

Daimler and the Capital Market

Global stock markets were marked by a high level of volatility due to uncertainties relating to the covid-19 pandemic. The Daimler share was also subject to sharp fluctuations in 2020, but nevertheless increased by 17% over the course of the year. During the year under review, we continued to inform institutional investors, sustainability-focused investors, analysts, rating agencies and private investors by means of a wide range of investor relations activities and comprehensive reporting on the Group's business development and prospects. The Board of Management and the Supervisory Board will propose to the Annual Shareholders' Meeting that a dividend of €1.35 (2019: €0.90) per share be paid for 2020.

A.02

Development of Daimler's share price and of major indices

	End of 2020	End of 2019	20/19 % change
Daimler share price (in euros)	57.79	49.37	+17
Highest ¹	58.77	59.31	-1
Lowest ¹	21.84	40.53	-46
DAX 30	13,719	13,249	+4
Euro STOXX 50	3,553	3,745	-5
STOXX Europe Auto Index	528	509	+4

¹ Closing prices

Daimler share price rises 17% over the year

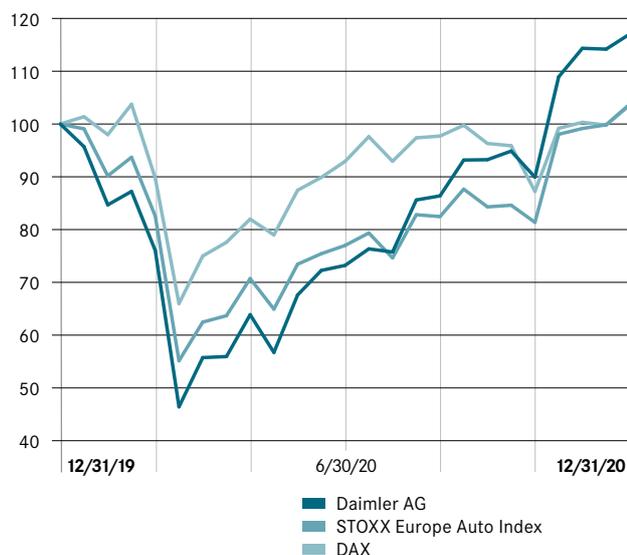
In view of the ongoing transformation of the automotive industry, investors maintained a reserved position with regard to automotive stocks up until mid-February. After that, developments were impacted by growing concerns relating to the coronavirus, with the mood on stock markets deteriorating dramatically as a result. Just a few days after we announced that due to the expanding scope of the covid-19 pandemic we would be suspending most of our production operations and the activities in selected administrative departments in Europe for an initial period of two weeks, the Daimler share price dropped to its lowest point of the year in a very weak stock-market environment, falling to €21.84 on March 19.

Stock prices then began rising significantly, mainly as a response to the implementation of various monetary and fiscal policy measures. The Daimler share price also recorded a significant increase during this period. This positive development was also due to the Daimler management team's rapid response to the crisis in the form of immediate measures taken to safeguard liquidity, optimize costs, adjust production operations and ensure a stronger focus on cash flow. Investors were also encouraged by positive developments on the Chinese automotive market. This momentum was reinforced by various other strategic initiatives in addition to the announcement that Daimler Truck AG and the Volvo Group would be establishing a joint venture for series production of fuel cells, in part to support the European Green Deal.

Following a brief consolidation phase around the middle of the year, automotive stocks, which had come under strong pressure throughout the previous course of the year, were able to rally and post significant gains once again. The Daimler share benefited here initially from the release of our financial figures for the second quarter of 2020, which turned out to be more favorable than most analysts had expected. The announcement of measures for optimizing fixed costs also played a role in the positive development of the share price. In addition, agreements in principle regarding the settlement of government and civil legal actions in the United States in connection with diesel emissions, as well as the positive sales figures recorded by Mercedes-Benz Cars and the presentation of the new S-Class, led to increased investment in our company.

