

Important events

Daimler once again set a strong strategic course in 2020, strengthened its core business, and exploited additional growth potential. This was accomplished by means of the Group's personnel decisions, the resolutions adopted by the Annual Shareholders' Meeting, the Supervisory Board, the Works Council and Group management, the targeted expansion of the product portfolio and the establishment of new partnerships. The following is an overview of the most important events and occurrences at the Group.

Reappointment of Board of Management member Hubertus Troska

On February 19, 2020, the Supervisory Board decided to appoint Hubertus Troska to the Board of Management of Daimler AG, with responsibility for Greater China, for another five years, effective January 1, 2021. As CEO and Chairman of Daimler Greater China Ltd., Hubertus Troska is responsible for all of Daimler's strategic and operational activities in China. China will remain the world's biggest growth region over the medium term, as well as the most important market by far for Mercedes-Benz passenger cars and an essential market for our truck and van businesses as well. We also plan to further strengthen our local activities in China in the areas of research and development, production and procurement. With his great dedication, expertise, and effective network, Hubertus Troska plays a key role in this regard.

Daimler streamlines its organizational structure

On February 20, 2020, Daimler AG announced that effective April 1, it would begin further developing its organizational structure with the goal of optimizing development and production processes. One of the measures involved the creation of a new position for Product Strategy and Controlling at Mercedes-Benz Cars. Ola Källenius, Chairman of the Board of Management of Daimler AG and Mercedes-Benz AG, also assumed responsibility for Mercedes-Benz Vans. Markus Schäfer, member of the Board of Management of both Daimler AG and Mercedes-Benz AG, with responsibility for Group Research and Mercedes-Benz Cars Development, Procurement and Supplier Quality, serves as COO, in which capacity he is additionally responsible for the technical value creation process at Mercedes-Benz Cars. Harald Wilhelm, the Daimler AG Board of Management member responsible for Finance & Controlling and Daimler Mobility, now also serves as Chief Financial Officer of Mercedes-Benz AG.

Daimler postpones Annual Shareholders' Meeting

The Board of Management of Daimler AG decided on March 13, 2020, to postpone the Annual Shareholders' Meeting that was scheduled to take place on April 1. Our decision was taken in order to safeguard the health of all participants and comply with the covid-19 orders issued by the responsible health department. The rescheduling of the meeting also led to a postponement of the resolution on the allocation of profit and the dividend payment.

As many as 12,000 people watch the first virtual Daimler Annual Shareholders' Meeting on the Internet.

On short notice, the legislator created the opportunity to hold the meeting without requiring the shareholders or their proxies to be physically present. On this basis, we held the first virtual Annual Shareholders' Meeting of Daimler AG on July 8. A large majority of our shareholders approved all agenda items that

were up for vote. The Annual Shareholders' Meeting elected Timotheus Höttges to the Supervisory Board as a shareholder representative. He succeeds Dr. Paul Achleitner, who did not run again after his term of office expired. Mr. Höttges is Chief Executive Officer of Deutsche Telekom AG and an expert on the digitalization of telecommunications systems. These qualifications make him a perfect addition to the Supervisory Board of Daimler AG.

Proposals for new appointments to the Supervisory Board and for its chair

The Supervisory Board of Daimler AG announced after its meeting on December 3, 2020, that it would be making significant personnel changes. The term of office of Dr. Manfred Bischoff will expire as scheduled at the end of the Annual Shareholders' Meeting on March 31, 2021, when the long-serving Chairman of the Supervisory Board will step down. Petraea Heynike and Jürgen Hambrecht will also step down from the Supervisory Board at this time. The Supervisory Board will propose to the 2021 Annual Shareholders' Meeting the election of the following candidates: Elizabeth Centoni, Senior Vice President Cisco Strategy and Emerging Technology, who has held senior management positions at the IT company for many years; Ben van Beurden, CEO of Royal Dutch Shell Plc, and head of this multinational corporation since 2014; and Dr. Martin Bruder Müller, Chairman of the Board of Management of BASF SE, Ludwigshafen, since 2018. During the first Supervisory Board meeting after the Annual Shareholders' Meeting of 2021, a proposal will also be submitted to elect Dr. Bernd Pischetsrieder as Chairman of the Supervisory Board. Bernd Pischetsrieder is an internationally recognized automotive expert whose expertise is of outstanding importance for Daimler. He has closely supported decision-making relating to the digitalization of the Group and the electrification of the product portfolio.

