 104	1 046
Daimler India Commercial Vehicles Private Limited	680	1 425
Mitsubishi Fuso Truck and Bus Corporation	(2 720)	22 331
Daimler Truck Financial Services Germany	1 437	-
Daimler Truck and Bus Australia	-	1 166
	334 801	429 834

Payables to group companies are repayable 30 days from statement. No interest is charged on overdue accounts.

23. Lease liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year	26 592	30 189
One to five years	26 305	2 292
Total undiscounted lease liabilities at year-end	52 897	32 481

Lease liabilities included in the statement of financial position

Non-current	23 630	18 690
Current	23 690	29 885
	47 320	48 575

At the end of the reporting period lease liabilities of:

- R 13.9 million (2024: R 18.3 million) is for the leasing of plant premises;
- R 9.6 million (2024: R 11.6 million) was due for the parts warehouse logistics center; and
- R 23.0 million (2024: R 16.3 million) is due for long term company car rentals.

Other disclosure

Profit or loss: Interest on lease liability	4 133	6 214
Total cash outflow related to leases (including interest)	39 922	51 145

Leases

The group, as lessee, applied the practical expedients relating to short-term and low value leases at the date of initial application.

The interest due on the lease liability is a component of interest expense. The lease expenses of short-term and low-value asset leases, classified as operating leases, have been fully recognised within functional costs.

24. Provisions and other liabilities

Reconciliation of provisions and other liabilities - 2025

	Opening balance R '000	Additional provisions R '000	Amounts utilised R '000	Amounts reversed R '000	Closing balance R '000
Staff related	86 598	42 701	(70 951)	(2 028)	56 320
Onerous service and maintenance contracts	25 019	174 420	(3 415)	-	196 024
Warranty claims	6 103	8 921	(10 672)	-	4 352
Residual value	1 478	78 457	-	(906)	79 029
	119 198	304 499	(85 038)	(2 934)	335 725

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24. Provisions and other liabilities (continued)

Reconciliation of provisions and other liabilities - 2024

	Opening balance R '000	Additional provisions R '000	Amounts utilised R '000	Amounts reversed R '000	Closing balance R '000
Staff related	76 888	72 958	(62 552)	(696)	86 598
Onerous service and maintenance contracts	18 954	6 065	-	-	25 019
Warranty claims	4 700	9 874	(8 471)	-	6 103
Residual value	2 005	996	-	(1 523)	1 478
	102 547	89 893	(71 023)	(2 219)	119 198

Onerous service and maintenance contracts and residual value

Nature of the obligation and reason for increase

The company enters into customer contracts that include guaranteed residual value commitments, service contracts and extended warranties. These arrangements may give rise to onerous contracts where the unavoidable costs of fulfilling the contractual obligations exceed the expected economic benefits.

During the year, the provision for onerous contracts and residual value guarantees increased significantly, primarily due to deterioration in used vehicle market conditions and updated cost assumptions for service contracts and extended warranty claims, which increased exposure to these contracts with guaranteed residual values. Management reassessed the relevant portfolios at contract level and recognised additional provisions where the criteria under IAS 37 were met.

Measurement of onerous contracts

Onerous contract provisions are measured in accordance with IAS 37 as the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil the contract. The cost of fulfilling a contract comprises costs that relate directly to the contract, including incremental costs and an allocation of other directly attributable costs. For contracts with guaranteed residual value obligations, the provision is measured as the excess of the guaranteed residual value over the expected net realisable value, being the estimated selling price at contract maturity less directly attributable disposal costs. Expected net realisable values are determined using a market based approach, incorporating recent auction results, dealer pricing and historical resale data for comparable vehicles, adjusted for age, mileage, condition and expected disposal costs. Provisions are reassessed at each reporting date and adjusted to reflect the current best estimate.

Staff related

The company raises provision for employee performance and anniversary bonuses, phantom share related compensation, as well as leave and severance pay.

Assurance warranty claims

Daimler vehicle products are sold with the standard OEM warranty in place. The customer has access to the full benefit of the OEM warranty coverage from purchase date. The coverage ranges from 12-36 months depending on the vehicle product.

For DTSA there is a potential cost for aged or slow-moving stock that has not yet or only recently been retailed. This arises as the OEM warranty automatically comes into effect after a specified period after production of the vehicle. This specified period ranges from 12-18 months depending on the vehicle product. For every month where a vehicle is not retailed after this specified period, DTSA will cover that lost OEM warranty at its own cost. This ensures that the customer is not negatively impacted when purchasing the vehicle.

A provision is raised for this exposure that cannot be recovered by DTSA from the OEM and is measured on the basis of past warranty expense experience associated with the products, and is applied in the assessment of the future expected costs of vehicles under warranty.

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	2025 R '000	2024 R '000
25. Contract liabilities and refund liabilities		
Contract liabilities		
Maintenance, service and extended warranty contracts	1 173 584	1 059 595
FleetBoard	252 462	294 663
Prepayments received for customers' vehicles not yet delivered	58 122	-
Residual value enhancements	14 408	-
Refund liabilities*		
Rebates and discounts	754 997	838 233
	2 253 573	2 192 491

* Contract liabilities was split between contract liabilities and refund liabilities. Rebates and discounts were classified as refund liabilities.

Reconciliation of contract liabilities and refund liabilities	Maintenance, service and extended warranty contracts					
	R '000	R '000	R '000	R '000	R '000	R '000
2025						
Opening balance	1 059 595	294 663	-	-	838 233	2 192 491
Additions	890 880	58 597	58 122	14 408	754 997	1 777 004
Utilisation	(776 891)	(100 798)	-	-	(838 233)	(1 715 922)
	1 173 584	252 462	58 122	14 408	754 997	2 253 573
2024						
Opening balance	917 577	268 071	15 433	4 543	615 658	1 821 282
Additions	870 214	122 707	-	1 653	838 233	1 832 807
Utilisation	(728 196)	(96 115)	(15 433)	(6 196)	(615 658)	(1 461 598)
	1 059 595	294 663	-	-	838 233	2 192 491
Split between current and non-current						
2025						
Non-current	721 967	168 020	-	-	-	889 987
Current	451 617	84 442	58 122	14 408	754 997	1 363 586
	1 173 584	252 462	58 122	14 408	754 997	2 253 573
2024						
Non-current	695 769	210 222	-	-	-	905 991
Current	363 826	84 441	-	-	838 233	1 286 500
	1 059 595	294 663	-	-	838 233	2 192 491

The group discloses contract liabilities and refund liabilities in terms of IFRS 15. Contract liabilities and refund liabilities are not financial instruments as they are settled by the delivery or receipt of goods and services.

