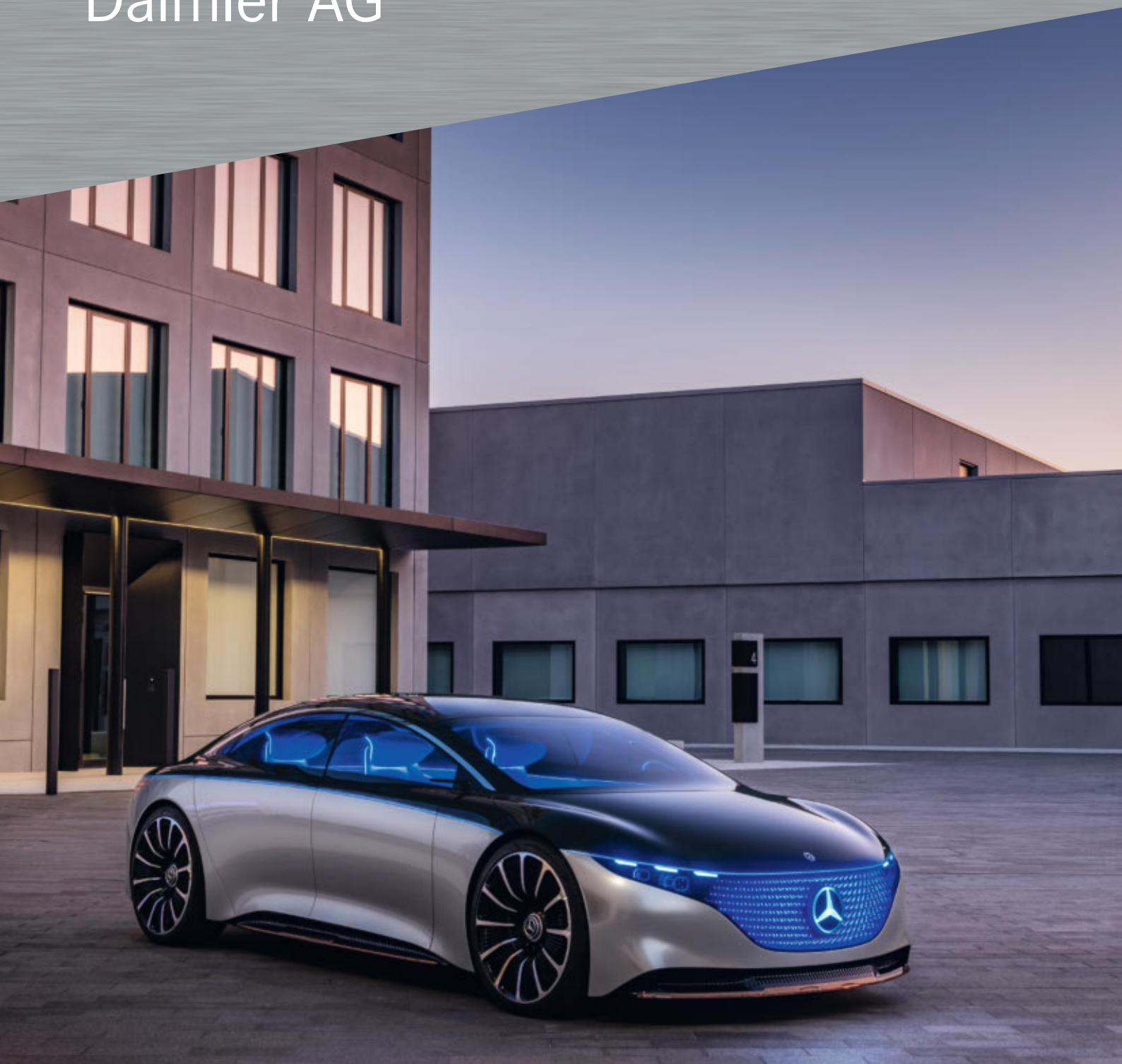


DAIMLER

Annual Financial Statements 2019

Daimler AG



Cover photo


VISION EQS provides a preview of future large electric luxury sedans. With this vehicle, Mercedes-Benz is making a clear statement for the continued appeal of high-quality vehicles and self-determined driving. We are convinced that perfect craftsmanship, emotive design, luxurious materials and individual driving pleasure will remain desirable in the future. Because the idea of luxury – today and in the future – stands above all for personal freedom. With the VISION EQS technology carrier, Mercedes-Benz is focusing on a completely new, fully variable battery-electric drive platform. It is scalable in many respects and can be used across many models. Thanks to the modular system, wheelbase and track width as well as all other system components, especially the batteries, are variable and thus suitable for a broad range of vehicle concepts.

Daimler AG

Annual Financial Statements 2019

The Management Report of Daimler AG is combined with the Group Management Report in accordance with Section 315 Subsection 5 of the German Commercial Code (HGB) and is published in the Daimler Group's Annual Report 2019.

The Annual Financial Statements and the combined Management Report for Daimler AG and the Daimler Group for the year 2019 are filed with the operator of the German Federal Gazette and published in the German Federal Gazette.

The Annual Financial Statements of Daimler AG and the Daimler Group's Annual Report 2019 can be found on our website at  www.daimler.com/investors/reports-news/.

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Balance Sheet of Daimler AG

Assets			
	Notes	Dec. 31, 2019	Dec. 31, 2018
In millions of euros			
Non-current assets			
Intangible assets	(1)	58	1,587
Property, plant and equipment	(2)	230	9,528
Financial assets	(3)	56,926	43,977
		57,214	55,092
Current assets			
Inventories	(4)	-	10,524
Trade receivables	(5)	69	2,781
Receivables from subsidiaries	(5)	30,644	29,817
Other receivables and other assets	(5)	2,047	4,908
Securities	(6)	6,165	7,278
Cash and cash equivalents	(7)	2,942	6,354
		41,867	61,662
Prepaid expenses	(8)	285	406
		99,366	117,160
Equity and liabilities			
	Notes	Dec. 31, 2019	Dec. 31, 2018
In millions of euros			
Equity			
Share capital (conditional capital €500 million)	(9a)	3,070	3,070
Capital reserve	(9b)	11,480	11,480
Retained earnings	(9c)	22,541	25,182
Distributable profit	(9d)	963	3,477
		38,054	43,209
Provisions			
Provisions for pensions and similar obligations	(10)	94	838
Other provisions	(11)	1,511	15,595
		1,605	16,433
Liabilities			
Trade payables	(12)	227	7,210
Liabilities to subsidiaries	(12)	29,978	18,838
Other liabilities	(12)	29,496	30,394
		59,701	56,442
Deferred income	(13)	6	1,076
		99,366	117,160

Income Statement of Daimler AG

	Notes	2019	2018
In millions of euros			
Revenue	(14)	2,019	112,491
Cost of sales	(15)	-1,959	-103,232
Gross profit		60	9,259
Selling expenses	(15)	-	-7,904
General administrative expenses	(15)	-964	-2,304
Other operating income	(16)	88	1,372
Other operating expenses	(17)	-360	-1,664
Income/expense from investments in subsidiaries and associated companies, net	(18)	-426	11,337
Interest income/expense, net	(19)	-24	-4,202
Other financial income/expense, net	(20)	-96	183
Income taxes	(21)	44	-1,055
Profit after taxes/ Net loss (previous year: net profit)	(22)	-1,678	5,022
Withdrawals from retained earnings (previous year: transfer to retained earnings)		2,641	-1,545
Distributable profit		963	3,477

Notes to the Financial Statements of Daimler AG

Accounting policies and methods and changes in the corporate structure

Daimler AG is entered in the Commercial Register of the Stuttgart District Court under No. HRB 19360 and its registered office is located at Mercedesstraße 137, 70372 Stuttgart, Germany.

On May 22, 2019, within the framework of “Project Future”, the Annual Shareholders’ Meeting of Daimler AG voted with 99.75% of the votes cast to hive-down assets and liabilities of the Mercedes-Benz Cars and Mercedes-Benz Vans divisions and of the Daimler Trucks and Daimler Buses divisions into two legally independent entities. The hive-down took place in accordance with Section 123 Subsection 3 No. 1 of the German Transformation Act (UmwG) into Mercedes-Benz AG and Daimler Truck AG. The hive-down is based on the hive-down agreement concluded between Daimler AG, Mercedes-Benz AG and Daimler Truck AG on March 25, 2019. The hive-down became effective upon being entered in the commercial register of Daimler AG on October 31, 2019 (“completion date”). When the hive-down became effective, the assets to be transferred as defined in the hive-down agreement were transferred to Mercedes-Benz AG and Daimler Truck AG under civil law by way of partial universal succession at their carrying amounts. The transfer of assets had a retroactive financial effect as of the hive-down date of January 1, 2019. In addition, when the hive-down became effective, further assets and liabilities as defined by the agreements concluded between Daimler AG and Mercedes-Benz AG and Daimler Truck AG within the hive-down agreement were transferred to Mercedes-Benz AG and Daimler Truck AG, respectively.

As of the hive-down taking effect, Daimler AG acts as an operational management holding company and provides services to the Group companies. As the parent company, it also decides on the Group’s strategy, decides on matters of strategic importance for business operations, and ensures regulatory, legal and compliance functions throughout the Group.

Due to existing control and profit and loss transfer agreements, the profits and losses occurring at Mercedes-Benz AG and Daimler Truck AG are transferred to Daimler AG.

For tax purposes, the profits and losses of Mercedes-Benz AG and Daimler Truck AG are allocated to Daimler AG within the framework of a corporate income tax and trade tax fiscal unity. In addition, Mercedes-Benz AG and Daimler Truck AG are included in the fiscal unity of Daimler AG for value-added-tax purposes.

Furthermore, at the Annual Shareholders’ Meeting on May 22, 2019, Article 2 of the Articles of Incorporation of Daimler AG, in which the object of the company is stated, was amended. The amendment was entered into the commercial register on July 18, 2019.

The financial statements of Daimler AG have been prepared in accordance with the accounting principles of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG); the amounts shown are in millions of euros (€) and the comparable figures for the year ended December 31, 2018 are also shown.

Due to the substantial scope of the hive-downs to Mercedes-Benz AG and Daimler Truck AG, the figures for the 2019 financial year of Daimler AG are not comparable with the prior-year figures. For better comparability, additional information is therefore provided on the individual items of the balance sheet and income statement. The comparability of the prior-year figures is to be established as if the hive-downs had already taken place in the previous year. The adjusted figures for the previous year are indicated below as “adjusted.”

The following table shows a comparison of the balance sheet of Daimler AG before (December 31, 2018) and after (January 1, 2019) the hive-down to Mercedes-Benz AG and Daimler Truck AG.

The items summarized in the balance sheet and the income statement are listed individually and explained in these notes.

For the sake of clarity, the system of presentation has been modified in accordance with Section 266 of the HGB. Other receivables and other assets comprise receivables from associated companies and other assets. Other provisions comprise provisions for taxes and miscellaneous provisions. Other liabilities comprise liabilities to associated companies, loans and bonds, liabilities to banks and miscellaneous liabilities.

The income statement has been prepared according to the internationally predominant cost-of-sales method. The system of presentation according to Section 275 of the HGB has been modified to improve clarity with regard to financial activities.

Financial activities are presented as net income/expense from investments in subsidiaries and associated companies, net interest income/expense and net other financial income/expense.

Assets

	Jan 1., 2019 ¹⁾	Dec. 31, 2018
In millions of euros		
Non-current assets		
Intangible assets	73	1,587
Property, plant and equipment	209	9,528
Financial assets	50,691	43,977
	50,973	55,092
Current assets		
Inventories	1	10,524
Trade receivables	4	2,781
Receivables from subsidiaries	25,013	29,817
Other receivables and other assets	3,142	4,908
Securities	7,278	7,278
Cash and cash equivalents	4,819	6,354
	40,257	61,662
Prepaid expenses	300	406
	91,530	117,160

Equity and liabilities

	Jan 1., 2019 ¹⁾	Dec. 31, 2018
In millions of euros		
Equity		
Share capital	3,070	3,070
Capital reserve	11,480	11,480
Retained earnings	25,182	25,182
Distributable profit	3,477	3,477
	43,209	43,209
Provisions		
Provisions for pensions and similar obligations	123	838
Other provisions	2,136	15,595
	2,259	16,433
Liabilities		
Trade payables	428	7,210
Liabilities to subsidiaries	18,029	18,838
Other liabilities	27,605	30,394
	46,062	56,442
Deferred income	-	1,076
	91,530	117,610

1 Amounts after hive-down of business operations. Deviations from the hive-down balance (published in the hive-down report May 22, 2019) sheet are the result of subsequent adjustments in accordance with the hive-down agreement.

Recognition and measurement

Intangible assets are measured at cost of acquisition, reduced by systematic straight-line amortization. They have a useful life of 4 to 15 years.

The capitalization option for self-produced intangible assets is not utilized.

Property, plant and equipment are measured at cost of acquisition or production, reduced by systematic depreciation.

The production costs of self-constructed assets comprise direct costs as well as prorated material and production overheads, including depreciation, to the extent that they are caused by the production process.

Systematic straight-line depreciation for technical equipment and machinery, other equipment and operating and office equipment is based on a useful life of 3 to 23 years. Correspondingly shorter periods apply for equipment used in multiple shifts.

Impairments are recognized if an asset has to be measured at a lower value.

Assets with costs of acquisition or production of up to €1,000 are immediately expensed.

Leased assets are measured at cost of acquisition or production and are systematically depreciated on a straight-line basis over a useful life of 3 to 9 years.

For the sake of better clarity, the item of leased assets has been added to the schedule of non-current assets under property, plant and equipment.

Shares in subsidiaries and associated companies and *other financial assets* are measured at cost of acquisition, or, if there is an indication of permanent impairment, at the lower fair value. If the reasons for permanent impairment are no longer given, the impairment is reversed. Loans bearing low interest or no interest are measured at their present values. In accounting for non-cash contributions, the exchange principles are generally applied and the newly acquired shares are measured at the carrying amount of the shares contributed.