Daimler and Geely Holding establish a global joint venture for the further development of smart

On January 8, 2020, Mercedes-Benz AG and Zhejiang Geely Holding Group announced the establishment of a 50-50 joint venture for the smart brand. Our goals here are to further develop smart into a leading supplier of intelligent premium electric vehicles and extend the smart portfolio into the fast-growing B-segment. The new generation of smart vehicles will be designed in the Mercedes-Benz Design network, developed in the Geely engineering network and manufactured at a new electric-vehicle plant in China. Global sales of the first model of the next-generation smart, an electric SUV, are scheduled to begin in 2022. All of the sales, marketing and aftersales activities for Europe of the next smart generation will be managed by smart Europe GmbH, which is based in the Stuttgart area and was established on July 27, 2020.

Daimler Trucks ready to launch all-electric Mercedes-Benz eEonic

As was announced on January 16, 2020, Daimler Trucks has taken a further step in truck electrification with the battery-electric eEonic. The low-floor truck is intended as a milestone in terms of sustainable municipal logistics – an urban waste collection vehicle that is equipped with an environmentally friendly and efficient electric drive system. Selected customers will be able to test the truck's suitability for everyday use in actual operations starting in 2021. The experience gained will flow into the series production, which is scheduled to begin in 2022. Daimler Trucks & Buses plans to offer all new trucks and

buses in its main sales regions as CO₂-neutral vehicles in terms of driving operation (“tank-to-wheel”) by 2039. The global platform strategy can accelerate the development of this process. The eEconic, for example, is based on the eActros, which is already in practical use and will go into series production in 2021.

Daimler and Volvo establish a joint venture for series production of fuel cells

Daimler Truck AG and the Volvo Group share the Green Deal vision of sustainable transport and a CO₂-neutral Europe by 2050. This was announced by the partners on April 21, 2020. On November 2, 2020, they signed a binding agreement regarding the joint venture’s creation. Volvo Group will purchase 50% of the shares of Daimler Truck Fuel Cell GmbH & Co. KG for about €0.6 billion on a cash and debt-free basis. The merger control clearances have been granted, meanwhile. This transaction is scheduled to be completed in the first half of 2021. The goal is to develop, manufacture and market fuel cell systems for heavy-duty commercial vehicle applications and other areas of application. The concentration of capacities and expertise will reduce development costs for both companies and speed up the market launch of fuel cell systems. Daimler plans to consolidate all of its Group-wide fuel cell activities in the 50-50 joint venture, which will operate as an independent autonomous unit.

Daimler Buses presents new all-electric eCitaro articulated bus for CO₂-neutral public transportation

In May 2020 Daimler Buses presented the new Mercedes-Benz eCitaro articulated bus with new battery technology. This large-bodied articulated bus offers lots of room to transport up to 146 passengers. The new solid-state batteries have an especially high energy density and a total energy capacity of 441 kWh. Due to its greater range, this bus can easily serve most of the usual urban routes.

Daimler and Rolls-Royce plan cooperation on stationary fuel cell systems

On May 26, 2020, Daimler Truck AG announced plans to cooperate with the British technology company Rolls-Royce plc. The goal of the partnership is to supply stationary fuel cell generators as CO₂-neutral emergency power generators for safety-critical facilities such as data centers. They will offer emission-free alternatives to diesel engines, which are currently used as emergency power generators or to cover peak loads. The Rolls-Royce Power Systems business unit wants to equip its emergency power generators with fuel cell systems supplied by the planned joint venture between Daimler Truck AG and the Volvo Group.

Mercedes-Benz and NVIDIA plan to create a software platform for automated driving

On June 23, 2020, Daimler AG announced plans by Mercedes-Benz and NVIDIA to establish a development partnership for an in-vehicle computing system and an AI computing infrastructure. NVIDIA is the global leader in GPU-accelerated computing. The goal of the planned partnership is to develop one of the most intelligent and advanced computing architectures in the automotive industry for use in all Mercedes-Benz model series. Starting in 2024, it will be introduced in all future vehicles as a standard feature that will enable them to be equipped with upgradable automated driving functions. The AI computing architecture is intended to further accelerate our journey toward autonomous driving applications, and the AI and soft-

ware tools will enable us to continuously further develop and improve all of our vehicles.

Mercedes-Benz announces strategic partnership with battery cell manufacturer Farasis

On July 3, 2020, we announced that we had launched a strategic partnership with the Chinese battery cell manufacturer Farasis Energy that will include an equity stake. The partnership marks another important step toward CO₂ neutrality within the framework of the “Ambition 2039” program. Key elements of the agreement include the development and industrialization of battery cell technologies, as well as measures relating to cost competitiveness. The agreement expands the supplier set of Mercedes-Benz AG for the supply of battery cells for the “Electric First” electrification offensive, while also providing Farasis with planning security for the expansion of its production capacity.