The revenue from maintenance and service contracts is initially recognised as a contract liability and subsequently released into revenue upon the performance of a maintenance and service obligation; similarly, the revenue from extended warranties is initially recognised as a contract liability and subsequently released into revenue upon the performance of the warranty obligation.

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25. Contract liabilities and refund liabilities (continued)

Each maintenance and service contract is a separate contract with the customer and not a component of the sales price of the vehicle. The obligations are fulfilled within the lesser of the contract term – which may range between one to seven years – or the agreed mileage as determined per the contract agreement.

Extended warranty is a distinct performance obligation. Depending on the vehicle, it is sold either as a separate product offering or together with the vehicle. The obligation is fulfilled within the lesser of 650 000 kilometers or five years in the great majority of contracts.

FleetBoard is a distinct performance obligation. It is sold as a standard feature with the vehicle and initially recognised as a contract liability. It is subsequently released into revenue over a period of 5 years.

Dealer incentive rebate is a distinct performance obligation. It is recognised based on the sales performance of the dealer monthly, and subsequently released when the quarterly performance incentives are paid out to the dealer.

Discounts are recognised monthly based on the number of vehicles sold to dealers and are released when the dealer concludes a sale with a customer and the related claim is submitted and paid.

Residual value enhancement is recognised at inception of the contract and will be released at the end of the contract.

26. Interest-bearing borrowings

Held at amortised cost

Bonds issued under DMTN Programme	12 521 128	13 219 213
Bank overnight and short-term facilities	4 119 000	5 616 000
	16 640 128	18 835 213

Details of movement

Opening balance	18 835 213	15 700 983
Bonds issued	3 980 000	4 500 000
Bonds matured and repaid	(4 677 000)	(3 158 000)
Transaction costs capitalised	(4 325)	(2 615)
Transaction costs released to effective interest expense	3 240	2 845
Net bank overnight facilities (repaid)/obtained	(1 497 000)	1 792 000
	16 640 128	18 835 213

Interest-bearing borrowings are classified as financial liabilities carried at amortised cost

The group classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Instruments which have been written down and conversion features are classified based on the nature of the instrument and the definitions of debt and equity. At initial recognition the instrument and the related transaction costs are split into their separate components in terms of the definitions and criteria of IAS 32 and are subsequently accounted for as a financial liability or equity.

Funding liabilities are generally measured at amortised cost but may be measured at fair value through profit or loss if they are managed on a fair value basis or the fair value designation reduces or eliminates an accounting mismatch.

For the presentation of the fair value of the borrowings, refer to note 35.

Bonds

DTSA established its DMTN Programme in 2022. Under this program the company has issued JSE listed bonds.

Bonds are issued periodically as funding requirements arise. The bonds under this programme, have been unconditionally and irrevocably guaranteed by DTHAG and DTAG.

A total of R 4.0 billion (2024: R 4.5 billion) was issued during the financial year, the proceeds of which, along with available cash, was used to repay the bonds that matured and for funding the DTFS business. DTSA has committed to providing, and will continue to provide, financial assistance to DTFS to ensure their financial obligations are met.

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26. Interest-bearing borrowings (continued)

The DMTN Programme has an approved limit of R 20 billion (2024: R 20 billion) of which R 7.5 billion (2024: R 6.8 billion) was unutilised at year end.

The current bond terms range between 1 to 3.5 years. The issuances are all floating rate notes and are issued at market related rates of interest, referenced off the 3-month JIBAR. The rate of interest on each bond is the percentage rate per annum, which is the aggregate of the applicable margin and JIBAR.

Bonds are measured initially at fair value less transaction costs directly attributable to the issuance.

Subsequently, bonds are held at amortised cost using the effective interest method.

The bonds issued under this programme have been unconditionally and irrevocably guaranteed by DTHAG and DTAG. The following table lists the bonds issued:

2025	Listed	Issue amount R '000	Issue date	Settlement date	Reference rate 3M JIBAR	Applicable margin	All-in rate
DTF006	Yes	1 142 000	15/06/2023	15/06/2026	6.775%	103 bps	7.805%
DTF008	Yes	700 000	14/09/2023	14/09/2026	6.775%	97 bps	7.745%
DTF010	Yes	1 205 000	04/10/2026	04/10/2027	7.000%	85 bps	7.850%
DTF011	Yes	559 000	30/06/2025	30/06/2026	6.750%	52 bps	7.270%
DTF012	Yes	921 000	30/06/2025	30/06/2028	6.750%	78 bps	7.530%
DTF013	Yes	1 500 000	07/10/2025	07/10/2028	7.000%	75 bps	7.750%
DTP03U	No	500 000	21/11/2022	21/05/2026	6.783%	108 bps	8.955%
DTP05U	No	1 000 000	22/11/2022	22/05/2026	6.783%	113 bps	7.913%
DTP07U	No	500 000	03/08/2023	03/08/2026	6.967%	103 bps	7.997%
DTP08U	No	1 000 000	08/11/2023	08/11/2026	6.967%	90 bps	7.867%
DTP10U	No	500 000	08/03/2024	08/03/2027	6.783%	100 bps	7.783%
DTP11	Yes	1 000 000	20/05/2024	20/05/2027	6.858%	87 bps	7.728%
DTP12	Yes	1 000 000	26/11/2024	26/11/2027	6.783%	83 bps	7.613%
DTP13	Yes	500 000	12/08/2025	21/08/2028	6.783%	75 bps	7.533%
DTP14	Yes	500 000	21/08/2025	21/08/2028	6.783%	75 bps	7.533%
Total bonds issued		12 527 000					

Prior period transaction costs capitalised (4 788)

Transaction costs capitalised (4 325)