Receivables and *other assets* are measured at their nominal values with consideration of all recognizable risks. If they have a residual period of more than one year and are non-interest bearing, they are discounted to their present value on the balance sheet date. General allowances are recognized to reflect general credit risks. Receivables and other assets with a residual term of less than one year which are denominated in foreign currencies are translated at the spot rates on the balance sheet date. Non-current assets denominated in foreign currencies are translated at the spot rates on the date when booked or at the lower rate on the balance sheet date.

Securities are measured at the lower of cost of acquisition or fair value on the balance sheet date.

Payments made prior to the balance sheet date that constitute expenses for a specific period after that date are reported as *prepaid expenses*. Any difference between the settlement amount and the lower issue amount of a liability is capitalized and amortized systematically over the period of the liability.

Deferred taxes are calculated on temporary differences in the measurement of assets, liabilities, accruals and deferrals between the tax basis and financial reporting according to HGB, as well as on tax-loss carryforwards. Tax-loss carryforwards can only be taken into account if they can be offset against taxable income within the statutory period of five years. Deferred taxes are measured based on the combined tax rate of 29.825% for the income-tax fiscal unity of Daimler AG. The combined tax rate includes corporate income tax, trade tax and the solidarity surcharge. Deferred tax assets and deferred tax liabilities are netted. Any resulting tax liability is recorded as a deferred tax liability in the balance sheet. Any resulting tax asset is not recognized, in line with the capitalization option.

Provisions for pensions and similar obligations for pension plans result from the offsetting of pension obligations and assets that are not available to all other creditors and serve exclusively to settle pension obligations (special-purpose assets).

Retirement benefit obligations from pension plans that provide for a predefined benefit in old age are recognized at the settlement amount required according to reasonable business judgment. Measurement is based on the actuarial projected unit credit method. Discounting of pension obligations is based on the average market interest rate of the past ten financial years as published on December 31, 2019 by the German central bank (Deutsche Bundesbank) for an assumed residual period of 15 years.

Provisions for retirement benefit obligations which at least guarantee the contributions paid in are recognized at the fair value of the related assets, as this exceeds the guaranteed minimum amount. Future claims are related to the fair value of the assets (securities or comparable assets).

The offset assets are measured at fair value. Expenses and income resulting from discounting the retirement benefit obligations are offset against the expenses and income of the offset assets under net interest income/expense. All other components of pension expenses are presented under functional costs.

Other provisions are recognized at the required settlement amounts in accordance with reasonable commercial judgment. Expected future increases in prices and costs until settlement of the liabilities are taken into consideration. Provisions with a residual period of more than one year are discounted according to the net method over that period using the average market interest rate of the past seven financial years as published by the German central bank (Deutsche Bundesbank). Changes in the discount rate or interest effects of a changed estimate of the residual period are presented under interest income/expense.

Other provisions also include provisions for taxes. For the case that the amounts stated in the tax returns might not be realized (uncertain tax positions), the provisions are based on the best-estimate of the expected tax payments.

In accordance with Section 254 of the HGB, *derivative financial transactions* are linked as a hedging relationship with an underlying transaction, provided there is a direct hedging context between the financial transaction and the underlying transaction. Financial transactions for which no units of valuation are formed are measured individually at fair value. Any resulting unrealized losses are expensed.

Liabilities are measured at their settlement amounts. Liabilities denominated in foreign currencies with a residual period of up to one year are translated at the spot rates on the balance sheet date. Non-current liabilities denominated in foreign currencies are translated at the spot rates on the date when booked or at the higher rate on the balance sheet date.

Payments received prior to the balance sheet date that constitute income for a specific period after that date are reported as *deferred income*.

Schedule of non-current assets

	Cost of acquisition or production						Depreciation/Amortization/Write-ups						Carrying amount			
	Jan. 1, 2019	Addi- tions	Reclas- sifica- tions	Dis- posals	Disposals hive-down		Jan. 1, 2019	Addi- tions	Write- ups	Reclas- sifica- tions	Dis- posals	Disposals hive-down		Dec. 31, 2019	Dec. 31, 2019	Dec. 31, 2018
					Jan. 1, 2019	Dec. 31, 2019						Jan. 1, 2019	Dec. 31, 2019			
In millions of euros																
Intangible assets																
Purchased conces- sions, industrial property rights and similar rights and values, as well as licenses to such rights and values	2,464	13	-	13	2,273	191	1,146	28	-	-	13	1,028	133	58	1,318	
Advance payments made	269	-	-	-	269	-	-	-	-	-	-	-	-	-	269	
	2,733	13	-	13	2,542	191	1,146	28	-	-	13	1,028	133	58	1,587	
Property, plant and equipment																
Technical equipment and machinery	16,821	1	3	-	16,775	50	13,909	4	-	-	-	13,889	24	26	2,912	
Other equipment, factory and office equipment	17,792	60	14	36	17,343	487	14,515	61	-	-	37	14,221	318	169	3,277	
Leased assets	1,659	-	-	2	1,655	2	137	-	-	-	-	135	2	-	1,522	
Advance payments made and construction in progress	1,817	26	-17	-	1,791	35	-	-	-	-	-	-	-	35	1,817	
	38,089	87	-	38	37,564	574	28,561	65	-	-	37	28,245	344	230	9,528	
Financial assets																
Shares in subsidiaries	41,449	34,474 ¹⁾	-	17,081	4,619	54,223	2,021	230	33	-	521	329	1,368	52,855	39,428	
Loans to subsidiaries	1,518	1,009	-	145	-	2,382	-	-	-	-	-	-	-	2,382	1,518	
Shares in associated companies	3,269	11	-	350	1,244	1,686	242	-	-	-	79	163	-	1,686	3,027	
Other loans	4	-	-	1	-	3	-	-	-	-	-	-	-	3	4	
	46,240	35,494	-	17,577	5,863	58,294	2,263	230	33	-	600	492	1,368	56,926	43,977	
Non-current assets	87,062	35,594	-	17,628	45,969	59,059	31,970	323	33	-	650	29,765	1,845	57,214	55,092	

1 The hive-down of the assets and liabilities of the Mercedes-Benz Cars and Mercedes-Benz Vans divisions and of the Daimler Trucks and Daimler Buses divisions at their carrying amounts in the context of "Project Future" resulted in a total addition of €12,085 million effective January 1, 2019, which is included in the additions to the financial assets.

In the context of the Project Future hive-down, non-current assets with a carrying amount of €16,204 million were trans-

ferred to Mercedes-Benz AG and Daimler Truck AG. The following table shows the disposals to the respective companies.

	Cost of acquisition or production	Depreciation/Amortization	Carrying amount
In millions of euros			
Disposals to Mercedes-Benz AG			
Intangible assets	2,366	894	1,472
Property, plant and equipment	31,856	23,500	8,356
Financial assets	3,210	282	2,928
	37,432	24,676	12,756
Disposals to Daimler Truck AG			
Intangible assets	176	134	42
Property, plant and equipment	5,708	4,475	963
Financial assets	2,653	210	2,443
	8,537	5,089	3,448
Disposals in the context of Project Future	45,969	29,765	16,204

Notes to the Balance Sheet

1 Intangible assets

The intangible assets of Daimler AG in an amount of €58 million primarily comprise licenses, rights to use a name and similar assets acquired for payment. The disposals mainly relate to rights and development services in connection with cooperation projects that were transferred to Mercedes-Benz AG (€1,472 million) and to Daimler Truck AG (€42 million) in the context of the hive-down. Systematic amortization amounts to €28 million (2018: €230 million). No unscheduled amortization was carried out in 2019 (2018: €5 million).

2 Property, plant and equipment

The property, plant and equipment of Daimler AG primarily consists of technical equipment and machinery, other equipment, operating and business equipment, advance payments made. In the context of the hive-down, property, plant and equipment in particular were transferred to Mercedes-Benz AG (€8,356 million) and to Daimler Truck AG (€963 million).

Additions in 2019 relate solely to movable assets. Systematic depreciation of property, plant and equipment amounts to €65 million (2018: €2,791 million).

3 Financial assets

Shares in subsidiaries and associated companies increased by €12,086 million to €54,541 million (2018 adjusted: €49,171 million, 2018: €42,455 million).

The main additions to financial assets relate to the increase in the carrying amounts of the investments in Mercedes-Benz AG and Daimler Truck AG. The hive-down of the assets and liabilities of the Cars & Vans and Trucks & Buses divisions at their carrying amounts as part of "Project Future" resulted in an addition totaling €12,085 million effective January 1, 2019.

Other additions to shares in subsidiaries relate to the property, plant and equipment of Daimler Trucks & Buses US Holding Inc. contributed to Daimler Truck AG and the acquisition within the Group of the shares of Mercedes-Benz Bank AG. Also during 2019, in the context of "Project Future," numerous further MB Cars and Vans companies were contributed to Mercedes-Benz AG, Truck companies to Daimler Truck AG and Financial Services companies to LEONIE FS DVB GmbH. Furthermore, several subsidiaries of Daimler AG were transferred to Daimler Nederland B.V. by way of non-cash contributions. The carrying


amounts of the investments in LEONIE FS DVB GmbH, Daimler Mobility AG, Mercedes-Benz Argentina S.A.U. and Daimler Nederland B.V. increased as a result of cash capital increases. And within the Group, Daimler AG acquired approximately 37% of the shares in Daimler Canada Investments Company and the shares in Mercedes-Benz Vans Nederland B.V.

Significant disposals of shares in subsidiaries relate in particular to the disposal of Daimler Trucks & Buses US Holding Inc. by way of a non-cash contribution to Daimler Truck AG and a capital reduction at Daimler Mobility AG in connection with the acquisition of the shares in Mercedes-Benz Bank. Further disposals relate to the subsidiaries that were contributed to Mercedes-Benz AG and Daimler Truck AG effective January 1, 2019 as a result of the hive-down in the context of "Project Future." They include in particular the companies Mitsubishi Fuso Truck and Bus Corporation, Daimler Trucks Canada Ltd., Mercedes-AMG GmbH, Mercedes-Benz Cars Nederland B.V., Mercedes-Benz Trucks UK Limited and Daimler UK Limited. In addition, during the year in the context of "Project Future," numerous other MB Cars and Vans companies were contributed to Mercedes-Benz AG, truck companies to Daimler Truck AG and financial services companies to LEONIE FS DVB GmbH. Furthermore, the disposals include those subsidiaries that were transferred to Daimler Nederland B.V. by way of non-cash contributions.

Significant disposals of shares in subsidiaries and associated companies result in particular from the disposal of There Holding B.V., Cooperation Manufacturing Plant Aguascalientes, S.A.P.I and KAMAZ PAO due to the hive-down to Mercedes-Benz AG and Daimler Truck AG in the context of "Project Future" effective January 1, 2019. In addition, the shares in Beijing Foton Daimler Automotive Co., Ltd. were sold within the Group in the year under review.

In 2019, shares in subsidiaries and associated companies were impaired by an amount of €230 million (2018: €254 million). This primarily relates to Mercedes-Benz Argentina S.A.U. in an amount of €222 million in connection with its non-cash contribution to Daimler Nederland B.V..

Write-ups amounted to €33 million (2018: €38 million).

The statement of investments pursuant to Section 285 of the German Commercial Code (HGB) is included in the  "Statement of investments" chapter.

4 Inventories

Most of the inventories presented at December 31, 2018 have been transferred to Mercedes-Benz AG and Daimler Truck AG in the context of the hive-down.

5 Receivables and other assets [↗ C.01](#)

Receivables from subsidiaries (€30,644 million, 2018 adjusted: €25,013 million, 2018: €29,817 million) primarily comprise receivables that originally arose from the Group's internal transactions in connection with central finance and liquidity management (€27,600 million), from profit transfers from subsidiaries (€2,843 million) and from the supply of goods and services to German and foreign companies (€201 million). As the central financial and liquidity management for "Project Future" will remain with Daimler AG, the related receivables will remain with Daimler AG.

Disposals in the context of "Project Future" relate to receivables from subsidiaries from the operating activities of the Mercedes-Benz Cars and Mercedes-Benz Vans divisions and of the Daimler Trucks and Daimler Buses divisions in an amount of €4,804 million, other receivables and assets in an amount of €1,766 million and trade receivables in an amount of €2,777 million.

Receivables from associated companies primarily comprise receivables arising from the Group's internal transactions in connection with central financial and liquidity management with German and foreign associated companies (€70 million, 2018 adjusted €90 million, 2018: €90 million).

Other assets include tax-refund claims (€1,118 million, 2018 adjusted: €1,556 million, 2018: €1,556 million), fixed-term deposits (€450 million, 2018 adjusted: €650 million, 2018: €650 million) and accrued interest (€179 million, 2018 adjusted €161 million, 2018 €161 million).

Other assets allocated to the Mercedes-Benz Cars & Mercedes-Benz Vans division's operating area of responsibility have been transferred to Mercedes-Benz AG, except for tax refund claims, fixed-term deposits and accrued interest, which remain with Daimler AG.

6 Securities

Securities consist solely of other securities, which include fixed or variable-interest marketable debt securities as well as money-market funds. The decrease of €1,113 million to €6,165 million (2018 adjusted: €7,278 million, 2018: €7,278 million) is due in particular to the disposal of bonds.

No securities have been transferred to Mercedes-Benz AG or Daimler Truck AG.

C.01

Receivables and other assets

	Dec. 31, 2019	Dec. 31, 2018
In millions of euros		
Trade receivables	69	2,781
thereof more than 1 year until maturity	-	12
Receivables from subsidiaries	30,644	29,817
thereof more than 1 year until maturity	8,444	10,316
Receivables from associated companies	72	1,679
thereof more than 1 year until maturity	-	-
Other assets	1,975	3,229
thereof more than 1 year until maturity	23	9
Receivables and other assets	32,760	37,506
thereof more than 1 year until maturity	8,467	10,337

7 Cash and cash equivalents

Cash and cash equivalents amount to €2,942 million at the end of the year (2018 adjusted: €4,819 million, 2018: €6,354 million) and consist of bank balances, cash in hand and checks. Liquidity also includes securities (€6,165 million, 2018 adjusted: €7,278 million, 2018: €7,278 million), cash and cash equivalents, as well as fixed-term deposits (€450 million, 2018 adjusted: €650 million, 2018: €650 million), which are presented under other assets.