A.03

Share price index



During the Mercedes-Benz Strategy Update online investor and analyst conference at the beginning of October, management explained the strategy for the Mercedes-Benz Cars business. Our objectives and plans were very well received by analysts and investors. Such plans include enhancing the Mercedes-Benz brand's status in the luxury segment and the implementation of measures for achieving further growth for our Mercedes-AMG, Mercedes-Maybach and Mercedes-EQ sub-brands. Core elements of these plans include accelerating the development of electric drive systems and vehicle software for the electrification of the entire product portfolio and our intention to make all of our business operations completely CO₂-neutral, as set out in the Ambition 2039 strategy. We also have further plans for reducing costs and pursuing more ambitious financial targets, which are intended to accompany a lowering of our break-even point. Solid business development at the Group in the third quarter, including free cash flow that was significantly higher than market expectations, had a positive effect on the development of our share price. Hopes regarding the rapid availability of a covid-19 vaccine, as well as the continued recovery of the Chinese economy and rising automotive sales in that country, generated renewed momentum for automotive stocks toward the end of the year. On December 16, the Daimler share price reached €58.77, which was the highest price for the year.

The Daimler share then closed at €57.79 on December 30. At the end of the year, Daimler had a market capitalization of €61.8 billion (2019: €52.8 billion). With a total increase of 17% in 2020, the development of Daimler's share price was thus better than that of the DAX (+4%) and the STOXX Europe Auto Index (+4%). When the dividend payout of €0.90 per share is included, our shareholders saw the value of their investment increase by 19%. The index of the most important equities in the euro zone, the Euro STOXX 50, decreased by 5% in 2020.

Broad shareholder structure

Daimler continues to have a broad shareholder base of approximately 1.0 million shareholders (2019: 1.0 million). Tenaciu3 Prospect Investment Limited, a company controlled by the Chinese entrepreneur Li Shufu, who is also the founder and CEO of Geely, became Daimler AG's largest individual shareholder in 2018. Tenaciu3 Prospect Investment Limited currently owns 9.7% of the company's shares. The Kuwait Investment Authority (KIA) currently owns 6.8% of the company's stock, making it Daimler AG's second-largest single shareholder. The Chinese BAIC Group acquired an interest in Daimler AG in 2019 via its wholly owned subsidiary Investment Global Co. Ltd. With approximately 5% of Daimler's equity capital, the BAIC Group is Daimler AG's third-largest single shareholder. The Renault-Nissan Alliance holds 3.1% of Daimler's shares.

Voting-rights notifications are published on the Internet at [daimler.com/investors/share/voting-rights](https://www.daimler.com/investors/share/voting-rights)

Institutional investors hold a total of 54% of our equity capital, while private investors own 21%. Approximately 60% of our capital is in the hands of European investors and around 13% is held by US investors. Investors from Asia hold around 16% of our equity capital.

With a weighting of 4.49% (2019: 3.95%), Daimler was ranked seventh in the German share index DAX 30 at the end of 2020. In the Euro STOXX 50 index, our shares had a weighting of 1.88% (2019: 1.55%), which put Daimler in 21st place. Daimler shares are listed on the regulated market at the stock exchanges in Frankfurt and Stuttgart. A total volume of 1,487 million shares were traded in Germany in 2020 (2019: 1,108 million). A substantial number of Daimler shares are now also traded on multilateral trading platforms and in the over-the-counter market.

A.04

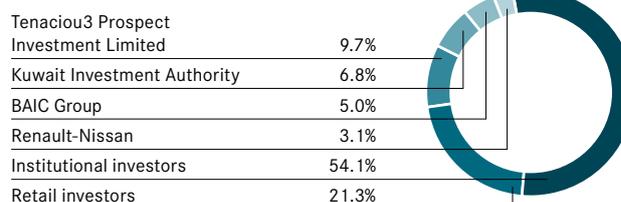
Key figures for Daimler shares

	End of 2020	End of 2019	20/19 % change
Amounts in euros			
Number of shareholders (in millions)	1.0	1.0	0
Number of shares (in millions)	1,069.8	1,069.8	0
Market capitalization (in billions of euros)	61.8	52.8	+17
Equity per share (Dec. 31)	56.73	57.34	-1
Net profit per share	3.39	2.22	+53
Dividend per share	1.35	0.90	+50