Transaction costs released to interest expense 3 241

Carrying amount **12 521 128**

2024	Listed	Issue amount R '000	Issue date	Settlement date	Reference rate 3M JIBAR	Applicable margin	All-in rate
DTF002	Yes	1 090 000	28/06/2022	28/06/2025	7.767%	109 bps	8.857%
DTF004	Yes	792 000	14/09/2022	14/09/2025	7.792%	109 bps	8.882%
DTF006	Yes	1 142 000	15/06/2023	15/06/2026	7.792%	103 bps	8.822%
DTF008	Yes	700 000	14/09/2023	14/09/2026	7.792%	97 bps	8.762%
DTP01U	No	1 000 000	12/08/2022	12/08/2025	7.958%	108 bps	9.038%
DTP02U	No	1 000 000	18/11/2022	18/11/2025	7.933%	108 bps	9.013%
DTP03U	No	500 000	21/11/2022	21/05/2026	7.875%	108 bps	8.955%
DTP05U	No	1 000 000	22/11/2022	22/05/2026	7.792%	113 bps	8.922%
DTP07U	No	500 000	03/08/2023	03/08/2026	8.017%	103 bps	9.047%
DTP08U	No	1 000 000	08/11/2023	09/11/2026	7.983%	90 bps	8.883%
DTP09U	No	500 000	08/03/2024	10/03/2025	7.792%	80 bps	8.592%
DTP10U	No	500 000	08/03/2024	08/03/2027	7.792%	100 bps	8.792%
DTP11	Yes	1 000 000	20/05/2024	20/05/2027	7.883%	87 bps	8.753%
DTF009	Yes	295 000	04/10/2024	06/10/2025	8.050%	59.5 bps	8.645%
DTF010	Yes	1 205 000	04/10/2024	04/10/2027	8.050%	85 bps	8.900%
DTP012	Yes	1 000 000	26/11/2024	26/11/2027	7.792%	83 bps	8.622%
Total bonds issued		13 224 000					

Prior period transaction costs capitalised (5 017)

Transaction costs capitalised (2 615)

Transaction costs released to interest expense 2 845

Carrying amount **13 219 213**

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26. Interest-bearing borrowings (continued)

Bank overnight and short-term facilities

DTSA utilises overnight and other short-term facilities to fund the company's working capital requirements. These facilities are obtained from various banks, with interest rates varying between 7.45% and 7.49% (2024: 8.43% and 8.55%). The payment obligations of DTSA are covered by an irrevocable guarantee issued by DTHAG and DTAG.

The following table lists the overnight facilities utilised:

2025	Type of facility	Amount owing R '000	Total facility R '000	Maturity	Reference rate
Bank 1	Fixed 1 month	1 500 000	2 000 000	22/01/2026	7.450%
Bank 2	Fixed 30 days	500 000	1 000 000	09/01/2026	7.450%
Bank 3	Fixed 21 days	500 000	600 000	12/01/2026	7.450%
Bank 4	Overnight	1 500 000	1 500 000	n/a	7.450%
Bank 5	Overnight	119 000	1 000 000	n/a	7.490%
Total overnight facilities		4 119 000	6 100 000		

2024	Type of facility	Amount owing R '000	Total facility R '000	Maturity	Reference rate
Bank 1	Fixed 21 days	2 000 000	2 000 000	03/01/2025	8.430%
Bank 2	Overnight	722 000	1 000 000	n/a	8.500%
Bank 3	Fixed 1 month	600 000	600 000	21/01/2025	8.500%
Bank 3	Overnight	-	500 000	n/a	9.000%
Bank 4	Fixed 1 month	1 500 000	1 500 000	23/01/2025	8.550%
Bank 5	Overnight	794 000	1 000 000	n/a	8.500%
Bank 5	Overnight	-	1 000 000	n/a	8.650%
Total overnight facilities		5 616 000	7 600 000		

DTSA has an unutilised short-term facility of R 1.981 billion (2024: R 1.984 billion) at the end of the financial year.

2025 R '000	2024 R '000
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27. Share capital

Authorised

1 047 380 Ordinary shares of no-par value

Composition of issued share capital

1 047 380 Ordinary shares of no-par value

2 001 891 2 001 891

Stated capital issued by DTSA is recorded at the proceeds received, net of issue costs. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the group.

During the year, the group declared and paid dividends amounting to R nil (2024: R 168 million). The dividend per share was nil cents per share (2024: 160.59 cents per share).

28. Reserves

Actuarial reserve	(28 605)	2 848
Other reserves	334 867	334 867
	306 262	337 715

Other reserves

Other reserves are reserves beyond the mandatory reserve, which may be used for various needs of the group.

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		2025 R '000	2024 R '000
29. Cash used in operations			
	Note		
Profit before taxation		183 087	414 732
Adjustments for non-cash items			
Depreciation	17	224 551	268 647
Amortisation on intangible assets	18	5 418	5 794
Loss on disposal of equipment	17	381	-
Impairment of manufacturing leases		3 390	77 502
Loss on unrealised foreign exchange	7	5 294	5 381
Impairment allowance		284 536	305 626
Retirement benefits: current service cost	19	4 985	5 060
Inventories written down during the year		234 834	172 995
Remeasurements		3 793	-
Changes in operating leases			
Additions to operating lease assets	17	(357 093)	(732 488)
Disposal of operating lease assets	17	258 026	460 204
Interest received			
Interest income	8	(25 414)	(23 045)
Finance costs			
Interest expense	9	1 488 652	1 591 232
Retirement benefit obligation	9	10 383	11 253
		2 324 823	2 562 893
Changes in working capital			
Decrease/(Increase) in inventories		374 693	(1 720 357)
(Increase)/decrease in trade and other receivables from third parties		(174 931)	119 034
(Increase)/decrease in trade and other receivables from group companies		(1 031 360)	8 179
Increase in trade and other payables to third parties		204 265	80 616
Decrease in trade and other payables to group companies		(99 058)	(343 200)
Increase in contract liabilities and refund liabilities		61 080	371 210
Increase in deferred income		4 401	-
Increase in provisions and other liabilities	24	216 526	16 652
Decrease/(increase) in loans and advances to customers		1 875 241	(2 438 943)
Decrease in deferred initial direct cost		2 425	867
		1 433 282	(3 905 942)
		3 758 105	(1 343 049)
30. Tax paid			
Balance at beginning of the year		180 608	181 251
Current tax recognised in profit or loss		(223 295)	(177 933)
Balance at end of the year		31 848	(180 608)
		(10 839)	(177 290)
31. Related parties			
Relationships			
Ultimate holding company			Daimler Truck Holding AG
Holding company			Daimler Truck AG
<p>Various transactions are entered into between DTSA and companies within the global DTHAG group. The transactions listed below are conducted between DTSA, its holding company and ultimate holding company as well as fellow subsidiaries.</p>			
<p>For further detail and related party balances refer to note 16 - amounts receivable from group companies note 22 - amounts payable to group companies and note 26 - interest-bearing borrowings.</p>			

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31. Related parties (continued)