In the context of the hive-down, cash and cash equivalents of €1,378 million have been transferred to Mercedes-Benz AG and of €157 million to Daimler Truck AG in line with the operating responsibilities

8 Prepaid expenses

Prepaid expenses include discount amounts of €117 million (2018 adjusted: €112 million, 2018: €112 million). They result from the difference between the settlement amount and the lower issue amount of liabilities.

Prepaid expenses allocated to the Cars & Vans division's operating area of responsibility have been transferred to Mercedes-Benz AG in the amount of €103 million and to Daimler Truck in the amount of €3 million.

Discounts within the context of central financial and liquidity management remain with Daimler AG.

C.02**Equity**

	Dec. 31, 2019	Dec. 31, 2018
In millions of euros		
Share capital	3,070	3,070
Capital reserve	11,480	11,480
Retained earnings	22,541	25,182
Distributable profit	963	3,477
Equity	38,054	43,209

C.03**Number of shares**

	2019	2018
Shares outstanding/issued at January 1	1,069,837,447	1,069,837,447
Shares reacquired in the context of employee share programs and not cancelled	-826,535	-732,729
Sale of treasury shares to employees in the context of employee share programs	826,535	732,729
Shares outstanding/issued at December 31	1,069,837,447	1,069,837,447

9 Equity ↗ C.02**a) Share capital**

The share capital (authorized capital) is divided into no-par-value shares. All shares are fully paid up. Each share confers the right to one vote at the Annual Shareholders' Meeting of Daimler AG and, if applicable, with the exception of any new shares potentially not entitled to dividends, to an equal portion of the profits as defined by the dividend distribution resolved at the Annual Shareholders' Meeting. Each share represents a proportionate amount of approximately €2.87 of the share capital. The number of shares outstanding/issued at December 31, 2019 is 1,070 million, unchanged from December 31, 2018.

Treasury shares

By resolution of the Annual Shareholders' Meeting held on April 1, 2015, the Company was authorized until March 31, 2020 to acquire treasury shares in a volume up to 10% of the share capital issued as of the day of the resolution to be used for all legal purposes. The shares can be used, among other things, with the exclusion of shareholders' subscription rights, for business combinations or to acquire companies, or to be sold to third parties for cash at a price that is not significantly lower than the stock-exchange price of the Company's shares. The acquired shares can also be used to fulfill obligations from issued convertible bonds and/or bonds with warrants and to be issued to employees of the Company and employees and board members of the Company's subsidiaries pursuant to Sections 15 et seq. of the German Stock Corporation Act (AktG). The treasury shares can also be canceled. The Board of Management is further authorized, with the consent of the Supervisory Board,

to exclude shareholders' subscription rights in other defined cases. In a volume up to 5% of the share capital issued as of the day of the resolution of the Annual Shareholders' Meeting, the Company was authorized to acquire treasury shares also by using derivatives (put options, call options, forward purchases or a combination of these instruments), whereby term of a derivative must not exceed 18 months and must not end later than March 31, 2020. No use was made of the authorization to acquire treasury during the reporting period. As at December 31, 2018, no treasury shares were held by Daimler AG at December 31, 2019. ↗ C.03

Employee share purchase plan

In 2019, as in the previous year without utilizing the authorization to acquire treasury shares granted by the Annual Shareholders' Meeting on April 1, 2015, 826,535 Daimler shares (2018: 732,729 Daimler shares) were purchased and reissued to employees in connection with employee share programs. This includes 15,564 (2018: 15,394 shares) shares provided as health shares in the context of the bonus program for attendance. The employee shares represent €2.37 million or 0.08% of the share capital. Daimler shares were acquired for an average price of €52.07 per share and reissued to employees for an average price of €36.48 per share. The proportionate loss arising for Daimler AG of €12.89 million was recognized through profit and loss as a personnel expense in 2019. The proportionate loss of €12.27 million from the sale of employee shares to entitled employees of Group companies was charged by Daimler AG to the respective companies of the Group.

Approved capital

The Annual Shareholders' Meeting held on April 5, 2018 authorized the Board of Management, with the consent of the Supervisory Board, to increase the share capital of the Company in the period until April 4, 2023 by a total of €1,000 million in one lump sum or by separate partial amounts at different times by issuing new, registered no-par-value shares in exchange for cash and/or noncash contributions (Approved Capital 2018). The new shares are generally to be offered to the shareholders for subscription (also by way of indirect subscription pursuant to Section 186 Subsection 5 Sentence 1 of the German Stock Corporation Act (AktG)). The Board of Management was also authorized, among other things, with the consent of the Supervisory Board to exclude shareholders' subscription rights under certain conditions and within defined limits. Approved Capital 2018 has not yet been utilized.

Conditional capital

The resolution of the Annual Shareholders' Meeting on April 1, 2015 authorizes the Board of Management, with the consent of the Supervisory Board, until March 31, 2020 to issue convertible and/or warrant bonds or a combination of these instruments ("bonds") with a total face value of up to €10,000 million and a maturity of no more than ten years. The Board of Management is allowed to grant the holders of these bonds conversion or warrant rights for new registered no-par-value shares in Daimler AG with an allocable portion of the share capital of up to €500 million in accordance with the details defined in the terms and conditions of the bonds. The bonds can be offered in exchange for cash and/or non-cash contributions, in particular for shares in other companies. The terms and conditions of the bonds can include warranty obligations or conversion obligations. The bonds can be issued once or several times, wholly or in installments, or simultaneously in various tranches, as well as by

subsidiaries of the Company within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG). Among other things, the Board of Management was authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights for the bonds under certain conditions and within defined limits.

In order to fulfill the conditions of the above-mentioned authorization, the Annual Shareholders' Meeting on April 1, 2015 also resolved to increase the share capital conditionally by an amount of up to €500 million (Conditional Capital 2015).

The authorization to issue convertible and/or warrant bonds has not yet been utilized.

b) Capital reserve

The capital reserve amounts to €11,480 million at December 31, 2019 (2018 adjusted: €11,480 million, 2018: €11,480 million).

c) Retained earnings

At December 31, 2019, other retained earnings amount to €22,541 million (2018 adjusted: €25,182 million, 2018: €25,182 million). In 2019, €2,641 million was transferred from other retained earnings. [↗ C.04](#)

d) Distributable profit

Distributable profit for the 2019 financial year is calculated in accordance with Section 158 Subsection 1 of the German Stock Corporation Act (AktG) and amounts to €963 million [↗ C.05](#)

Information on amounts that may not be distributed

The difference between the recognition of the retirement benefit obligations with the average market interest rate of the past ten financial years and the recognition of the retirement benefit obligations with the average market interest rate of the past seven financial years amounts to €156 million and may not be distributed. The measurement at fair value of assets offset against pension obligations resulted in an amount of €40 million that may not be distributed.

On the other hand, retained earnings exist which may be freely disposed of in the amount of €22,541 million. Therefore, the distributable profit of €963 million is in fact fully distributable.

C.04

Other retained earnings

	2019	2018
In millions of euros		
Balance at January 1	25,182	23,637
Purchase of treasury shares	-	-
Allocated by the Annual Shareholders' Meeting	-	-
Transfer from net profit	-	1,545
Transfer from retained earnings	-2,641	-
Balance at December 31	22,541	25,182
thereof treasury shares	-	-

C.05

Distributable profit

	2019
In millions of euros	
Balance at January 1	3,477
Dividend distribution	-3,477
Net loss 2019	-1,678
Transfer from retained earnings	2,641
Balance at December 31	963

Dividend

Under the German Stock Corporation Act (AktG), the dividend is paid out of the distributable profit reported in the annual financial statements of Daimler AG (parent company only) in accordance with the German Commercial Code (HGB). For the year ended December 31, 2019, the Daimler management will propose to the shareholders at the Annual Shareholders' Meeting the payment of €963 million of the distributable profit of Daimler AG as a dividend to the shareholders, equivalent to €0.90 per no-par-value share entitled to a dividend (2018: €3,477 million and €3.25 per no-par-value share entitled to a dividend, respectively).

Share-based payment

As of December 31, 2019, Daimler AG has Performance Phantom Share Plans (PPSP) 2016 through 2019 in operation. As instruments of share-based payment with cash settlement, the PPSP are measured at their fair values on the balance sheet date. They are paid out at the end of their contractually defined periods; an earlier, proportionate payout is only possible under certain conditions when a beneficiary leaves the company. PPSP 2015 was paid out as planned in the first quarter of 2019.

C.06**Provisions for pensions and similar obligations**

	Dec. 31, 2019	Dec. 31, 2018
In millions of euros		
Settlement amount of obligations from defined-benefit plans	1,342	13,720
Fair value of related special-purpose assets for obligations from defined-benefit plans	-1,248	-12,882
Settlement amount for obligations from plans with commitments backed by securities	80	587
Fair value of related special-purpose assets for obligations from plans with commitments backed by securities	-80	-587
Provisions for pensions and similar obligations (+)/Net defined-benefit plan asset (-)	94	838

C.07**Shares in investment funds at Dec. 31, 2019**

	Private equity funds
in millions of euros	
Book value / fair value	97
Cost of acquisition	69
Difference	28
Dividend for the year	—
Daily return possible	yes

Performance Phantom Share Plans

In 2019, Daimler AG adopted a Performance Phantom Share Plan similar to that used in prior years, under which eligible board members and employees are granted phantom shares entitling them to receive cash payments provided that predefined targets are met in the three-year performance period. The amount of cash paid to eligible persons is based on the number of vested phantom shares (determined depending on target achievement over a three-year performance period) multiplied by the quoted price of Daimler's ordinary shares (calculated as an average price over a specified period at the end of the four-year plan period). For the PPSP issued as of 2014, the determination of target achievement is based on the relative share performance, which measures the development of a share-price index of a group of competitors including Daimler, and the return on sales (RoS) of Daimler compared with the average RoS of a group of competitors.

Since PPSP 2018, the average RoS of the group of competitors is additionally revenue weighted. In this context, special regulations apply to the members of the Board of Management beginning with the plan PPSP 2015 to the extent that Daimler has to achieve a higher RoS than the average of its competitors in order to obtain the same target achievement that the other plan participants obtain in the case of a RoS equal to the average of the competitors.

10 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations amount to €94 million at December 31, 2019 (2018 adjusted: €123 million, 2018: €838 million). In connection with the hive-down, provisions in the amount of €715 million were transferred to Mercedes-Benz AG and Daimler Truck AG. The transferred pension obligations comprise the obligations for the beneficiaries transferred from Daimler AG to Mercedes-Benz AG and Daimler Truck AG pursuant to the hive-down agreement. Special-purpose assets were transferred from Daimler AG to Mercedes-Benz AG and Daimler Truck AG for parts of the pension obligations. The amounts of the special-purpose assets transferred were based on the ratio of the obligations of Daimler AG, Mercedes-Benz AG and Daimler Truck AG recognized in accordance with IFRS as of date when the hive-down took effect. [↗ C.06](#)

The settlement amount for obligations that provide for a defined benefit during retirement is €1,342 million (2018 adjusted: €1,222 million, 2018: €13,720 million).

The measurement of the pension obligations is based on an interest rate of 2.71% (2018: 3.21%). Life expectancy is calculated on the basis of the 2018 G mortality tables of K. Heubeck. The mortality tables take into account the latest statistics of the statutory pension insurance and the Federal Statistical Office. In addition, the measurement is based on annual increases in the cost of living and annual increases in future entitlements of 1.70% (2018: 1.80%) and expected annual wage and salary increases of 3.00% (2018: 3.00%).

These obligations are offset against the special-purpose assets, which as at December 31, 2019 have a fair value of €1,248 million (2018 adjusted: €1,099 million, 2018: €12,882 million) and cost of acquisition of €1,207 million.

The obligations for the pension plans, the amounts of which are determined by the fair value of securities or comparable assets, are recognized with the fair value of those assets at December 31, 2019 of €80 million (2018 adjusted: €70 million, 2018: €587 million), as this exceeds the guaranteed minimum value of the obligations at December 31, 2019. There is then an offset with those special-purpose assets that have original cost of acquisition of €76 million. As a result, this leads to the full offsetting of the obligations with the related special purpose assets.

The assets offset at December 31, 2019 include the shares shown in Table [↗ C.07](#) in foreign funds in the form of shares in an investment-fund company with variable equity of more than 10% pursuant to Sections 108 to 123 of the German Capital Investment Act (KAGB). This is a private equity fund with an international focus that reflects individual investor needs. There are no restrictions on the possibility of returning the shares on stock-exchange trading days. The return of shares can be temporarily suspended under unusual circumstances that make suspension seem necessary under consideration of the interests of the investors.

11 Other provisions [↗ C.08](#)

Provisions for taxes relate primarily to income taxes for years not yet finally assessed.

Other provisions primarily relate to impending losses from derivative transactions, personnel and social obligations, and legal proceedings and liability risks.

In the context of the “Project Future”, other provisions were transferred to Mercedes-Benz AG (€11,268 million) and to Daimler Truck AG (€2,676 million). Furthermore, the hive-down has resulted in provisions of €485 million for newly created internal derivatives.

Within the fiscal unity, Daimler AG continues to be the controlling company, also for the hive-down companies Mercedes-Benz AG and Daimler Truck AG. All provisions for income taxes have remained with Daimler AG. Only provisions for other tax withholdings (withholding tax), which do not relate to income taxes, have been transferred to Mercedes-Benz AG (€7 million).

12 Liabilities [↗ C.09](#)

Notes, bonds and commercial paper are primarily European medium-term notes in the amount of €23,467 million (2018 adjusted: €22,659 million, 2018: €22,659 million).

Liabilities to banks of €1,498 million (2018 adjusted: €1,100 million, 2018: €2,800 million) primarily comprise loans of €1,100 million (2018 adjusted: €1,100 million, 2018: €2,800 million).

In the context of “Project Future,” trade liabilities have been transferred to Mercedes-Benz AG (€5,936 million) and Daimler Truck AG (€846 million) in line with the purpose for which the goods and services purchased for the Cars & Vans and Trucks & Buses divisions were actually used.

Liabilities to subsidiaries (€29,978 million, 2018 adjusted: €18,029 million, 2018: €18,838 million) are liabilities that originally arose from transactions within the Group in the context of central finance and liquidity management (€20,566 million) and from profit/loss transfers with subsidiaries (€9,301 million), as well as the supply of goods and services with German and foreign companies of the Group (€111 million, 2018 adjusted: €1 million, 2018: €809 million).