A.05

Shareholder structure as of December 31, 2020

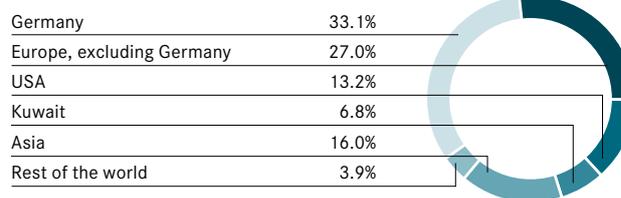
By type of shareholder



A.06

Shareholder structure as of December 31, 2020

By region



Employee stock purchase plan implemented once again

Staff members entitled to purchase employee stock were able to do so once again in March 2020. As was the case in the previous year, price-reduced shares as well as bonus shares were offered. At 28.9%, the participation rate in the year under review was once again significantly higher than in the previous years (2019: 25.5%). A total of 52,500 employees took part in the program (2019: 45,700), which is the highest number since the program was launched. The total number of shares purchased by employees also increased substantially once again, from 811,000 in 2019 to approximately 1,038,000, of which just under 93,900 were bonus shares (2019: 73,200) in the year under review. In connection with the attendance bonus program, approximately 14,400 shares were additionally purchased and transferred to the beneficiaries (2019: 15,600).

First virtual Daimler AG Annual Shareholders' Meeting

The covid-19 pandemic forced us to postpone our Annual Shareholders' Meeting, which had been scheduled to take place as a meeting in person on April 1, 2020. The first virtual Annual Shareholders' Meeting of Daimler AG took place on July 8, 2020 on the basis of a law passed by the legislators at short notice allowing annual shareholders' meetings to be held without shareholders or proxies having to be present in person (virtual Annual Shareholders' Meeting). It was broadcast on the Internet from a studio in Stuttgart for the shareholders, around 12,000 of whom followed the event. A total of 53.28% (2019: 52.91%) of the equity capital was represented at the meeting.

A large majority of the shareholders approved each of the agenda points proposed by the company's management. The majority of shareholders approved the resolution on the ratification of Board of Management and Supervisory Board members' actions in the 2019 financial year. The Annual Shareholders' Meeting approved a dividend payout of €0.90 per share (2019: €3.25), which means the total dividend amounted to €1.0 billion. The remuneration system for the Board of Management members was approved by a large majority (95.33%). Information on the remuneration system can be found in the chapter  [Remuneration report](#).

In addition, the Annual Shareholders' Meeting elected Timotheus Höttges, Chief Executive Officer of Deutsche Telekom AG, Bonn, to the Supervisory Board as a shareholder representative. Mr. Höttges succeeds Dr. Paul Achleitner, who had been a member of Daimler's Supervisory Board since 2010 and whose term of office ended at the end of the 2020 Annual Shareholders' Meeting. The term of Timotheus Höttges will end when the Annual Shareholders' Meeting is held in 2025.

Furthermore, the Annual Shareholders' Meeting authorized the Board of Management to take various financing measures such as the acquisition and sale of the company's own shares. Against the background of the covid-19 pandemic, the Annual Shareholders' Meeting also resolved amendments to the Articles of Incorporation which, for example, also permit the transmission of audio and video of the Annual Shareholders' Meeting and enable electronic participation by shareholders in the Annual Shareholders' Meeting in the future.

The convening and the voting results of the Annual Shareholders' Meeting 2020 are available on the Internet at  [daimler.com/ir/am2020](https://register.daimler.com/ir/am2020)

Our e-service for shareholders, which we have been offering as a personalized service for many years now, ensured that we were very well prepared for the first virtual Annual Shareholders' Meeting. Due to the new requirements, such as transmitting video and audio feeds of the entire Annual Shareholders' Meeting via the Internet for the shareholders and the facility to submit questions electronically in the run-up to the Annual Shareholders' Meeting, it was necessary to develop new components and application functions at short notice. With their agreement, a total of 210,000 (2019: 220,000) shareholders received the invitation and the agenda for the Daimler Annual Shareholders' Meeting by e-mail rather than by post in 2020. We would like to thank those shareholders for helping to protect the environment and cut costs. Our shareholders continued to make good use of our range of personalized electronic information and communication during the reporting year.

Access to the e-service for shareholders and additional information can be found on the internet at

 <https://register.daimler.com>

Refinancing and rating

Details of our refinancing activities and the development of our credit ratings in the course of the financial year 2020 can be found in the Liquidity and Capital Resources section on

 [Financial Position](#).