	Sales		Purchases	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
Daimler AG	-	3	-	-
Daimler India Commercial Vehicles Private Limited	-	341	7 176	116
Daimler Truck AG	75 533	49 553	2 171 897	818 006
Daimler Truck and Bus Australia	-	-	-	1 166
Daimler Truck Korea Ltd.	-	1 108	-	-
Daimler Truck North America	238	4 552	8 779	5 348
EvoBus GmbH	-	-	-	3
Mercedes-Benz AG	-	-	4	-
Mercedes-Benz do Brasil Ltda.	-	-	498 427	13 492
Daimler Truck MEA FZE	156	-	-	-
Mitsubishi Fuso Truck and Bus Corporation	13 923	25 200	519 512	122 972
	Income received		Expenses paid	
	2025 R '000	2024 R '000	2025 R '000	2024 R '000
Interest				
Atlantis Foundries Proprietary Limited	-	10	-	-
Daimler Truck AG	8 806	11 676	18 996	14 319
Operating income/(expenses)				
Atlantis Foundries Proprietary Limited	1 019	336	-	-
Daimler AG	-	-	-	45
Daimler Commercial Vehicles ME	5 062	-	-	-
Daimler India Commercial Vehicles Private Limited	-	-	23	-
Daimler Truck AG	935 632	-	92 337	4 125
Daimler Truck and Bus Australia	-	-	1 997	-
Daimler Truck Financial Services GmbH	-	-	93	100
Daimler Truck MEA FZE	997	-	-	-
Daimler Truck North America	4 451	147	-	-
Daimler Truck South East Asia Pte. Ltd.	-	-	1 766	-
			2025	2024
			R '000	R '000
Compensation to directors and other key management				
Short-term employee benefits			13 740	18 611
Post-employment benefits			730	522
			14 470	19 133

32. Segmental information

Basis for segmentation

The company is organised into two segments for operational and management purposes, being wholesale and retail vehicles and financial services. DTSA reports its primary business segment information on this basis.

The principal offering for each division is as follows:

- Wholesale and retail vehicles – commercial trucks and buses wholesale business including the retail business;
- Financial services – variety of leasing and specialised leasing products.

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32. Segmental information (continued)

Information about reportable segments - 2025

	Wholesale and retail vehicles R '000	Financial services R '000	Total R '000
Revenue from sale of vehicles and spare parts	6 764 473	-	6 764 473
Revenue from rendering of services	1 152 022	-	1 152 022
Interest revenue	-	1 680 309	1 680 309
Revenue from financial services	-	581 507	581 507
Legal loss recovery	-	74 113	74 113
Total income from sales and financing services*	7 916 495	2 335 929	10 252 424
Segment profit (EBIT)	150 376	1 502 199	1 652 575
Finance income	16 608	8 806	25 414
Finance cost	(253 388)	(1 241 514)	(1 494 902)
Taxation	23 919	(64 530)	(40 611)
(Loss)/profit for the year	(62 485)	204 961	142 476
Depreciation	(91 536)	(138 434)	(229 970)
Amortisation	(1 088)	(4 329)	(5 417)
Impairment allowance	-	(3 390)	(3 390)
Credit impairment allowance	-	(320 054)	(320 054)
Inventories written down	(234 834)	-	(234 834)
Segment staff cost	(640 419)	(75 401)	(715 820)
Wholesale and retail vehicle gross/Financial services net assets	23 799 119	980 784	24 779 903
Loans and advances to customers	(15 607 441)	15 607 441	-
Segment assets	8 191 678	16 588 225	24 779 903
Wholesale and retail vehicle gross/Financial services net liabilities	(20 801 972)	(300 009)	(21 101 981)
Interest bearing borrowings	16 640 128	(16 640 128)	-
Segment liabilities	(4 161 844)	(16 940 137)	(21 101 981)

Information about reportable segments - 2024

Revenue from sale of vehicles and spare parts	10 610 277	-	10 610 277
Revenue from rendering of services	1 049 482	-	1 049 482
Interest revenue	-	1 810 487	1 810 487
Revenue from financial services	-	840 821	840 821
Legal loss recovery	-	56 978	56 978
Total income from sales and financing services*	11 659 759	2 708 286	14 368 045
Segment profit (EBIT)	366 049	1 628 123	1 994 172
Finance income	11 359	11 686	23 045
Finance cost	(213 911)	(1 388 574)	(1 602 485)
Taxation	(47 282)	(41 033)	(88 315)
Profit for the year	116 215	210 202	326 417
Depreciation	(102 899)	(171 543)	(274 442)
Amortisation	(1 048)	(4 746)	(5 794)
Impairment losses on assets leased under operating leases	5 548	(82 937)	(77 389)
Impairment allowance	(14 184)	(291 442)	(305 626)
Inventories written down during the year	(172 995)	-	(172 995)
Segment staff cost	(630 496)	(105 284)	(735 780)
Wholesale and retail vehicle gross/Financial services net assets	25 373 373	1 032 477	26 405 850
Loans and advances to customers	(17 579 486)	17 579 486	-
Segment assets	7 793 887	18 611 963	26 405 850
Wholesale and retail vehicle gross/Financial services net liabilities	(22 571 982)	(266 969)	(22 838 951)
Interest bearing borrowings	18 835 213	(18 835 213)	-
Segment liabilities	(3 736 769)	(19 102 182)	(22 838 951)

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32. Segmental information (continued)

* Total income from sales and financing services included in the segmental reporting is disclosed after taking into account the inter-segmental revenue elimination of R 52 million (2024: R 74 million).

33. Directors' and prescribed officers' emoluments

Executive directors

2025

	Salaries R '000	Bonus related R '000	Other benefits R '000	Pension fund contributions R '000	Total R '000
P Kendzorra	3 427	555	1 889	221	6 092
M Gerber	2 486	376	2 589	402	5 853
P Kriek	362	-	146	107	615
	6 275	931	4 624	730	12 560

2024

M Dietz	1 342	2 381	3 015	-	6 738
P Kendzorra	4 037	1 015	2 794	261	8 107
M Gerber	1 539	175	406	261	2 381
	6 918	3 571	6 215	522	17 226

Non-executive directors - fees for services as directors

	2025 R '000	2024 R '000
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Non-executive directors - fees for services as directors

N Ketwa	690	690
BT Nkambule	505	505
TB Sefolo	545	542
H Schick	170	170
	1 910	1 907

In 2025 directors' fees for A Wallushek van Wallfeld and J Distl (2024: A Wallushek van Wallfeld and J Distl) amounted to R nil as they did not provide any services to DTSA.