C.08

Other provisions

	Dec. 31, 2019	Dec. 31, 2018
In millions of euros		
Provisions for taxes	835	1,223
Miscellaneous provisions	676	14,372
	1,511	15,595

C.09

Liabilities

	Dec. 31, 2019	Dec. 31, 2018
In millions of euros		
Notes/bonds and commercial paper	27,615	26,133
of which due in less than 1 year	5,804	5,104
of which due in 1 year to 5 years	10,267	10,731
of which due in more than 5 years	11,544	10,298
Liabilities to banks	1,498	2,800
of which due in less than 1 year	1,498	500
of which due in 1 year to 5 years	-	2,300
of which due in more than 5 years	-	-
Trade payables	227	7,210
of which due in less than 1 year	227	7,210
of which due in 1 year to 5 years	-	-
of which due in more than 5 years	-	-
Liabilities due to subsidiaries	29,978	18,838
of which due in less than 1 year	21,763	12,338
of which due in 1 year to 5 years	8,215	6,500
of which due in more than 5 years	-	-
Liabilities due to associated companies	3	42
of which due in less than 1 year	3	42
of which due in 1 year to 5 years	-	-
of which due in more than 5 years	-	-
Other liabilities	380	1,419
of which due in less than 1 year	380	1,418
of which due in 1 year to 5 years	-	1
of which due in more than 5 years	-	-
of which tax liabilities	32	163
of which obligations concerning social security	2	46
Total of liabilities	59,701	56,442
of which due in less than 1 year	29,675	26,612
of which due in 1 year to 5 years	18,482	19,532
of which due in more than 5 years	11,544	10,298

In the context of “Project Future,” central financial and liquidity management remains at Daimler AG. Only those liabilities to subsidiaries and associated companies from the operating activities of the Cars & Vans and Trucks & Buses divisions have been transferred to Mercedes-Benz AG and Daimler Truck AG.

Liabilities to associated companies are liabilities that originally arose from transactions within the Group in the context of central finance and liquidity management (€3 million, 2018 adjusted: €3 million, 2018:€3 million).

Other liabilities of €380 million (2018 adjusted: €369 million, 2018: €1,419 million) mainly comprise liabilities from wages and salaries, accrued and deferred interest, and tax liabilities.

As the central financial and liquidity management remains at Daimler AG, notes, bonds, commercial paper and liabilities to banks – with the exception of special-purpose support loans and financial liabilities to companies in which an equity interest is held have not been transferred.

Liabilities relating to the products and employees of the Cars & Vans and Trucks & Buses divisions have been transferred to Mercedes-Benz AG and Daimler Truck AG, respectively.

13 Deferred income

The items of deferred income have been transferred to Mercedes-Benz AG (€842 million) and Daimler Truck AG (€234 million) due to its business origin in the operating areas of responsibility of the Cars & Vans and Trucks & Buses divisions.

Deferred income of €6 million existing at December 31, 2019 includes earnings effects from terminated valuation units with interest-rate swaps due to the early disposal of underlying transactions.

Notes to the Income Statement

14 Revenue

The Company generates revenue primarily from the provision of internal services from corporate functions, which are charged to the companies of the Group.

In the past financial year, Daimler AG generated revenue of €1,950 million from the provision of internal services of central functions.

Due to legal restrictions, Daimler AG is used for specific sales of Mercedes-Benz AG and Daimler Truck AG. In this respect, Daimler AG generated revenue of €69 million from the sale of vehicles. Daimler AG is not to be involved in this context in the near future.

Domestic revenue (€1,701 million) accounts for 84% of total revenue, with 16% coming from abroad (€318 million). The revenues generated outside Germany are attributable in particular to America (€86 million), Africa (€78 million), Europe (€78 million) and Asia (€69 million).

The decrease in revenue was primarily the result of the hive-down of the operating activities into Mercedes-Benz AG and Daimler Truck AG.

15 Functional costs

Functional costs are broken down in the income statement into cost of sales and general administrative expenses.

Cost of sales includes the expenses incurred to generate sales. These are mainly personnel expenses, the cost of purchased services, IT expenses, depreciation, and rental and lease expenses. The decrease in the cost of sales is mainly due to the hive-down of the operating activities to Mercedes-Benz AG and Daimler Truck AG.

The sales functions have been transferred to Mercedes-Benz AG and Daimler Truck AG in the context of the hive-down, with the result that selling expenses are no longer incurred at Daimler AG.

General administrative expenses primarily comprise personnel expenses, IT costs and fees for expertise and consulting. Administrative expenses include expenses in connection with "Project Future" in the amount of €186 million (2018: €192 million). The decrease in general administrative expenses primarily results from the hive-down in the context of "Project Future."

The expenses for consulting include principal accountant fees. The shareholders of Daimler AG elected KPMG AG Wirtschaftsprüfungsgesellschaft as the external auditor at the Annual Shareholders' Meeting held on May, 22 2019. Table [C.10](#) shows the fees of KPMG AG Wirtschaftsprüfungsgesellschaft recognized as expenses for the services provided to Daimler AG and its subsidiaries in the respective financial year. Principal accounting fees relate to the audit of the consolidated financial statements and the company financial statements, as well as all services required for the audit, including the auditors' review of the interim financial statements, the audit of the accounting-related internal control system and the accounting-related IT and process audits.

Other attestation services primarily comprise statutory, contractually agreed or voluntary attestation services. In addition to project-supporting audits for non-accounting-related IT systems and processes, this item includes in particular attestation services in connection with "Project Future." In addition, it also includes audits in connection with compliance management systems, the issuing of comfort letters and non-financial statements and reports. Tax advisory services primarily comprise tax advice in conjunction with value-added tax. Other services in connection with principal accountant fees were mainly commissioned in connection with IT and process consulting, processes and quality assurance not relevant to accounting.

C.10

Accountant fees

	2019	2018
In millions of euros		
Audit services	28	23
Other attestation services	12	8
Tax services	1	1
Other services	4	6
	45	38

C.11**Income/expense from investments in subsidiaries and associated companies, net**

	2019	2018
In millions of euros		
Income from profit and loss transfer agreements	2,855	2,291
Expenses from loss transfers	-9,326	-685
Income from subsidiaries	5,370	9,069
Income from associated companies	914	830
Impairments of investments in subsidiaries and associated companies	-230	-254
Write-ups on investments in subsidiaries and associated companies	33	38
Gains on disposals of investments in subsidiaries and associated companies	10	48
Other expenses from investments in subsidiaries and associated companies	-52	-
	-426	11,337

16 Other operating income

Of the other operating income of €88 million (2018: €1,372 million), €13 million (2018: € 326 million) is attributable to the period under review.

Other operating income of €75 million (2018: €1,046 million) is assignable to other reporting periods and relates mostly to income from the release of provisions and accruals and deferrals.

The decrease in other operating income is mainly the result of the hive-down of the operating activities to Mercedes-Benz AG and Daimler Truck AG.

17 Other operating expenses

Other operating expenses include provisions recognized as expenses for derivatives of the vehicle business outside the Group (€225 million), as the operating valuation units were terminated with the hive-down.

Other operating expenses include expenses relating to legal proceedings. Other operating expenses of €16 million are attributable to other periods and primarily comprise payments of value-added tax for prior periods.

The decrease in other operating expenses is mainly the result of the hive-down of the operating activities to Mercedes-Benz AG and Daimler Truck AG.

18 Income from subsidiaries, net ↗ C.11

Income from subsidiaries decreased primarily due to higher expenses from loss transfers and lower income from subsidiaries. Income from profit-transfer agreements increased, however.

The increased income from profit-transfer agreements resulted in particular from the higher profit transfer from Daimler Mobility AG. In the previous year, this included the expense of a €620 million profit subsidy in connection with the settlement in the Toll Collect arbitration proceedings.

Expenses from loss transfers increased in the year under review primarily due to the loss transfer from Mercedes-Benz AG.

The lower income from subsidiaries resulted in particular from lower dividends paid by the subsidiaries. Increased dividends from Daimler International Nederland B.V. (€2,500 million; 2018: €0 million) and Daimler Trucks & Buses US Holding Inc. (€988 million; 2018: €0 million) were offset in particular by lower dividends or no dividends from Daimler North America Corporation (€0 million; 2018: €3,331 million), Daimler UK Limited (€0 million; 2018: €1,469 million) and Daimler Nederland B.V. (€0 million; 2018: €1,035 million), as well as from numerous smaller subsidiaries. Dividends from subsidiaries that were transferred to Mercedes-Benz AG and Daimler Truck AG in the hive-down in the context of "Project Future" effective January 1, 2019 are included in their profit transfers to Daimler AG and thus in the line item "Expenses from loss transfers."

Impairments of investments in subsidiaries and associated companies primarily relate to Mercedes-Benz Argentina S. A. U. (€222 million). In the previous year, impairments of investments in subsidiaries and associated companies primarily related to Daimler Financial Services India Private Limited (€100 million), Mercedes-Benz do Brasil Ltda. (€83 million) and Mercedes-Benz Argentina S. A. U. (€63 million).

19 Interest income/expense, net [↗ C.12](#)

The earnings components of the special-purpose assets are recognized under interest income/expense, net and are offset against the interest component of the retirement benefit obligation.

The interest expense from the retirement benefit obligations amounts to €133 million (2018: €2,003 million). The income from the special-purpose assets amounts to €147 million (2018: expense of €1,074 million).

The compounding of provisions with an original maturity of more than one year results in an interest expense of €23 million (2018: €298 million). The decrease compared with the previous year is related to "Project Future," as provisions have been transferred to Mercedes-Benz AG and Daimler Truck AG.


20 Other financial income/expense, net

Other financial income/expense, net includes items from the ongoing Group financing. The hive-down of the operating activities of Mercedes-Benz AG and Daimler Truck AG had only a marginal impact on other financial income/expense, net.

Other financial income/expense, net includes currency losses of €202 million (2018: currency gains of €148 million) from the ongoing Group financing.

Miscellaneous income includes the Group's internal provisions for warranty and guarantee obligations of €128 million (2018: €108 million). Miscellaneous expenses include expenses for Group financing of €23 million (2018: €71 million). [↗ C.13](#)

21 Income taxes

As the parent company, Daimler AG is the taxpayer with respect to those subsidiaries with which it has concluded profit and loss transfer agreements. The individual companies are listed in the  "Statement of investments" pursuant to Section 285 of the German Commercial Code (HGB) and are marked with a separate footnote.

The income from taxes on income amounts to €44 million (2018: expense of €1,055 million). It comprises an expense of €114 million for the year 2019 (2018: expense of €1,070 million) as well as income of €158 million for previous years (2018: expense of €15 million).

C.12

Interest income/expense, net

	2019	2018
In millions of euros		
Income from other securities and loans of financial assets	22	18
thereof from subsidiaries	22	18
Other interest and similar income	887	707
thereof from subsidiaries	411	310
Interest and similar expenses	-933	-4,927
thereof to subsidiaries	-214	-91
	-24	-4,202

C.13

Other financial income/expense, net

	2019	2018
In millions of euros		
Currency income/expense, net	-202	148
Miscellaneous income	133	119
Miscellaneous expenses	-27	-84
	-96	183

In the 2019 financial year, the Daimler AG fiscal unity incurred a tax loss. Therefore, there is no tax expense for corporate income tax, solidarity surcharge and trade tax for the current year. Only withholding taxes were to be paid, mainly from dividend distributions from foreign subsidiaries and from payments for the use of rights and from interest, which are more than offset by tax income from other periods.

Deferred taxes are not included in this item because the capitalization of deferred tax assets is optional. Future tax relief mainly arises from temporary accounting differences in connection with pensions and other provisions, and from the tax-loss carryforwards.

22 Net loss (previous year: net profit)

Net loss for the year 2019 amounts to €1,678 million. Following the transfer from retained earnings the distributable profit of Daimler AG amounts to €963 million.

Other Notes

C.14

Personnel expenses

	2019	2018
In millions of euros		
Wages and salaries	683	11,275
Social security contributions	102	1,819
Pension costs	36	1,076
	821	14,170

Employees

	2019	2018
Annual average numbers		
Manual workers	67,587	81,792
Salaried employees	52,945	60,565
	120,532	142,357
Trainees/apprentices/interns	7,741	9,522
Total (average for the year)	128,273	151,879
Total (at end of year)	6,887	149,797

C.15

Cost of materials

	2019	2018
In millions of euros		
Cost of raw materials, manufacturing supplies and purchased goods	93	77,110
Cost of purchased services	1,123	15,846
	1,216	92,956

C.16

Derivative financial instruments: nominal amounts

	Dec. 31, 2019	Dec. 31, 2018
In millions of euros		
Foreign exchange contracts	79,696	44,698
Interest rate contracts	59,618	50,303
Commodity forward contracts	821	704
	140,135	95,705

Personnel expenses/Employees [↗ C.14](#)

Wages and salaries include salaries, severance payments, holiday bonuses, special bonuses and expenses resulting from personnel provisions. Social-security contributions primarily comprise the employer's share of contributions to pension, unemployment, nursing-care and medical insurance plans.

Expenses for pensions include service costs and contributions to the German Pension Insurance Association, which are included in the functional costs in the income statement.

The average number of employees of 128,273 (2018: 151,879) as shown in Table [↗C.14](#) reflects the entire financial year. In the period from January 1, 2019 to October 31, 2019, Daimler AG had an average of 152,546 employees (thereof 81,086 manual workers, 62,274 office workers and 9,186 apprentices/interns). With the transfer of operations effective November 1, 2019, 112,661 employees were transferred to Mercedes-Benz AG and 29,204 employees were transferred to Daimler Truck AG. In the period from November 1, 2019 to December 31, 2019, Daimler AG had an average of 6,905 employees (thereof manual workers 88, office workers 6,304 and apprentices/interns 513). As of December 31, 2019, Daimler AG had 6,887 employees (2018: 149,797).

The decrease in personnel expenses results primarily from the transfer of employees to Mercedes-Benz AG and Daimler Truck AG in the context of the transfer of operations, which is already recognized in the respective companies as of January 1, 2019.