Company management and General Works Council agree on basic points relating to job security and profitability

On July 28, 2020, Daimler AG announced an agreement on key points for reducing personnel costs in Germany. The additional temporary measures that were agreed on aim to take the special economic burden of the covid-19 pandemic into account and also safeguard employment even further. Back in December 2019, Daimler and the General Works Council agreed on measures to cut costs and reduce jobs in a socially responsible manner in order to streamline the corporate structure and increase efficiency and flexibility.

Mercedes-Benz and CATL expand battery technology partnership

On August 5, 2020, Daimler AG announced that Mercedes-Benz and CATL (Contemporary Amperex Technology) planned to enter the next stage of their strategic partnership and begin developing innovative battery technologies. The agreement relates to the provision of battery cells, modules for Mercedes-Benz Cars and complete batteries for Mercedes-Benz Vans, all of which will be manufactured in a CO₂-neutral manner. CATL is a technology leader in the production of lithium-ion batteries. Our goal with this partnership is to promote the industrialization of lithium-ion batteries in Germany and accelerate the electrification of our model portfolio. Plans also call for the launch of the Mercedes-Benz EQS electric luxury sedan in 2021, which will be equipped with CATL modules.

US authorities approve settlement in civil proceedings regarding diesel emissions

Daimler AG and Mercedes-Benz USA LLC took another step toward resolving legal issues relating to diesel emissions on September 14, 2020, when the US regulatory authorities approved a settlement of civil and environmental claims. This ended the regulatory proceedings regarding the emission control systems of approximately 250,000 diesel vehicles in the United States. More specifically, US authorities filed the settlement agreements with the United States District Court for the District of Columbia – a federal court – for final approval. We also agreed with plaintiff attorneys to amicably settle the consumer class action “In re Mercedes-Benz Emissions Litigation.” By reaching these agreements, Daimler has avoided lengthy litigation and the associated legal and financial risks. In addition to the payment of civil penalties in the amount of USD 875 million, the settlement with the US authorities provides for Daimler to further strengthen its technical compliance management system, offer servicing measures for affected vehi-

cles, conduct a nationwide emission mitigation program for reducing nitrogen oxide in the environment, and provide funding for additional projects in the state of California.

Daimler presents fuel-cell concept truck: The GenH2 Truck

On September 16, 2020, Daimler Trucks presented its technology strategy for the electrification of our trucks. The presentation focused on hydrogen-based fuel-cell trucks for the long-haul transport segment and also featured the world premiere of the Mercedes-Benz GenH2 Truck concept vehicle. Customer trials of the GenH2 Truck, whose key attributes are oriented to those of conventional long-haul trucks, are set to begin in 2023. Series production is scheduled to start in the second half of the decade. We are benefiting from our experts' extensive experience as we continue to develop the fuel cell truck.

Mercedes-Benz Wörth plant will begin series production of the eActros in 2021

On September 23, 2020, Mercedes-Benz Trucks presented new products at the Wörth plant under the motto "Now & Next" and also offered a preview of the future of sustainable mobility. Among other things, this consisted of a near-series prototype of the battery-electric Mercedes-Benz eActros for heavy-duty distribution transportation. Series production of this truck is scheduled to begin in Wörth in 2021. Electric truck models are to be manufactured flexibly alongside trucks with conventional drive systems on a single production line at the Wörth plant. The plant is being extensively prepared for this task. The start of series production will mark an important milestone for the Wörth plant and the region, as the expansion of the plant's portfolio in line with our goals relating to CO₂-neutral transport will safeguard jobs and create opportunities in the form of new tasks and job profiles.

Mercedes-Benz introduces new strategy for increasing profitability

The Mercedes-Benz Strategy Update online investor and analyst conference was held on October 6, 2020. Ola Källenius, Chairman of the Board of Management of Daimler AG and Mercedes-Benz AG, presented the new strategy for achieving profitable and sustainable growth. The comprehensive program is designed to significantly improve the company's technological and financial performance, and is based on six pillars: strengthening of the Mercedes-Benz brand in the luxury segment, a higher-quality product portfolio, a more favorable product mix, the achievement of significant growth for the Mercedes-AMG, Mercedes-Maybach and Mercedes-EQ sub-brands, and accelerated development of electric drive systems and vehicle software. Additional plans have also been developed to lower costs by reducing investments in property, plant and equipment, expenditure on research and development, and fixed costs, and to improve the brand's industrial footprint.