34. Financial instruments and risk management

34.1 Categories and analysis of assets and liabilities

Assets - 2025

	Note	Financial assets at amortised cost R '000	Other assets R '000	Carrying value R '000	Current R '000	Non-current R '000
Cash and cash equivalents	11	139 548	-	139 548	139 548	-
Trade and other receivables	12	519 497	13 501	532 998	532 998	-
Inventories	13	-	4 816 554	4 816 554	4 816 554	-
Loans and advances to customers	14	15 607 441	-	15 607 441	6 618 730	8 988 711
Deferred initial direct costs	15	-	15 592	15 592	5 126	10 466
Receivables from group companies	16	1 085 712	15 189	1 100 901	1 100 901	-
Assets leased under operating leases	17	-	981 703	981 703	-	981 703
Property, plant and equipment	17	-	314 539	314 539	-	314 539
Right-of-use assets	17	-	46 467	46 467	-	46 467
Intangible assets and goodwill	18	-	140 727	140 727	-	140 727
Deferred taxation	20	-	1 083 433	1 083 433	-	1 083 433
		17 352 198	7 427 705	24 779 903	13 213 857	11 566 046

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34. Financial instruments and risk management (continued)

Assets - 2024

	Note	Financial assets at amortised cost R '000	Other assets R '000	Carrying value R '000	Current R '000	Non-current R '000
Cash and cash equivalents	11	129 841	-	129 841	129 841	-
Trade and receivables	12	526 510	19 822	546 332	546 332	-
Inventories	13	-	5 426 082	5 426 082	5 426 082	-
Taxation receivable		-	180 608	180 608	180 608	-
Loans and advances to customers	14	17 579 486	-	17 579 486	7 930 904	9 648 582
Deferred initial direct costs	15	-	18 017	18 017	5 281	12 736
Receivables from group companies	16	58 840	11 339	70 179	70 179	-
Assets leased under operating leases	17	-	1 053 369	1 053 369	-	1 053 369
Property, plant and equipment	17	-	319 190	319 190	-	319 190
Right-of-use assets	17	-	47 968	47 968	-	47 968
Intangible assets	18	-	145 690	145 690	-	145 690
Deferred taxation	20	-	889 088	889 088	-	889 088
		18 294 677	8 111 173	26 405 850	14 289 227	12 116 623

The fair value of assets not carried at their fair value approximates their carrying value.

Liabilities - 2025

	Note	Financial liabilities at amortised cost R '000	Other liabilities R '000	Carrying value R '000	Current R '000	Non-current R '000
Trade and other payables	21	1 242 933	58 188	1 301 121	1 301 121	-
Payables to group companies	22	334 801	-	334 801	334 801	-
Current tax payable	22	-	31 848	31 848	31 848	-
Lease liabilities	23	47 320	-	47 320	23 690	23 630
Deferred income		-	4 401	4 401	4 401	-
Provisions and other liabilities	24	-	335 725	335 725	117 441	218 284
Contract liabilities and refund liabilities	25	754 997	1 498 576	2 253 573	1 363 585	889 988
Borrowings	26	16 640 128	-	16 640 128	10 291 966	6 348 162
Post-retirement medical aid benefit obligation	19.2	-	153 064	153 064	-	153 064
		19 020 179	2 081 802	21 101 981	13 468 853	7 633 128

Liabilities - 2024

Trade and other payables	21	1 050 270	62 264	1 112 534	1 112 534	-
Payables to group companies	22	429 834	-	429 834	429 834	-
Lease liabilities	23	48 575	-	48 575	29 885	18 690
Provisions and other liabilities	24	-	119 198	119 198	33 701	85 497
Contract liabilities and refund liabilities*	25	838 233	1 354 258	2 192 491	1 286 500	905 991
Interest-bearing borrowings	26	18 835 213	-	18 835 213	10 291 966	8 543 247
Retirement benefit obligation	19.2	-	101 106	101 106	-	101 106
		21 202 125	1 636 826	22 838 951	13 184 420	9 654 531

* During the current year management reclassified a portion of the contract liabilities and refund liabilities as financial instruments subsequently measured at amortised cost. The prior year amount as restated in-line with this reclassification.

Except for interest-bearing borrowings, the fair value of financial liabilities not carried at their fair value approximates their carrying amount.

34.2 Capital risk management

The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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34. Financial instruments and risk management (continued)

The capital management approach is driven by its strategic and organisational requirements taking into account the regulatory and commercial environment in which it operates.

The group manages its structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year.

The capital ratio of the company at the reporting date was as follows:

	2025 R '000	2024 R '000
Total assets	24 779 903	26 405 850
Total equity	3 677 922	3 566 899
Capital ratio	14.84 %	13.51 %

34.3 Financial risk management

34.3.1 Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

The group has established internal guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and the related controls. The guidelines are designed to identify and analyse financial risks throughout the group, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products.

34.3.2 Credit risk

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.

Default is the failure to make required repayments on a debt, in accordance with agreed upon time frames.

The maximum exposure to credit risk is presented in the table below:

Note	2025			2024			
	Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost	
	R '000	R '000	R '000	R '000	R '000	R '000	
Loans and advances to customers	14	16 493 530	(886 089)	15 607 441	18 277 546	(698 060)	17 579 486
Cash and cash equivalents	11	139 548	-	139 548	129 841	-	129 841
Trade and other receivables*	12	622 586	(103 089)	519 497	616 284	(89 774)	526 510
Receivables from group companies	16	1 085 712	-	1 085 712	58 840	-	58 840
		18 341 376	(989 178)	17 352 198	19 082 511	(787 834)	18 294 677

* All items included in the credit loss allowance are based on the simplified approach, as prescribed by IFRS 9.

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	2025 R '000	2024 R '000
34. Financial instruments and risk management (continued)		
Net trade receivables is composed as follows		
Gross trade receivables from third parties	596 114	592 120
Impairment	(103 089)	(89 774)
	493 025	502 346

Detail reconciliation of impairment of receivables from loans and advances to customers and trade receivables

2025	Stage 1	Stage 2	Stage 3	Total R '000
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
Impairment as at 1 January	(181 367)	(38 557)	(567 910)	(787 834)
Additions	(94 785)	(9 070)	(87 492)	(191 347)
Change in remeasurement ((increase)/decrease of ECL)	20 373	(19 389)	(465 898)	(464 914)
Utilisation (write-off)	36 266	1	242 725	278 992
Derecognition	60 738	10 550	104 637	175 925
Transfer to/from stage 1	(26 638)	17 165	9 473	-
Transfer to/from stage 2	2 389	(2 389)	-	-
Transfer to/from stage 3	6 993	3 569	(10 562)	-
	(176 031)	(38 120)	(775 027)	(989 178)

2024	Stage 1	Stage 2	Stage 3	Total R '000
	12-month ECL R '000	Lifetime ECL not credit impaired R '000	Lifetime ECL credit impaired R '000	
Impairment as at 1 January	(151 580)	(47 239)	(544 642)	(743 461)
Additions	(86 770)	(12 760)	(193 561)	(293 091)
Change in remeasurement ((increase)/decrease of ECL)	66 735	33 113	(227 287)	(127 439)
Utilisation (write-off)	3 405	441	113 537	117 383
Derecognition	70 302	10 401	178 071	258 774
Transfer to/from stage 1	(91 148)	19 293	71 855	-
Transfer to/from stage 2	1 615	(46 856)	45 241	-
Transfer to/from stage 3	6 074	5 050	(11 124)	-
	(181 367)	(38 557)	(567 910)	(787 834)

Loans and advances to customers

Expected credit losses are measured as the probability-weighted sum of discounted period contributions. ECLs are mainly calculated with a statistical model using three major risk parameters: PD, LGD and EAD.