The (partial) transfers of operations from Daimler AG to Mercedes-Benz AG and Daimler Truck AG resulting from the hive-down were only possible with the consent of the employees and their elected representatives. The transfer of employment relationships took place automatically and under unchanged conditions. At December 31, 2019, 156 active employees had objected to the transfer of operations. Those employees will remain with Daimler AG with all rights and obligations in accordance with Section 613a of the German Civil Code (BGB). Mercedes-Benz AG and Daimler Truck AG will reimburse Daimler AG in full for all costs incurred for those employees.

Cost of materials

Cost of materials primarily comprises expenses for purchased services as well as, to a smaller extent, expenses for raw materials and manufacturing supplies and for purchased goods.

The decrease in cost of materials is mainly the result of the hive-down of the operating activities to Mercedes-Benz AG and Daimler Truck AG. [↗ C.15](#)

Derivative financial instruments and valuation units

As part of its centralized Group financing, Daimler AG concludes derivative financial instruments with external financial institutions. These financial instruments serve solely to hedge risks relating to foreign exchange rates and interest rates and to hedge commodity prices. They cover the underlying transactions of the companies of the Daimler Group and the original financial transactions (underlying transactions) and are placed together with them as far as possible in valuation units.

With the transfer of operating activities in the hive-down of Mercedes-Benz AG and Daimler Truck AG, the currency and commodity price risks associated with the business activities were transferred from Daimler AG to those companies with economic effect as of January 1, 2019. As the currency and commodity-price hedging contracts existing at that date were no longer matched by underlying transactions, the existing accounting valuation units at Daimler AG for these hedging relationships were dissolved and a provision was recognized for those contracts that had a negative fair value at the hive-down date in the amount of that negative fair value. At December 31, 2019, provisions recognized in the context of the hive-down have a carrying amount of €276 million.-

At the same time, in order to transfer to Mercedes-Benz AG and Daimler Truck AG the hedging effect of these external derivatives existing at the hive-down date of January 1, 2019, inverse intra-Group derivatives were concluded with those

two companies, based on the same hedging rates of the external derivatives. Provisions were recognized for the intra-Group derivatives with negative fair values, while other assets were recognized for the intra-Group derivatives with positive fair values.

The intra-Group and external derivatives are accounted since January 1, 2019 for as new valuation units. As the derivatives were concluded on a mirror basis, the effects on Daimler AG's earnings offset each other during the terms of the external and intra-Group derivatives.

The derivative financial instruments held by Daimler AG have the nominal values at the end of the reporting year and the prior year as shown in table [↗ C.16](#). The nominal values are the totals of the basic values of all purchase and sale contracts without offsetting.

The currency hedging contracts primarily comprise currency forwards, most of which are charged on to companies of the Group through internal derivatives. In addition, forward exchange contracts and currency swaps are held to hedge financial receivables and liabilities from Group financing. They mainly serve to hedge the foreign-exchange risks of the companies of the Group from the cash flows expected with a high degree of certainty from the automotive business. Currency forwards are also held to hedge the risks connected with financial receivables and liabilities from the Group's financing. Interest-rate contracts include interest-rate swaps as well as interest/currency swaps. They are primarily used to minimize the risk of changes in interest rates. The commodity forwards currently comprise commodity swaps and are charged on to companies of the Group through internal derivatives.

The carrying amounts and fair values of derivative financial instruments at the end of the reporting year and the prior year are shown in table [↗ C.17](#).

The carrying amounts are taken from the items of the balance sheet and relate to other assets, other liabilities, other provisions, and prepaid expenses and deferred income.

C.17

Derivative financial instruments: carrying amounts / fair values

In millions of euros	Dec. 31, 2019		Dec. 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Foreign exchange contracts	158	1,112	1	506
Interest rate contracts	6	893	9	557
Commodity forward contracts	18	54	8	57
	182	2,059	18	1,120
Liabilities				
Foreign exchange contracts	-331	-1,143	-38	-611
Interest rate contracts	-12	-309	-15	-348
Commodity forward contracts	-18	-54	-12	-73
	-361	-1,506	-65	-1,032
Balance	-179	553	-56	88

C.18**Derivative financial instruments: valuation units**

	Hedging instrument	Hedged volume	Dec. 31, 2019	
			Positive fair value	Negative fair value
In millions of euros				
Exchange rate / interest rate risk of assets and liabilities	Interest rate contracts	53,207	76	-693
	Foreign exchange contracts	464	5	-2
Exchange rate risk of future transactions	Foreign exchange contracts	34,446	909	-136
Purchase price risk of future transactions	Commodity forward contracts	410	2	-52

Other assets and other liabilities include intra-Group derivatives with positive fair values. Other provisions include intra-Group derivatives with financial institutions and intra-Group derivatives between Daimler AG and Mercedes-Benz AG and Daimler Truck AG with negative fair values. When they become due, the provisions for derivatives outside and inside the Group are used up, and the other assets for the derivatives within the Group are reversed. The financial effects of the intra-Group derivatives with positive market values and the matching external derivatives with negative market values fully offset each other at maturity. In addition, other assets and other liabilities include advance payments made and received for interest-rate/currency swaps. Other provisions also include negative market values and market-value changes of derivatives not included in valuation units as well as negative ineffectiveness from valuation units. Prepaid expenses and deferred income include earnings effects from prematurely terminated valuation units with interest-rate swaps through the early disposal of the underlying or hedging transactions.

The fair values of currency forwards are determined on the basis of current ECB reference rates with consideration of forward premiums or discounts. The fair values of interest-rate contracts are determined on the basis of discounted expected future cash flows with the use of the market interest rates applicable for the remaining time until maturity of the financial instruments. The fair values of commodity forwards are determined on the basis of current spot rates on commodity exchanges with consideration of forward premiums or discounts.

Of the derivative financial instruments held on the balance sheet date in a nominal amount of €140,135 million, financial instruments in a total amount of €88,527 million serve as hedging instruments in valuation units. Of that total, €34,910 million is accounted for by foreign-exchange contracts, €53,207 million by interest-rate contracts and €410 million by commodity forward contracts.

Table [7 C.18](#) shows the hedged exchange-rate, interest-rate and commodity-price risks included in valuation units.

If derivative financial instruments are included in valuation units with the related underlying transactions, an effectiveness measurement is carried out both at the beginning of the hedging period and on each following balance sheet date upon which the hedge exists. This does not apply if the underlying transactions are also derivative financial instruments, as in this case, effectiveness is automatically ensured due to mirroring. In connection with the hedging of exchange-rate risks of assets and liabilities, the conditions and parameters of the underlying transaction and the hedging transaction are compared with each other. With the hedging of future transactions, the dollar-offset method is mainly used. The risk management system at the Daimler Group monitors the effectiveness of hedges.

Foreign exchange contracts

To transfer the economic effects of currency hedging to Mercedes-Benz AG and Daimler Truck AG, mirrored intra-Group derivatives were concluded with these two companies for the external derivatives existing at the hive-down date of January 1, 2019, which are based on the same hedging rates as the external derivatives. External currency hedging contracts are combined with mirrored intra-Group hedging contracts to form valuation units (microhedges). In economic terms, the positive or negative effects of currency hedging are thus incurred by Mercedes-Benz AG and Daimler Truck AG. Daimler AG has no financial effect from these transactions, as the external and intra-Group derivatives offset each other.

Currency forwards with Group-external counterparties of the financing activities are combined into valuation units (micro hedges) with opposing hedges concluded within the Group. Currency forwards with Group-external counterparties that are not opposed by any corresponding hedges within the Group are included in valuation units with the related financial receivables and liabilities, provided that the documentation requirements are fulfilled. Provided that negative fair values from the valuation of hedges are offset by currency gains from the underlying transactions, these derivatives are not accounted for (freezing method); in this case, the corresponding losses are recognized in profit and loss only in the period when the derivatives mature, simultaneously with the currency gains from the underlying transactions. Provisions are recognized for any amounts in excess of that. The hedging period is generally one to five years.

Interest rate contracts

Interest swaps and interest/currency swaps with Group-external counterparties are combined into valuation units (micro hedges) with opposing hedges concluded within the Group. Interest-rate contracts with Group-external counterparties that are not opposed by any corresponding hedges within the Group are included in valuation units with the related financial receivables and liabilities, provided that the documentation requirements are fulfilled. If negative fair values from the valuation of pending hedges are offset by valuation gains from the underlying transactions, these derivatives are not accounted for (freezing method). Provisions are recognized for any amounts in excess of that. The hedging period is one to a maximum of twelve years.

Commodity forward contracts

To transfer the economic effects of commodity hedging to Mercedes-Benz AG and Daimler Truck AG, mirrored intra-Group derivatives were concluded with these two companies for the external derivatives existing at the hive-down date of January 1, 2019, which are based on the same hedging rates as the external derivatives. External commodity hedging contracts are combined with mirrored intra-Group hedging contracts to form valuation units (microhedges). In economic terms, the positive or negative effects of commodity hedging are thus incurred by other companies of the Group. These transactions will have no financial impact on Daimler AG in the future, as the external and internal derivatives offset each other.

Contingent liabilities

Contingent liabilities relate to potential future events, the occurrence of which would lead to an obligation. At the balance sheet date, the contingent liabilities of Daimler AG were reviewed with consideration of available knowledge about the financial position, cash flows and profitability of business partners with regard to the risk situation. Daimler AG therefore assesses the risk of possible claims on all the listed obligations as unlikely. At December 31, 2019, contingent liabilities amount to €94,611 million (2018: €86,437 million), primarily consisting of guarantees. They include guarantees to domestic and foreign subsidiaries amounting to €94,569 million (2018: €86,393 million), which primarily comprise guarantees provided to creditors of subsidiaries of Daimler AG, for example for loans they have taken out and bonds they have issued and liabilities to banks.

Daimler AG has a commitment to provide a subsidiary with financial resources that will enable the subsidiary to meet all of its payment obligations that are due by March 31, 2021.

Guarantees were issued for the benefit of third parties in a total amount of €42 million (2018: €44 million).

In the context of the hive-down, contingent liabilities were transferred to Mercedes-Benz AG in an amount of €23 million and to Daimler Truck AG in an amount of €22 million.

C.19**Business between Daimler AG and related parties**

	Subsidiaries	Associated companies
In millions of euros		
Sales of services and other income in 2019	102	59
Purchases of goods and services and other expenses in 2019	178	1
Receivables at December 31, 2019	742	72
Payables at December 31, 2019	273	3

Subsequent liability

As legal entities involved in the hive-down, Daimler AG, Mercedes-Benz AG and Daimler Truck AG are jointly and severally liable pursuant to Section 133 Subsections 1 and 3 of the German Transformation Act (UmwG) for the liabilities of Daimler AG incurred prior to the effective date of the hive-down. Those of the aforementioned legal entities to which the relevant liabilities are not assigned under the hive-down agreement are liable, however, only for those liabilities if they fall due within five years of the announcement of the entry of the hive-down in the commercial register of Daimler AG and claims therefrom are established in court or in another manner as described in Section 133 of the German Transformation Act (UmwG).

The provisions existing in this context, in particular the procedure for regulating the internal settlements between the participating legal entities, are regulated in the hive-down agreement of March 25, 2019.

The aforementioned period is ten years for pension obligations based on the Company Pensions Act that existed before the hive-down took effect. Daimler AG does not expect any outflow of liquidity from the other two legal entities due to the special-purpose assets available in a sufficient volume.

The potential obligations from subsequent liability pursuant to Section 133 of the German Transformation Act (UmwG) and from the risks from the internal settlement between Daimler AG and Mercedes-Benz AG and Daimler Truck AG amount to €24,307 million for Daimler AG (thereof due in 2020: €13,705 million).

According to the current appraisal, an actual cash outflow from Daimler AG is considered to be unlikely due to the assessments of the creditworthiness of Mercedes-Benz AG and Daimler Truck AG.

Other financial obligations

Other financial obligations total €2,941 million (thereof due in 2020: €1,700 million).

Such obligations to subsidiaries amount to €816 million (thereof due in 2020: €632 million); such obligations to associated companies amount to €2 million (thereof due in 2020: €2 million).

Other financial obligations resulting from rental and leasing agreements amount to €573 million (thereof due in 2020: €123 million). Of that total, €196 million relates to subsidiaries (thereof due in 2020: €44 million). Rental obligations to property management companies amount to €180 million (thereof due in 2020: €41 million).

The remaining financial obligations, in particular purchase commitments, are of a magnitude typical for the industry.

Related party disclosures pursuant to Section 285 No. 21 of the German Commercial Code (HGB)**Subsidiaries and associated companies**

Most of the services supplied within the ordinary course of business between Daimler AG and related parties comprise transactions with subsidiaries and associated companies and are included in table [C.19](#).

Board members

Throughout the world, Daimler AG has business relationships with numerous entities that are also customers and/or suppliers of Daimler AG. Those customers and/or suppliers include companies that have a connection with some of the members of the Supervisory Board or Board of Management of Daimler AG or its subsidiaries.

Events after the reporting period**Transactions involving company law**

On January 22, 2020, Daimler Nederland B.V. paid a dividend of €2,475 million to Daimler AG. Of this amount, €1,645 million was taken from the capital reserve of Daimler Nederland B.V., thereby reducing the carrying amount of Daimler AG's equity interest in Daimler Nederland B.V. €830 million was distributed from the retained earnings of Daimler Nederland B.V. and will be recognized under income from subsidiaries at Daimler AG in the year 2020.

As the sole shareholder in Mercedes-Benz AG, Daimler AG resolved at an Extraordinary Shareholders' Meeting of Mercedes-Benz AG held on January 23, 2020 to increase the equity capital (share capital) and the capital reserve of Mercedes-Benz AG by means of non-cash contributions of companies. The companies contributed are Mercedes-Benz Österreich GmbH and Daimler Nederland B.V..

At another Extraordinary Shareholders' Meeting of Mercedes-Benz AG on February 18, 2020, Daimler AG resolved to further increase the equity capital and the capital reserve of Mercedes-Benz AG through the contribution of the companies PT Mercedes-Benz Indonesia, Mercedes-Benz Romania S.R.L. and Mercedes-Benz Slovakia.