Daimler and Waymo cooperating on the development of highly automated trucks

On October 27, 2020, Daimler AG announced that Daimler Trucks and Waymo had signed an agreement to establish an extensive global strategic partnership in the field of autonomous driving technology (SAE Level 4). In the initial phase of cooperation, Waymo's technology will be installed in a variant of Daimler's Freightliner Cascadia truck that was developed especially for this application. Our aim with this highly automated truck (SAE Level 4) is to enhance road safety for our fleet customers and help them increase their productivity. The Freightliner Cascadia truck equipped with the Waymo Driver

system is to be made available in the United States in the next few years.

Daimler and Torc establish a strategic partnership with Luminar for highly automated trucks

On October 30, 2020, Daimler Truck AG and Luminar, the leading global supplier of lidar hardware and software technology, announced that they would be collaborating in a future project. Experts from Daimler Trucks, its Daimler Trucks North America subsidiary, and Torc Robotics plan to work closely together with specialists from Luminar to further develop lidar technology in order to enable its use at high speeds. Daimler Trucks has also acquired a minority stake in Luminar in order to strengthen the partnership.

Daimler and Geely cooperating on drive systems for hybrid vehicle applications

On November 20, 2020, Daimler AG announced it would be establishing another partnership with the Geely Holding Group and its subsidiary brands. Our goal here is to work together with Geely on hybrid powertrain solutions in order to strengthen our global competitiveness and benefit from economies of scale. The highly efficient next-generation gasoline engine designed for hybrid applications will be developed in the global research and development networks operated by Daimler and Geely and then manufactured at the companies' own drivetrain plants in Europe and China. Plans call for the engine to be used by Mercedes-Benz AG together with its established partners in China and in the Geely Holding Group's wide-ranging portfolio of brands, which also includes Volvo Cars. We are already working together with Geely to further develop the smart brand on a global scale and provide premium ride-hailing services in the Chinese market.

Daimler and Foton launch production of Mercedes-Benz trucks in China for China

On December 2, 2020, Daimler Truck AG and Beiqi Foton Motor Co., Ltd. announced plans to jointly manufacture tractor units from the Mercedes-Benz brand for the upper-range market segment in China. China is the world's largest truck market and is therefore extremely important for Daimler Trucks as one of its key markets for future growth. The Beijing Foton Daimler Automotive (BFDA) joint venture is to manufacture the heavy-duty trucks locally in order to fully exploit the market's potential. The trucks will be based on the global Daimler Trucks platform strategy and will be adapted to the requirements of Chinese customers. Production is scheduled to begin in two years at the new truck plant near Beijing. In addition to selling imported Mercedes-Benz trucks for special applications and locally produced Auman trucks for the price-sensitive market segment, BFDA will thus significantly expand the portfolio in China.

Daimler Supervisory Board approves business plans for 2021 to 2025

In its meeting on December 3, 2020, the Supervisory Board of Daimler AG confirmed its support of the company's strategic alignment, the associated business plans for the period 2021 to 2025, and the resulting measures for attaining the profitability target. As one component of this, the Board also approved the investment plan for the further transformation of the Company toward electrification and digitalization. From 2021 to 2025, we expect to invest more than €70 billion in research and development as well as in property, plant and equipment. According to our plans, most of the investments will be made in Mercedes-Benz Cars & Vans.

Mercedes-Benz sells Hambach car plant to INEOS Automotive

Mercedes-Benz AG is investing extensively in its electric mobility offensive and digitalization measures. Such investment also requires the achievement of efficiency gains. The optimization of the global production network and the sale of the car plant in Hambach mark important steps in this direction. With regard to the latter, Mercedes-Benz announced on December 8, 2020, that it had signed an agreement to sell the Hambach plant to INEOS Automotive. INEOS will acquire all shares in smart France S.A.S. and it took over the Hambach plant in early 2021. Mercedes-Benz AG, INEOS Automotive, and employee and government representatives all agree that the common goal here was to safeguard employment at the plant. Production of the current two-seat smart EQ for two electric vehicle is to continue at the Hambach plant. The new generation of smart electric vehicles will be manufactured by a Mercedes-Benz/Geely joint venture in China.

Daimler announces next generation of the eSprinter

On December 9, 2020, Mercedes-Benz Vans presented the newly developed Electric Versatility Platform. It serves as the basis for the next-generation eSprinter, whose specifications were defined in close cooperation with customers. It also offers the right products for markets in the United States and Canada. Thanks to its three battery variants and numerous body variants (ranging from a panel van to a people mover) as well as a chassis for box bodies, the next-generation eSprinter will ensure reliable locally emission-free freight transport in nearly every business while also optimizing the total cost of ownership. The upcoming generation of the eSprinter will enable Mercedes-Benz Vans to consistently forge ahead with its electrification strategy. Mercedes-Benz Vans is investing around €350 million in its Electric Versatility Platform. The next generation of the eSprinter will be produced in a CO₂-neutral manner.