The estimation of these risk parameters incorporates all available relevant information, not only historical and current loss data, but also reasonable and supportable forward-looking information reflected by future expectation factors.

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 uncollectability.

For cash and cash equivalents and group receivables, the PD and LGD is not significant and therefore no credit loss has been raised.

Inputs, assumptions and techniques used for estimating impairment

Incorporation of forward-looking information

The group's credit risk and credit losses for financial assets are influenced by historical data and various macro-economic variables.

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34. Financial instruments and risk management (continued)

Key drivers for the wholesale portfolio are the Gross Domestic Product ("GDP"), interest rates and unemployment rates.

At 31 December 2025

5 year average

	GDP change %	Interest rate %	Unemployment rate %
5 year average	1.88 %	6.70 %	33.10 %

At 31 December 2024

5 year average

5 year average	0.52 %	9.55 %	32.94 %
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Ageing profile of gross trade receivables at the reporting date

2025

	Gross maximum exposure R '000	Not past due R '000	0 - 30 days past due R '000	31 - 60 days past due R '000	61 - 90 days past due R '000	91 - 180 days past due R '000	More than 180 days past due R '000
Gross trade receivables	596 114	266 343	143 528	43 165	17 798	9 385	115 895
Allowance for impairment	(103 089)	(4 088)	(15 597)	(4 748)	(2 571)	(1 596)	(74 489)
	493 025	262 255	127 931	38 417	15 227	7 789	41 406

2024

	Gross maximum exposure R '000	Not past due R '000	0 - 30 days past due R '000	31 - 60 days past due R '000	61 - 90 days past due R '000	91 - 180 days past due R '000	More than 180 days past due R '000
Gross trade receivables	592 120	284 602	84 536	37 157	24 275	41 551	119 999
Allowance for impairment	(89 774)	(10 478)	(1 193)	(3 634)	(4 544)	(2 542)	(67 383)
	502 346	274 124	83 343	33 523	19 731	39 009	52 616

Cash and cash equivalents

The group limits its exposure to credit risk by investing in liquid investments in financial institutions with a high credit rating, therefore management does not expect any counter party to fail to meet its obligations, therefore the ECL is immaterial. Cash balances are held with reputable financial institutions and DAG.

Trade and other receivables

Trade receivables are mostly receivables from sales activities of vehicles and spare parts, and services rendered with respect to maintenance contracts. The credit risk from trade receivables encompasses the default risk of customers, as well as other corporate and private customers. The group manages its credit risk from trade receivables using appropriate IT applications and databases on the basis of internal guidelines. In order to minimise credit risk, the group assesses the creditworthiness of the counterparties. The group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade receivables.

The maximum risk positions of financial assets which are generally subject to credit risk, are equal to their carrying amounts.

The credit quality of trade receivables that are neither past due nor impaired is monitored and managed by the group, and comprises primarily receivables of companies who have a trading history with the group, as well as low-risk rated companies.

Receivables from group companies

The group's exposure to credit risk on trade receivables from group companies is managed within the Daimler group and according to Daimler policy and credit terms. Given the nature of these receivables and the level of oversight performed by the holding company on intercompany transactions and balances, management does not expect any material default from group companies.

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34. Financial instruments and risk management (continued)

Impairment of financial assets

The group recognises a loss allowance for expected credit losses on all financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans and receivables.

The group measures the loss allowance at an amount equal to lifetime expected credit losses ("lifetime ECL") when there has been a SICR since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses ("12 month ECL").

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that is possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a SICR since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the group compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a financial asset is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a financial asset is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the financial asset has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a SICR and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the PD, LGD (i.e. the magnitude of the loss if there is a default) and the EAD.

The assessment of the PD and LGD is based on historical data adjusted by forward-looking information as described above. The EAD is the gross carrying amount of the financial asset at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all financial assets in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is disclosed separately in the statement of profit or loss and other comprehensive income.

The Financial Stability Board had initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing IBOR's with ARR's to improve market efficiency and mitigate systemic risk across financial markets.

During 2025, the SARB announced that the JIBAR will be discontinued from 31 December 2026 and the ZARONIA will be the successor rate. The ZARONIA will apply from 1 January 2027.

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34. Financial instruments and risk management (continued)

Collateral held and other credit enhancements

The general creditworthiness of a corporate customer tends to be a relevant indicator of credit quality of a facility extended. However, collateral provides additional security.

The group takes collateral by retaining legal ownership of the underlying vehicle as security over the financed asset. Generally the group updates the valuation of the collateral held against the facility loans on a monthly basis using industry indices, and considers the exposure on the financial asset. This method has been used consistently over the year and is considered a reliable method by the directors of the entity. However, a more formal valuation is performed when specific circumstances warrant it.

The table below sets out the carrying amount and the value of collateral held as surety to customers which is measured at fair value:

	2025		2024	
	Carrying amount R '000	Collateral R '000	Carrying amount R '000	Collateral R '000
Stage 1 and 2	11 939 283	11 939 283	12 474 795	12 474 795
Stage 3	577 551	577 551	492 320	492 320
	12 516 834	12 516 834	12 967 115	12 967 115

34.3.3 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets and projected cash flows from operations.

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings, trade payables and trade payables to related parties.

The group actively manages its liquidity risk to ensure it can meet its short-term obligations as they come due. In the event of a shortfall in short-term liquidity, the company utilises short-term financing financing, such as bank overnight facilities to bridge the gap. The bonds that will be maturing in 2025 will be refinanced in the same year. Refer to note 26 for the available unutilised financing facilities.