In total, the two resolutions increased the equity of Mercedes-Benz AG by €1,034 million. As a result, the carrying amount of Daimler AG's investment in Mercedes-Benz AG increased by the same amount at.

Analogously to the situation described above, Daimler AG as the sole shareholder of Daimler Truck AG resolved at the Extraordinary Shareholders' Meetings of Daimler Truck AG on January 23, 2020 and on February 18, 2020 to contribute companies to Daimler Truck AG by way of non-cash contributions. The companies contributed are Mercedes-Benz Trucks Österreich GmbH, Mercedes-Benz Türk A.S., Mercedes-Benz Camiones y Buses Argentina S.A.U., Mercedes-Benz do Brasil Ltda. and Mercedes-Benz Trucks & Buses Romania S.R.L. The carrying amount of Daimler AG's equity interest in Daimler Truck AG increased by €756 million in accordance with the carrying amounts of the companies contributed.

The companies Mercedes-Benz Türk A.S., Mercedes-Benz do Brasil Ltda. and Mercedes-Benz Camiones y Buses Argentina S.A.U. were acquired by Daimler AG from Daimler Nederland B.V. before being contributed to Daimler Truck AG (contracts of sale signed on January 13 and 20, 2020).

In return for the contribution of the companies, Daimler AG received, for each of the companies contributed, 1,000 shares with a par value of €1 per share in Mercedes-Benz AG and Daimler Truck AG respectively.

Personnel measures in production-related and administrative areas in the years 2020 to 2022

In January 2020, Daimler reached an agreement with the General Works Council on a general company agreement, which, among other things, regulates voluntary agreements on termination of employment primarily for employees in indirect areas (i.e. in administrative and production-related areas). Discussions with employees on voluntary agreements on termination of employment will begin in the second quarter of 2020.

Legal proceedings

Daimler AG and its subsidiaries are confronted with various legal proceedings, claims as well as governmental investigations and orders (legal proceedings) on a large number of topics, including vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights, product warranties, environmental matters, antitrust matters (including actions for damages) and shareholder matters. Legal proceedings relating to products deal with claims on account of alleged vehicle defects. If the outcome of such proceedings is detrimental to Daimler, the Group may be required to pay substantial compensatory or punitive damages or fines. Furthermore, the subsidiaries may be required to undertake rectification work, recall campaigns and other cost-intensive measures, with a negative impact on the earnings of Daimler AG due to profit-and-loss-transfer agreements. Legal proceedings may also have an impact on the Group's reputation.

Diesel emission behavior: class action and other lawsuits in the United States, Canada and Germany

As already reported, several consumer classaction lawsuits were filed against Mercedes-Benz USA, LLC (MBUSA) in Federal Courts in the United States in early 2016. The main allegation was the use of devices that impermissibly impair the effectiveness of emission control systems in reducing nitrogenoxide (NOX) emissions and which cause excessive emissions from vehicles with diesel engines. In addition, plaintiffs alleged that consumers were deliberately deceived in connection with the advertising of Mercedes-Benz diesel vehicles. Those consumer class actions were consolidated into one class action pending against both Daimler AG and MBUSA in the US District Court for the District of New Jersey, in which the plaintiffs asserted various grounds for monetary relief on behalf of a nationwide class of persons or entities who owned or leased certain models of Mercedes-Benz diesel vehicles as of February 18, 2016. Daimler AG and MBUSA moved to dismiss the lawsuit in its entirety. By order dated December 6, 2016, the court granted Daimler AG's and MBUSA's motion to dismiss and dismissed the lawsuit without prejudice, based on plaintiffs' failure to allege with sufficient specificity the advertising that they contended had misled them. Plaintiffs subsequently filed an amended class action complaint in the same court making similar allegations. The amended complaint also adds as defendants Robert Bosch LLC and Robert Bosch GmbH (collectively; "Bosch"), and alleges that Daimler AG and MBUSA conspired with Bosch to deceive US regulators and consumers. On February 1, 2019, the court granted in part and denied in part Daimler AG's and MBUSA's subsequent motion to dismiss. The case is ongoing as the court's decision merely addressed certain legal aspects of plaintiffs' claims and did not decide whether the plaintiffs can ultimately prove their claims, whether the plaintiffs' allegations are true, or whether their claims have merit.

On January 8, 2019, the Arizona State Attorney General filed a civil complaint in Arizona state court against Daimler AG and MBUSA making similar allegations that Arizona consumers had been deliberately deceived in connection with the advertising of Mercedes-Benz diesel vehicles. The state seeks monetary penalties for violation of Arizona's consumer protection laws.

Another consumer class-action lawsuit against Daimler AG and other companies of the Group containing similar allegations was filed in Canada in April 2016. On June 29, 2017, the court granted a procedural motion to certify certain issues for class treatment, and on March 12, 2018, the court ordered the parties to send a notice to the class by May 18, 2018, informing class members that the litigation is ongoing and that they will be bound by the outcome. That notice was sent, and class members had until July 20, 2018 to opt out of the class to avoid being bound by subsequent rulings in the case.

On July 14, 2017, an additional class action was filed in the Superior Court of California, Los Angeles County, against Daimler AG and other companies of the Group, alleging claims similar to the existing US class action. That action was removed to Federal Court and, on October 31, 2017, was transferred to the District of New Jersey. On December 21, 2017, the parties stipulated to dismiss, without prejudice, that lawsuit. It may be filed again under specific conditions.

Daimler AG and MBUSA, respectively, regard the foregoing lawsuits in the United States and Canada as being without merit and will defend against the claims.

In Germany, a multitude of lawsuits by investors alleging the violation of disclosure requirements is pending. Plaintiffs contend that Daimler AG did not immediately disclose inside information in connection with the emission behavior of its diesel vehicles and that it had made false and misleading public statements. They further claim that the purchase price of their Daimler shares would have been lower if Daimler had correctly complied with its disclosure duties. In this context, both investors as well as Daimler AG have filed motions to initiate a model proceeding in accordance with the Act on Model Proceedings in Capital Markets Disputes (KapMuG). Currently, no model proceeding is pending. Daimler AG also regards these lawsuits as being without merit and will defend against the claims.

Diesel emission behavior: Governmental proceedings

As reported, several federal and state authorities and other institutions worldwide have inquired about and/or are/have been conducting investigations and/or administrative proceedings and/or have issued administrative orders or, in the case of the Stuttgart district attorney's office, a fine notice. These particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant federal and state authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal and antitrust laws. These authorities and institutions include, amongst others, the U.S. Department of Justice (DOJ), which in April 2016 requested that Daimler AG review its certification and admissions processes related to exhaust emissions of diesel vehicles in the United States by way of an internal investigation in cooperation with the DOJ, the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (CARB) and other US state authorities, the European Commission, the German Federal Cartel Office ("Bundeskartellamt"), as well as national antitrust authorities and other authorities of various foreign states as well as the German Federal Ministry of Transport and Digital Infrastructure (BMVI) and the German Federal Motor Transport Authority (KBA). In the course of its formal investigation into possible collusion on clean emission technology, the European Commission sent a statement of objections to Daimler and other automobile manufacturers in April 2019. In this context, Daimler filed an application for immunity from fines (leniency application) with the European Commission some time ago. The Stuttgart district attorney's office is conducting criminal investigation proceedings against Daimler employees concerning the suspicion of fraud and criminal advertising, and, in May 2017, searched the premises of Daimler at several locations in Germany. In February 2019, the Stuttgart district attorney's office also initiated a formal investigation proceeding against Daimler AG with respect to an administrative offense. In September 2019, the Stuttgart district attorney's office issued a fine notice against Daimler based on a negligent violation of supervisory duties in the amount of €870 million which has become legally binding, thereby concluding the administrative offense proceedings against Daimler.

In the years 2018 and 2019, KBA issued various administrative orders holding that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices and ordered subsequent auxiliary provisions for the respective EC type approvals in this respect, including stops of the first registration and mandatory recalls. Daimler has filed timely objections against such administrative orders in order to have the open legal issues resolved, if necessary, also by a court of law. In the course of its regular market supervision, KBA is routinely conducting further reviews of Mercedes-Benz vehicles and is asking questions about technical elements of the vehicles. In light of the aforementioned administrative orders issued by KBA, it is likely that in the course of the ongoing and/or further investigations, KBA will issue additional administrative orders holding that other Mercedes-Benz diesel vehicles are also equipped with impermissible defeat devices. Daimler has (in view of KBA's interpretation of the law as a precaution) implemented a temporary delivery and registration stop with respect to certain models, also covering the used car, leasing and financing businesses, and is constantly reviewing whether it can lift this delivery and registration stop in whole or in part. The new calibrations requested by KBA are being processed, and for a certain proportion of the vehicles, the relevant software has already been approved by KBA; the related recalls have insofar been initiated. It cannot be ruled out that software updates may be reworked, further delivery and registration stops may be ordered or resolved by the Company as a precautionary measure, also with a view to the used car, leasing and financing businesses, under the relevant circumstances.

Daimler has initiated further investigations and otherwise continues to fully cooperate with the authorities and institutions. Except for the Stuttgart district attorney's office's administrative offense proceedings, the aforementioned inquiries, investigations, administrative proceedings and the replies to these related information requests, the objection proceedings against the administrative orders as well as Daimler's internal investigations are ongoing.

Antitrust law proceedings (including actions for damages)

Starting on July 25, 2017, a number of class actions have been filed in the United States and Canada against Daimler AG and other manufacturers of automobiles as well as various of their North American subsidiaries. Plaintiffs allege to have suffered damages because defendants engaged in anticompetitive behavior relating to vehicle technology, costs, suppliers, markets, and other competitive attributes, including diesel

emissions control technology, since the 1990s. On October 4, 2017, all pending US class actions were centralized in one proceeding by the Judicial Panel on Multidistrict Litigation and transferred to the U.S. District Court for the Northern District of California. On March 15, 2018, plaintiffs in the US class action amended and consolidated their complaints into two pleadings, one on behalf of consumers and the other on behalf of dealers. On June 1, 2018, the court dismissed Mercedes-Benz U.S. International, Inc., Mercedes-Benz Vans, LLC, and Daimler North America Corp., pursuant to the parties' stipulation. Daimler AG and Mercedes-Benz USA, LLC (MBUSA) remain parties in the case. On June 17, 2019, the court granted motions to dismiss in the consolidated US class action proceedings, albeit with leave to amend, and on August 15, 2019, the plaintiffs filed amended complaints making similar allegations. Daimler AG and MBUSA regard the US and Canadian lawsuits as being without merit, and will defend against the claims.

In this context, Daimler AG may disclose that it filed a leniency application with the European Commission some time ago. In late October 2017, the European Commission conducted pre-announced inspections with Daimler in Stuttgart (as well as further inspections with other manufacturers) in order to further clarify the facts of the case. In the third quarter of 2018, the European Commission opened a formal investigation into possible collusion on clean emission technology. In the course of such investigation, the European Commission, in April 2019, sent a statement of objections to Daimler and other automobile manufacturers to which Daimler responded in time. At present, Daimler does not expect this issue to have any material impact on the company's profitability, cash flow and financial situation.

Following the settlement decision by the European Commission adopted on July 19, 2016, concluding the trucks antitrust proceedings, Daimler AG and Daimler Truck AG facing customers' claims for damages to a considerable degree. Respective legal actions, class actions and other forms of legal redress have been initiated in various states in and outside of Europe and should further be expected. Daimler is taking appropriate legal remedies to defend itself.

On June 23, 2016, the German Federal Cartel Office carried out dawn raids at several car manufacturers and suppliers, including Daimler AG, with regard to steel purchasing. Daimler cooperated in full with the authority. In the fourth quarter of 2019, the proceedings were terminated by way of a settlement.

Class action lawsuits Takata airbag inflators

As already reported, class actions in connection with Takata airbags are pending in Canada, the USA and Israel. The lawsuits are based on the allegation that, along with Takata entities and many other companies that sold vehicles equipped with Takata airbag inflators, Daimler entities were allegedly negligent in selling such vehicles, purportedly not recalling them quickly enough, and failing to provide an adequate replacement airbag inflator. In detail: In August 2016, Mercedes-Benz Canada (MB Canada) was added as a defendant to a putative nationwide class action pending in Ontario Superior Court. In addition, Daimler AG and MBUSA were named as defendants along with Takata companies in June 2017 in a US nationwide class action, which was filed in New Jersey Federal Court. In the third quarter of 2017, such lawsuit was transferred to federal court in the Southern District of Florida for consolidation with other multidistrict litigation proceedings. Further class action lawsuits in the USA were integrated into the multiple district proceedings. In an order entered on June 21, 2019, the court dismissed all consumer claims against Daimler AG and some consumer claims against MBUSA. However, one of the Multidistrict Litigation complaints has been amended to assert claims by automotive recyclers who allege injury because they are not able to resell salvaged airbag inflators that are subject to the Takata recall. The motions to dismiss against that complaint are still pending. In February 2019, Daimler AG and its non-subsidiary Israeli distributor (Colmobil) were named as defendants in an Israel-wide class action alleging inadequacy of Takata recall efforts in Israel. The previously reported lawsuit filed by the State of New Mexico against MBUSA was dismissed without prejudice on June 22, 2017. It may, however, be filed again under specific conditions. Daimler AG continues to regard all these lawsuits brought with regard to Mercedes-Benz vehicles as being without merit, and the Daimler Group affiliates respectively affected will further defend themselves against the claims.

Toll Collect

On July 4, 2018, through its subsidiary Daimler Financial Services AG (since July 23, 2019 Daimler Mobility AG), Daimler AG together with Deutsche Telekom AG notarized a settlement agreement (hereinafter: settlement) with the Federal Republic of Germany which settles all arbitration proceedings in connection with the involvement in the Toll Collect consortium, which have been ongoing since 2004 and on July 6, 2018, the arbitral tribunal issued an arbitration ruling on agreed terms terminating the Toll Collect arbitration proceedings on the basis of the settlement. The final operating permit for the toll system was granted within the scope of the settlement.

All known and unknown claims from the toll agreement that arose until March 31, 2018 are settled under the settlement provided that the related damage occurred before March 31, 2018.

Irrespective of the settlement agreement, the guarantees from the operator agreement or other additional orders remain unaffected. To date, no guarantee claims have been asserted.