The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

	Note	0-12 months R '000	1 to 5 years R '000	Greater than 5 years R '000	Total R '000	Carrying amount R '000
Non-derivative financial liabilities						
Trade and other payables	21	(1 242 933)	-	-	(1 242 933)	(1 242 933)
Payables to group companies	22	(334 801)	-	-	(334 801)	(334 801)
Contract liabilities and refund liabilities	25	(754 997)	-	-	(754 997)	(754 997)
Interest-bearing borrowings	26	(9 753 682)	(8 278 194)	-	(18 031 876)	(16 640 128)
		(12 086 413)	(8 278 194)	-	(20 364 607)	(18 972 859)
Non-derivative financial assets						
Cash and cash equivalents	11	139 548	-	-	139 548	139 548
Trade and other receivables	12	519 497	-	-	519 497	519 497
Loans and advances to customers	14	15 607 441	-	-	15 607 441	15 607 441
Receivables from group companies	16	1 085 712	-	-	1 085 712	1 085 712
		17 352 198	-	-	17 352 198	17 352 198
		5 265 785	(8 278 194)	-	(3 012 409)	(1 620 661)

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34. Financial instruments and risk management (continued)

2024

	Note	0-12 months R '000	1 to 5 years R '000	Greater than 5 years R '000	Total R '000	Carrying amount R '000
Non-derivative financial liabilities						
Trade and other payables	21	(1 050 270)	-	-	(1 050 270)	(1 050 270)
Payables to group companies	22	(429 834)	-	-	(429 834)	(429 834)
Contract liabilities and refund liabilities*	25	(838 233)	-	-	(838 233)	(838 233)
Interest-bearing borrowings	26	(10 551 017)	(10 066 045)	-	(20 617 062)	(18 835 213)
		(12 869 354)	(10 066 045)	-	(22 935 399)	(21 153 550)
Non-derivative financial assets						
Cash and cash equivalents	11	128 583	-	-	128 583	128 583
Trade and other receivables	12	526 510	-	-	526 510	526 510
Loans and advances to customers	14	10 203 349	10 820 751	-	21 024 100	17 579 486
Receivables from group companies	16	58 840	-	-	58 840	58 840
		10 917 282	10 820 751	-	21 738 033	18 293 419
		(1 952 072)	754 706	-	(1 197 366)	(2 860 131)

* During the current year management reclassified a portion of the contract liabilities and refund liabilities as financial instruments subsequently measured at amortised cost. The prior year amount as restated in-line with this reclassification.

34.3.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, residual values of vehicles and commodity prices will affect the group's income, cash flows or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The group manages market risks to minimise the impact of fluctuations in vehicle prices on its results.

Foreign currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate with changes in foreign exchange rates.

The nature of the group's business exposes cash flows and earnings to risks arising from fluctuations in exchange rates. These risks primarily relate to fluctuations between the Euro, the US Dollar ("USD") and the Japanese Yen ("JPY").

The group is exposed to foreign exchange rate risk between the date of order and the ultimate payment of the foreign invoices.

The group does not engage in specific foreign exchange risk management.

Foreign currency exposure at the end of the reporting period

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

	2025			2024		
	Euro R '000	USD R '000	JPY R '000	Euro R '000	USD R '000	JPY R '000
Cash and cash equivalents	(56 490)	9 117	22 125	43 174	9 341	6 053
Trade and other receivables	28 155	10 089	33	22 578	157	-
Trade and other payables	(21 198)	(62 241)	4 204	12 573	(43 034)	(43 271)
Net exposure	(49 533)	(43 035)	26 362	78 325	(33 536)	(37 218)
Relevant spot exchange rates	19.44	16.55	0.11	19.62	18.89	0.12

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34. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

The following table demonstrate the sensitivity to a reasonable possible change in the above mentioned exchange rates, with all other variables held constant, of the profit after tax and equity:

Change of 10% in exchange rate	2025		2024	
	Increase R '000	Decrease R '000	Increase R '000	Decrease R '000
Impact on profit or loss and equity:				
Euro	(3 616)	3 616	5 718	(5 718)
USD	(3 142)	3 142	(2 448)	2 448
JPY	1 924	(1 924)	(2 717)	2 717

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate with changes in market interest rates.

The group's exposure to changes in interest rates relates primarily to the group's interest-bearing borrowings. The group's policy is aligned to Daimler's general policy to match funding in terms of maturities and interest rates whenever economically feasible.

Interest rate profile

The interest rate profile of interest-bearing financial instruments at the end of the reporting period, as reported to management, is:

	Note	Carrying amount	
		2025 R '000	2024 R '000
Variable rate instruments			
<i>Assets</i>			
Loans and advances to customers	14	15 607 441	17 579 486
Cash and cash equivalents	11	139 548	128 583
		15 746 989	17 708 069
<i>Liabilities</i>			
Interest-bearing borrowings	26	(16 640 128)	(18 835 213)
Net variable rate financial instruments		(893 139)	(1 127 144)
Fixed rate instruments			
<i>Assets</i>			
Trade and other receivables	12	519 497	526 510
Amounts receivables from group companies	16	1 085 712	58 840
		1 605 209	585 350
<i>Liabilities</i>			
Trade and other payables	21	(1 242 933)	(1 050 270)
Payables to group companies	22	(334 801)	(429 834)
		(1 577 734)	(1 480 104)
Net fixed rate financial instruments		27 475	(894 754)

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34. Financial instruments and risk management (continued)

Interest rate sensitivity analysis

The following table demonstrates the sensitivity of the variable rate instruments to a one percentile (1%) change in the interest rate, with all other variables held constant, of profit before taxation and equity:

Increase or decrease in rate	2025		2024	
	Increase R '000	Decrease R '000	Increase R '000	Decrease R '000
Impact on profit or loss:				
100 basis points movements	(8 931)	8 931	(11 271)	11 271

Residual value risk

The group is exposed to the risk of financed or leased assets being returned at values less than the residual value guaranteed under the terms of the respective agreements. These risks are managed by periodic reviews of the residual value risk. The decisions are taken by an inclusive committee and by reference to market conditions and comparative information.

Residual values on leased vehicles are estimated when the lease is entered into. Estimates involve a high level of subjectivity and judgement as the directors, through the Residual Value Steering Committee, are required to conclude on likely outcomes and probabilities based on quarterly forecasts and assumptions.

Further reviews are conducted of the exposure of the underwritten portfolio to changes in market conditions, since inception of the agreements. These ensure satisfactory coverage of assets' projected valuations to their underwritten values. Where risks are identified, strategies are developed to manage the risk position of the particular assets and provision is made for such potential loss. Where potential losses are identified, these are recognised as an adjustment to profitability at a contract level. Provision is made to the extent that the carrying values of leased assets are impaired through residual values not being fully recoverable.

Uncertainties that affect the group's estimate of the residual value of the leased assets include:

- return-rates of lease vehicles;
- penetration rates;
- lease duration; and
- market conditions.

The residual value risk provision is raised for the potential loss on the leased assets returned under a buy-back scheme.