Accounting estimates and management judgments

Daimler AG recognizes provisions in connection with pending or threatened proceedings to the extent a loss is probable and can be reasonably estimated. Such provisions are recognized in the financial statements and are based on estimates. If quantifiable, contingent liabilities in connection with legal proceedings are disclosed in the financial statements. Risks resulting from legal proceedings sometimes cannot be assessed reliably or only to a limited extent. Consequently, provisions recognized for some legal proceedings may turn out to be insufficient once such proceedings have ended. Daimler AG may also become liable for payments in legal proceedings for which no provisions were recognized and/or contingent liabilities were disclosed. Uncertainty exists with regard to the amounts or due dates of possible cash outflows. Although the final result of any such proceedings could materially affect Daimler's operating results and cash flows for a particular reporting period, Daimler believes that it should not exert a sustained influence on its financial position.

Remuneration of the members of the Board of Management and the Supervisory Board

The following information regarding the remuneration of the members of the Board of Management and of the Supervisory Board is disclosed on an individual basis in the Remuneration Report. The Remuneration Report is a component of the Combined Management Report for Daimler AG and the Daimler Group.

Board of Management remuneration

The total remuneration (excluding retirement benefit commitments) granted to the members of the Board of Management of Daimler AG pursuant to Section 285 No. 9 of the German Commercial Code (HGB) is calculated as the total of the amounts of

- the base salary in 2019,
- the half of the annual bonus for 2019 payable in 2020 with its value at the balance sheet date,
- the half of the medium-term share-based component of the annual bonus for 2019 ("deferral") payable in 2021 with its value at the balance sheet date (entitlement depending on the development of Daimler's share price compared with the STOXX Europe Auto Index),
- the value of the long-term share-based remuneration (Performance Phantom Share Plan – PPSP) at the time when granted in 2018 (payable in 2022), and
- taxable non-cash benefits in 2019 and other fringe benefits.

For both of the share-based components of remuneration – both the deferred payment of the second 50% of the annual

bonus (deferral) and the PPSP with a long-term orientation – the amounts to be paid out can deviate significantly from the values described, depending on the development of the Daimler share price and on the achievement of the relevant target parameters. Upward deviation is limited. Both components can also be zero. Further information on share-based remuneration is provided in the [“Equity”](#) chapter and in the Remuneration Report.

In 2019, €8.8 million was fixed, that is, non-performance-related remuneration (2018: €9.3 million), €2.0 million (2018: €5.0 million) was short- and medium-term performance-related variable remuneration (annual bonus with deferral) and €13.3 million was variable performance-related remuneration granted in 2018 with a long-term incentive effect (PPSP: 266,128 phantom shares to €50.00) (2018: €10.2 million, 145,775 phantom shares to €70.13). This adds up to a total of €24.1 million for 2019 (2018: €24,5 million).

The members of the Board of Management are entitled to a company pension. The system upon which that pension is based was last adjusted by the Supervisory Board for members newly appointed as of 2012. Service cost and present value have been calculated with consideration of the parameters used to calculate the pension obligation. The service cost of the pension obligation in 2019 was €2.0 million (2018: €2.2 million). The present value of the total obligation at December 31, 2019 was €28.3 million (2018: €73.4 million). Taking age and years of service into consideration, the individual pensions, service costs and present values are as shown in table [C.20](#).

C.20

Individual entitlements, service costs and present values for members of the Board of Management

		Annual pension (as regulated until 2005) as of age 60	Service cost (for pension, pension capital and Daimler Pensions Plan)	Present value ¹ of obligations (for pension, pension capital and Daimler Pensions Plan)
In thousands of euros				
	2019	-	260	3,537
Ola Källenius	2018	-	255	2,632
	2019	-	250	3,429
Martin Daum	2018	-	244	3,011
	2019	-	254	1,567
Renata Jungo Brünnger	2018	-	251	1,224
	2019	156	-	9,593
Wilfried Porth	2018	156	234	9,525
	2019	-	155	2,714
Markus Schäfer ²	2018	-	-	-
	2019	-	254	1,724
Britta Seeger	2018	-	247	1,285
	2019	-	250	5,647
Hubertus Troska	2018	-	244	4,977
	2019	-	217	131
Harald Wilhelm ³	2018	-	-	-
	2019	-	312	-
Bodo Uebber	2018	275	734	15,344
	2019	-	-	-
Dr. Dieter Zetsche	2018	1,050	-	35,378
Total	2019	156	1,952	28,342
	2018	1,481	2,209	73,376

¹ The amounts of the present values are mainly the result of the low level of the underlying interest rates.

² Mr. Schäfer pro rata as of May 22, 2019

³ Mr. Wilhelm pro rata as of April 1, 2019

In the case of early termination of a service contract without an important reason, Board of Management service contracts include commitments to payment of the base salary and provision of a company car until the end of the original service period at a maximum. However, entitlement to the payment of the annual bonus exists only pro-rata for the time until the termination of the service contract. Entitlement to payment of the performance-related component of remuneration with a long-term incentive effect (PPSP) that has already been allocated is defined by the conditions of the respective plans. To the extent that the benefits described above are subject to the provisions of the so-called severance cap of the German Corporate Governance Code, their total including fringe benefits is limited to double the annual remuneration and may not exceed the total remuneration for the remaining period of the service contract.

Payments made in 2019 to former members of the Board of Management of Daimler AG and their survivors amounted to a total of €19.5 million (2018: €16.2 million). Pension obligations for former members of the Board of Management and their survivors amounted to €292,6 million at December 31, 2019 (2018: €234.8 million).

In 2019, no advances or loans were made to members of the Board of Management of Daimler AG.

Supervisory Board remuneration

Total remuneration for the members of the Supervisory Board of Daimler AG amounted to €4.3 million in 2019 (2018: €4.2 million). The remuneration of the members of the Supervisory Board does not include a performance-related variable component.

With the exception of the remuneration paid to the members of the Supervisory Board representing the employees in accordance with their contracts of employment, no remuneration was paid to the members of the Supervisory Board for services provided personally beyond their board and committee activities in 2019, in particular for advisory or agency services.

In 2019, no advances or loans were made to members of the Supervisory Board of Daimler AG.

Disclosures pursuant to Section 160 Subsection 1 No. 8 of the German Stock Corporation Act (AktG)

At the balance sheet date of December 31, 2019, shareholdings in the Company exist that were communicated pursuant to Section 33 Subsection 1 and Section 21 Subsection 1 [old version] of the German Securities Trading Act (WpHG) and disclosed pursuant to Section 40 Subsection 1 and Section 26 Subsection 1 [old version] of the WpHG as follows:

Bank of America Corporation, Wilmington, Delaware, USA, notified us on December 27, 2019 pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG), that its percentage of voting rights in Daimler AG, Mercedesstr. 120, 70372 Stuttgart, Germany, exceeded the threshold of 5% on November 4, 2019 and amounts to 6.18% (equal to 66,046,224 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 6.18% (equal to 66,046,224 voting rights) are attributable to Bank of America, Wilmington, Delaware, USA, pursuant to section 34 WpHG. 3% or more of the voting rights (6.11%) are held directly by Merrill Lynch International as of that date.

BlackRock, Inc., Wilmington, Delaware, USA, notified us on December 2, 2019 pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, Mercedesstr. 120, 70372 Stuttgart, Germany, fell below the threshold of 5% on November 27, 2019 and amounts to 4.47% (equal to 47,858,650 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 4.47% (equal to 47,858,650 voting rights) are to be attributed to BlackRock, Inc. Wilmington, Delaware, USA, pursuant to section 34 of the WpHG.

The People's Republic of China, Beijing, China, notified us on August 9, 2019 pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG), that its percentage of voting rights in Daimler AG, [at that time] Mercedesstr. 137, 70372 Stuttgart, Germany, reached the threshold of 5% on August 7, 2019 and amounts to 5.00% (equal to 53,491,873 out of a total of 1,069,837,447 voting rights) as of that date. 3% or more of the voting rights are held directly by Investment Global Co., Ltd. The notification was made on the occasion of touching the threshold of 5% of the voting rights in Daimler AG by Investment Global Co., Ltd., an indirect subsidiary of the Beijing Automotive Group Co., Ltd.

Li Shufu, notified us on December 5, 2018 pursuant to Section 33 Subsection 1 in conjunction with Section 37 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, [at that time] Mercedesstr. 137, 70372 Stuttgart, Germany, exceeded the threshold of 5% on December 3, 2018 and amounts to 9.69% (equal to 103,619,340 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 9.69% (equal to 103,619,340 voting rights) are to be attributed to Li Shufu pursuant to Section 34 of the WpHG. 3% or more of the voting rights (9,69 %) are held directly by Tenaciou3 Prospect Investment Limited as of that date. The notification was made on the occasion of touching a threshold at subsidiary level as a result of a change in the holding structure.

Harris Associates L.P., Wilmington, Delaware, USA, notified us on October 22, 2018 pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, [at that time] Mercedesstr. 137, 70372 Stuttgart, Germany, fell below the threshold of 5% on October 16, 2018 and amounts to 4.93% (equal to 52,723,503 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 4.93% (equal to 52,723,503 voting rights) are to be attributed to Harris Associates L.P., Wilmington, Delaware, USA, pursuant to Section 34 of the WpHG. 3% or more of the voting rights are held directly by Harris Associates Investment Trust as of that date. On November 1, 2018, Harris Associates Investment Trust, Boston, Massachusetts, USA, notified us pursuant to Section 33 Subsection 1 of the WpHG that its voting rights in Daimler AG fell below the threshold of 3% on October 29, 2018 and amounted to 2.99% (equal to 31,994,625 out of a total of 1,069,837,447 voting rights) as of that date.

Renault S. A., Boulogne-Billancourt, France, has notified us pursuant to Section 21 Subsection 1 of the German Securities Trading Act (WpHG) [old version] that its percentage holding of the voting rights in Daimler AG, [at that time] Mercedesstr. 137, 70372 Stuttgart, Germany, exceeded the threshold of 3% on April 28, 2010 and amounts to 3.10% (32,896,756 voting rights) on that day. There of 16,448,378 voting rights (representing 1.55% of the voting rights in Daimler AG) directly held by Nissan Motor Co. Ltd. are attributable to Renault S. A. pursuant to Section 22 Subsection 2 of the WpHG [old version].

Nissan Motor Co. Ltd., Yokohama, Japan, has notified us pursuant to Section 21 Subsection 1 of the German Securities Trading Act (WpHG) [old version] that its percentage holding of the voting rights in Daimler AG, [at that time] Mercedesstr. 137, 70372 Stuttgart, Germany, exceeded the threshold of 3% on April 28, 2010 and amounts to 3.10% (32,896,756 voting rights) on that day. Thereof 16,448,378 voting rights (representing 1.55% of the voting rights in Daimler AG) directly held by Renault S. A. are attributable to Nissan Motor Co. Ltd. pursuant to Section 22 Subsection 2 of the WpHG [old version].

The Kuwait Investment Authority as Agent for the Government of the State of Kuwait, Kuwait City, State of Kuwait, has notified us pursuant to Section 21 Subsection 1 of the German Securities Trading Act [old version] that the voting rights of the State of Kuwait in Daimler AG, [at that time] Mercedesstr. 137, 70372 Stuttgart, Germany, exceeded the threshold of 5% on April 22, 2010 and that it held 5.33% (56,589,320 voting rights) on that day. According to the notification, all voting rights are directly held.

After the balance sheet date, the company received a further notification concerning the shareholding of Bank of America, Wilmington, Delaware, USA, pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG), which, pursuant to Section 40 Subsection 1 of the WpHG was disclosed as follows:

Bank of America, Wilmington, Delaware, USA, notified us on February 3, 2020 pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, Mercedesstr. 120, 70372 Stuttgart, Germany, exceeded the threshold of 5% on January 29, 2020 and amounts to 6.62% (equal to 70,799,378 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 6.62% (equal to 70,799,378 voting rights) are to be attributed to Bank of America, Wilmington, Delaware, USA, pursuant to section 34 of the WpHG. 3% or more of the voting rights (6.56%) are held directly by Merrill Lynch International as of that date.

Declaration of Compliance with the German Corporate Governance Code

The mandatory statement pursuant to Section 161 of the German Stock Corporation Act (AktG) has been issued by the Board of Management and the Supervisory Board and is permanently accessible at <https://www.daimler.com/dai/dcgk/>.

Members of the Board of Management and their mandates

Members of the Board of Management**Supervisory board memberships/directorships****Ola Källenius**

Chairman of the Board of Management Daimler AG/
Mercedes-Benz Cars
(since May 22, 2019)
(until May 22, 2019: Group Research & Mercedes-Benz Cars
Development)
Appointed until May 2024

Internal directorships

Chairman of the Supervisory Board of Daimler Truck AG (since
September 24, 2019)
Mercedes AMG High Performance Powertrains Ltd. –
Chairman (until May 22, 2019)
Mercedes-Benz Formula E Ltd. (until May 22, 2019)
Mercedes-Benz Grand Prix Ltd. (until May 22, 2019)

External directorships

HERE International B. V. (until April 5, 2019)
Shenzhen DENZA New Energy Automotive Co., Ltd. (until May
22, 2019)
Tetra Laval Group

Dr.-Ing. Dieter Zetsche

Chairman of the Board of Management Daimler AG/
Mercedes-Benz Cars
Resignation with effect as of the end of the Annual Meeting
2019 (May 22, 2019)

Internal directorships

None

External directorships

TUI AG
Veta Health LLC

Martin Daum

Daimler Trucks & Buses
Appointed until February 2022

Internal directorships

None

External directorships

Beijing Foton Daimler Automotive Co., Ltd.