35. Fair value information

Financial assets and liabilities not held at fair value	2025			2024		
	Carrying value R '000	Fair value R '000	Fair value level	Carrying value R '000	Fair value R '000	Fair value level
Interest-bearing borrowings	(16 640 128)	(16 818 244)	Level 2	(18 835 213)	(18 975 886)	Level 2

Category of financial asset or liability	Includes	Valuation techniques and significant inputs used
Interest-bearing borrowings	Bonds issued under DTSA DMTN Programme	The DMTN Programme is listed on the JSE. DTSA issues listed and unlisted tranches under the DMTN Programme. The bonds are held to term and are issued at market related rates of interest. Discounting based methodology is used for the valuation of the bond portfolio. Future cash flows are calculated using the projected forward JIBAR 3 month rates obtained from the JIBAR accrual zero rate curve. The projected cash flows are discounted using credit risk adjusted JSE rate curves.

Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all Inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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36. Guarantees and other commitments

Customs duties and import VAT are normally due upon declaration of the imported goods at the port of entry.

The group utilises a deferment account facility with SARS, which permits the deferral of these payments for up to 37 days from the date the statement opens. The statement usually opens on the first day of each month.

In accordance with the requirements of this facility, SARS requires the group to provide a bank guarantee to secure the debt when it becomes due. To this end ABSA Bank Limited, has issued a guarantee in favour of SARS as security for any customs duties and import VAT that may become payable under the deferment account.

As at the reporting date, the maximum exposure under this guarantee amounts to R 174 062 500.

The directors do not anticipate any claims arising under this guarantee, and therefore no liability has been recognised in these financial statements.

37. Going concern

The consolidated financial statements for the year ended 31 December 2025 have been prepared on a going concern basis, which assumes that the group will be able to meet its obligations for the foreseeable future. The group incurred a total comprehensive income for the year ended 31 December 2025 of R 110 million (2024: R 327 million) and recognised a net profit after tax of R 142 million (2024: R 326 million). At 31 December 2025 the group has a capital ratio of 14.93% (2024: 13.51%).

Management believes that the group will be able to meet all its obligations for the 2026 period. Management further believes that proceeds received from operating and financing activities during 2026 will be sufficient to meet the repayment requirements.

Further, the group has the full support of the holding company, DTAG, for its operations. To this extent, DTAG and DTHAG have issued an unconditional and irrevocable guarantee with regards to the notes issued under the DMTN Programme.

38. Events after the reporting period

At the date of finalisation of the consolidated financial statements there were no material events that occurred subsequent to the reporting date that required adjustments to the amounts recognised in the consolidated financial statements.

39. New accounting standards and IFRIC interpretations

39.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Accounting standard	Description of change
IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i>	Lack of Exchangeability The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

None of the above standards and interpretations, effective from 01 January 2025, had a material effect on the financial statements of the company.

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39. New accounting standards and IFRIC interpretations (continued)

39.2 Standards, amendments and interpretations to existing standards that are not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2025 or later periods.

Accounting standard	Effective date - on or after	Description of change	Description of impact
IFRS 19 <i>Subsidiaries without Public Accountability</i>	1 January 2027	<p>Disclosure for Subsidiaries without Public Accountability</p> <p>IFRS 19 permits eligible subsidiaries to use IFRS® Accounting Standards with reduced disclosures. This will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements.</p>	Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS® Accounting Standards in their consolidated financial statements.
IFRS 18 <i>Presentation and Disclosure in Financial statements</i>	1 January 2027	<p>Presentation and Disclosure in Financial statements</p> <p>The amendment introduces improvements to reporting of financial performance to provide investors a better basis for analysing and comparing companies: Improved comparability in the statement of profit or loss (income statement) through three categories for income and expenses</p> <ul style="list-style-type: none"> — operating, investing and financing — improving the structure of the income statement, and — a requirement for new defined subtotals. 	Enhanced transparency of management defined performance measures with a requirement to disclose explanations of those measures related to the income statement. Useful grouping of information in the financial statements through guidance on organising information and providing it in the primary financial statements or the notes, as well as a requirement to provide more transparency about operating expenses. IFRS 18 replaces IAS 1 Presentation of Financial Statements
IFRS 7 and IFRS 9 <i>Financial Instruments: Disclosures</i>	1 January 2026	<p>Classification and Measurement of Financial Instruments</p> <p>Amendments to IFRS 7 introduce additional disclosure to enhance transparency for investors regarding investments in equity instruments designated at fair value through OCI and financial instruments with contingent features - tied to environmental, social and corporate governance ("ESG")-linked targets.</p> <p>Amendments to IFRS 9 address diversity in accounting practice by making the classification and measurement requirements more understandable and consistent by clarifying the:</p> <ul style="list-style-type: none"> • classification of financial assets with ESG and similar features; and • date on which a financial asset or financial liability is derecognised when a liability is settled through electronic payment systems. These amendments also introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met. 	The amendment does not have any material impact on the company's profitability, liquidity and capital resources and financial position.

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Appendix 1 - Employment Equity Progress Report (Unaudited)

Every designated employer is required in terms of Section 22 of the Employment Equity Act 55 of 1998 to publish a summary of their employment equity report in its annual report. The total number of employees within the company is 614. The table below provides the employment equity progress of the company for the total number of employees (including employees with disabilities) in each occupational level:

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2	2	2	2	1	-	-	1	2	-	12
Senior management	5	-	5	4	2	-	1	1	1	-	19
Professionally qualified and experienced specialists and mid-management	11	1	3	7	2	2	3	-	-	-	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	33	5	15	29	22	3	6	4	1	1	119
Semi-skilled and discretionary decision making	22	1	4	2	21	3	2	7	-	-	62
Unskilled and defined decision making	193	41	2	6	108	17	2	3	-	-	372
Total permanent	266	50	31	50	156	25	14	16	4	1	613
Temporary employees	-	-	1	-	-	-	-	-	-	-	1
Grand total	266	50	32	50	156	25	14	16	4	1	614

A - Africans C - Coloureds

I - Indians W - Whites

The table below provides the employment equity progress of the company for the total number of employees with disabilities in each occupational level:

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	-	-	-	-	-	-	-	-	-	-	-
Senior management	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	-	-	-	-	-	-	-	-	-	1
Semi-skilled and discretionary decision making	1	-	1	1	1	-	-	-	-	-	4
Unskilled and defined decision making	19	-	-	-	32	-	-	-	-	-	51
Total permanent	21	-	1	1	33	-	-	-	-	-	56
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	21	-	1	1	33	-	-	-	-	-	56

A - Africans C - Coloureds

I - Indians W - Whites