Renata Jungo Brüngger

Integrity and Legal Affairs
Appointed until December 2023

Internal directorships

None

External directorships

Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft in München

Wilfried Porth

Human Resources and Director of Labor Relations
& Mercedes-Benz Vans
Appointed until April 2022

Internal directorships

Member of the Supervisory Board of Mercedes-Benz AG (since
November 1, 2019)
Member of the Supervisory Board of Daimler Truck AG (since
November 1, 2019)

External directorships

VfB Stuttgart 1893 AG – Vice Chairman

Markus Schäfer

Group Research and Mercedes-Benz Cars Development
(since May 22, 2019)
Appointed until May 2024

Internal directorships

Mercedes AMG High Performance Powertrains Ltd. (since May
22, 2019)
Mercedes-Benz Grand Prix Ltd. – Chairman (since May 22,
2019)
Mercedes-Benz Formula E Ltd. (since March 1, 2019)

External directorships

Shenzhen DENZA New Energy Automotive Co., Ltd. (since May
22, 2019)
smart Automobile Co., Ltd. (since December 27, 2019)

Members of the Board of Management**Britta Seeger**

Mercedes-Benz Cars Marketing & Sales
Appointed until December 2024

Hubertus Troska

Greater China
Appointed until December 2025

Bodo Uebber

Finance & Controlling/Daimler Financial Services
Appointed until December 2019
Resignation with effect as of the end of the Annual Meeting
2019 (May 22, 2019)

Harald Wilhelm

(since April, 1 2019)
Finance & Controlling / Daimler Mobility
Appointed until March 22

Supervisory board memberships/directorships*Internal directorships*

Member of the Supervisory Board of Daimler Mobility AG
Mercedes-Benz (China) Ltd. – Vice Chairman
Mercedes-Benz Formula E Ltd.
Mercedes-Benz Grand Prix Ltd.
Mercedes-Benz South Africa Ltd.

External directorships

Beijing Mercedes-Benz Sales Service Co., Ltd.
Laureus World Sports Awards Ltd.
smart Automobile Co., Ltd. (since December 27, 2019)

Internal directorships

Member of the Supervisory Board of Daimler Truck AG (since
November 1, 2019)
Daimler Greater China Ltd. – Chairman
Daimler Truck China Limited – Chairman (since September 1,
2019)
Daimler Northeast Asia Parts Trading & Services Co., Ltd. –
Chairman (until March 1, 2019)
Daimler Trucks and Buses (China) Ltd. – Chairman
Daimler Vans Hong Kong Ltd. – Chairman
Mercedes-Benz Auto Finance Ltd.
Mercedes-Benz Leasing Co., Ltd.
Mercedes-Benz (China) Ltd.
Mercedes-Benz Hong Kong Ltd.
Mercedes-Benz Taiwan Ltd.

External directorships

BAIC Motor Corporation Ltd.
Beijing Mercedes-Benz Sales Service Co., Ltd. – Chairman
Beijing Benz Automotive Co., Ltd. – Vice Chairman
Beijing Foton Daimler Automotive Co., Ltd. – Vice Chairman
Fujian Benz Automotive Co., Ltd. – Vice Chairman
Shenzhen DENZA New Energy Automotive Co., Ltd. – Chairman
smart Automobile Co., Ltd. (since December 27, 2019)

Internal directorships

Daimler Financial Services AG – Chairman (until May 22, 2019)
Mercedes-Benz Grand Prix Ltd. (until May 22, 2019)

External directorships

BAIC Motor Corporation Ltd. (until May 22, 2019)
Bertelsmann SE & Co. KGaA/Bertelsmann
Management SE – Chairman of the Audit and Finance Commit-
tee
Delta Topco Ltd.(until May 22, 2019)
adidas AG (since May 9, 2019)

Internal directorships

Chairman of the Supervisory Board of Daimler Mobility AG
(since May 23, 2019)
Member of the Supervisory Board of Mercedes-Benz AG (since
November 1, 2019)
Member of the Supervisory Board of Daimler Truck AG. (since
November 1, 2019)

External directorships

BAIC Motor Corporation Ltd. (since June 18, 2019)

Members of the Supervisory Board and their mandates

Members of the Supervisory Board	Other supervisory board memberships/directorships
Dr. Manfred Bischoff Chairman of the Supervisory Board of Daimler AG Elected until 2021	Mercedes-Benz AG – Chairman (since September 24, 2019)** SMS Holding GmbH – Member of the Shareholders' Committee (until December 31, 2019)
Michael Brecht* Deputy Chairman of the Supervisory Board of Daimler AG; Chairman of the General Works Council, Daimler Group and Daimler AG; Chairman of the Works Council at the Mercedes-Benz plant in Gaggenau Elected until 2023	Mercedes-Benz AG (since September 24, 2019)** Daimler Truck AG (since September 24, 2019)**
Dr. Paul Achleitner Chairman of the Supervisory Board of Deutsche Bank AG Elected until 2020	Deutsche Bank AG – Chairman Bayer AG
Bader M. Al Saad Former Chairman and Managing Director of the Executive Committee of the Board of Directors of Kuwait Investment Authority Elected until 2022	Daimler Truck AG (since November 1, 2019)** Kuwait Investment Authority Kuwait Fund for Economic Development BlackRock Inc. (since May 23, 2019)
Sari Baldauf Former Executive Vice President and General Manager of the Networks Business Group of Nokia Corporation Elected until 2023	Daimler Truck AG (since September 24, 2019)** Vexve Holding Oy – Chairwoman Nokia Oyj
Michael Bettag* Chairman of the Works Council at the Mercedes-Benz sales and service center in Nuremberg Elected until 2023	
Dr. Clemens Börsig Former Chairman of the Supervisory Board of Deutsche Bank AG Elected until 2022	Daimler Truck AG (since September 24, 2019)** Linde AG (until April 8, 2019) Linde Intermediate Holding AG (until August 7, 2019) Linde plc Emerson Electric Co.
Raymond Curry* Secretary-Treasurer United Auto Workers (UAW) Elected until 2023	
Dr. Jürgen Hambrecht Chairman of the Supervisory Board of BASF SE Elected until 2023	Daimler Truck AG (since September 24, 2019)** BASF SE - Chairman Fuchs Petrolub SE – Chairman (until May 7, 2019) Trumpf GmbH + Co. KG – Chairman
Michael Häberle* Chairman of the Works Council at the Mercedes-Benz plant in Untertürkheim Elected until 2023	Mercedes-Benz AG (since September 24, 2019)**

* Representative of the employees; **Group Mandate

Members of the Supervisory Board**Other supervisory board memberships/directorships****Petraea Heynike**

Former Executive Vice President of the Executive Board of Nestlé S. A.
Elected until 2021

Mercedes-Benz AG (since September 24, 2019)**

Joe Kaeser

Chairman of the Board of Management of Siemens AG
Elected until 2024

Mercedes-Benz AG (since September 24, 2019)**
Allianz Deutschland AG
NXP Semiconductors N.V.

Ergun Lümalı*

Deputy Chairman of the Group Works Council at the Daimler Group;
Deputy Chairman of the General Works Council at Daimler AG;
Chairman of the Works Council at the Mercedes-Benz plant in Sindelfingen
Elected until 2023

Mercedes-Benz AG (since September 24, 2019)**
Daimler Truck AG (since September 24, 2019)**

Dr. Bernd Pischetsrieder

Chairman of the Supervisory Board of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München
Elected until 2024

Mercedes-Benz AG (since September 24, 2019)**
Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München – Chairman (until April 30, 2019)
Tetra Laval Group

Elke Tönjes-Werner*

Deputy Chairwoman of the Works Council at the Mercedes-Benz plant in Bremen
Elected until 2023

Sibylle Wankel*

General Legal Counsel of the German Metalworkers' Union (IG Metall)
Elected until 2023

Mercedes-Benz AG (since November 1, 2019)**

Dr. Frank Weber*

Head of BodyTEC Center, Mercedes-Benz AG;
Chairman of the Management Representatives Committee at the Daimler Group
Elected until 2023

Mercedes-Benz AG (since November 1, 2019)**

Marie Wieck*

General Manager IBM Blockchain (until December 31, 2019)
Elected until 2023

Mercedes-Benz AG (since November 1, 2019)**

Dr. Sabine Zimmer*

Manager Vocational Training Policies, Germany, Daimler AG
Elected until 2023

Roman Zitzelsberger*

German Metalworkers' Union (IG Metall)
District Manager Baden-Württemberg
Elected until 2023

Daimler Truck AG (since September 24, 2019)**
ZF Friedrichshafen AG (since November 21, 2019)
MTU Friedrichshafen GmbH (until December 31, 2019)
Rolls-Royce Power Systems AG (until January 31, 2020)

* Representative of the employees; ** Group Mandate

Committees of the Supervisory Board:

**Committee pursuant to Section 27 Subsection 3
of the German Codetermination Act (MitbestG)**

Dr. Manfred Bischoff – Chairman
Michael Brecht*
Dr. Jürgen Hambrecht
Roman Zitzelsberger*

Presidential Committee

Dr. Manfred Bischoff – Chairman
Michael Brecht*
Dr. Jürgen Hambrecht
Roman Zitzelsberger*

Audit Committee

Dr. Clemens Börsig – Chairman
Michael Brecht*
Joe Kaeser
Ergun Lümali*

Nomination Committee

Dr. Manfred Bischoff – Chairman
Dr. Paul Achleitner
Sari Baldauf

Legal Affairs Committee

(since July 24, 2019)
Dr. Clemens Börsig – Chairman
Michael Brecht*
Dr. Manfred Bischoff
Michael Häberle*
Sibylle Wankel*
Marie Wieck

* Representative of the employees

Statement of Investments

pursuant to Section 285 of the German Commercial Code (HGB)
in conjunction with Section 286 Subsection 3 Sentence 1 No. 1
and Subsection 3 Sentence 2 of the German Commercial Code (HGB)

The statement of investments of Daimler AG pursuant to Section 285 of the German Commercial Code (HGB) is presented as follows. For information regarding equity and earnings, IFRS values are generally used for fully consolidated companies. Information on equity, earnings and other investments is

omitted pursuant to Section 286 Subsection 3 Sentence 1 No. 1 of the HGB if such information is of minor relevance for a fair presentation of the financial position, cash flows and profitability of Daimler AG.

C.21

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
I. Consolidated subsidiaries					
Athlon Beheer International B.V.	Schiphol, Netherlands	100.00	-	-	
Athlon Beheer Nederland B.V.	Schiphol, Netherlands	100.00	315	35	
Athlon Car Lease Belgium N.V.	Machelen, Belgium	100.00	-	-	
Athlon Car Lease International B.V.	Schiphol, Netherlands	100.00	468	24	
Athlon Car Lease Italy S.R.L.	Rome, Italy	100.00	-	-	
Athlon Car Lease Nederland B.V.	Schiphol, Netherlands	100.00	112	26	
Athlon Car Lease Polska Sp. z o.o.	Warsaw, Poland	100.00	-	-	
Athlon Car Lease Portugal, lda	Oeiras, Portugal	100.00	-	-	
Athlon Car Lease Rental Services B.V.	Schiphol, Netherlands	100.00	-	-	
Athlon Car Lease Rental Services Belgium N.V.	Machelen, Belgium	100.00	-	-	
Athlon Car Lease S.A.S.	Le Bourget, France	100.00	-	-	
Athlon Car Lease Spain, S.A.	Alcobendas, Spain	100.00	-	-	
Athlon Dealerlease B.V.	Hoofddorp, Netherlands	100.00	-	-	
Athlon France S.A.S.	Le Bourget, France	100.00	-	-	
Athlon Germany GmbH	Düsseldorf, Germany	100.00	-	-	
Athlon Mobility Consultancy B.V.	Schiphol, Netherlands	100.00	-	-	
Athlon Mobility Consultancy N.V.	Machelen, Belgium	100.00	-	-	
Athlon Rental Germany GmbH	Düsseldorf, Germany	100.00	-	-	
Athlon Sweden AB	Malmö, Sweden	100.00	-	-	
Athlon Switzerland AG	Schlieren, Switzerland	100.00	-	-	
AutoGravity Corporation	Irvine, USA	80.00	-5	-29	
Banco Mercedes-Benz do Brasil S.A.	São Paulo, Brazil	100.00	442	71	4
Brooklands Estates Management Limited	Milton Keynes, United Kingdom	100.00	-	-	
Campo Largo Comercio de Veiculos e Peças Ltda.	Campinas, Brazil	100.00	-	-	
CARS Technik & Logistik GmbH	Wiedemar, Germany	100.00	-	-	3
CLIDET NO 1048 (Proprietary) Limited	Centurion, South Africa	100.00	-	-	
Conemaugh Hydroelectric Projects, Inc.	Wilmington, USA	100.00	-	-	
DA Investments Co. LLC	Wilmington, USA	100.00	-	-	
DAF Investments, Ltd.	Wilmington, USA	100.00	-	-	
Daimler Australia/Pacific Pty. Ltd.	Melbourne, Australia	100.00	122	86	
Daimler Brand & IP Management GmbH & Co. KG	Stuttgart, Germany	100.00	-	-	
Daimler Buses North America Inc.	Oriskany, USA	100.00	-	-	4
Daimler Canada Finance Inc.	Montreal, Canada	100.00	260	5	
Daimler Canada Investments Company	Halifax, Canada	100.00	-	-	
Daimler Capital Services LLC	Wilmington, USA	100.00	49	33	4
Daimler Česká republika Holding s.r.o.	Prague, Czech Republic	100.00	53	13	
Daimler Colombia S. A.	Bogota D.C., Colombia	100.00	-	-	
Daimler Commercial Vehicles South East Asia Pte. Ltd.	Singapore, Singapore	100.00	-	-	

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Daimler Compra y Manufactura Mexico S. de R.L. de C.V.	Mexico City, Mexico	100.00	313	39	
Daimler Export and Trade Finance GmbH	Berlin, Germany	100.00	-	-	3
Daimler Finance North America LLC	Wilmington, USA	100.00	-	-	
Daimler Financial Services Africa & Asia Pacific Ltd.	Singapore, Singapore	100.00	-	-	4
Daimler Financial Services India Private Limited	Chennai, India	100.00	222	6	
Daimler Financial Services Investment Company LLC	Wilmington, USA	100.00	154	-50	
Daimler Financial Services México, S. de R.L. de C.V.	Mexico City, Mexico	100.00	170	26	4
Daimler Financial Services, S.A. de C.V., S.O.F.O.M., E.N.R.	Mexico City, Mexico	100.00	-	-	
Daimler Fleet Management GmbH	Stuttgart, Germany	100.00	20	-	3
Daimler Fleet Management Singapore Pte. Ltd.	Singapore, Singapore	100.00	-	-	
Daimler Fleet Management South Africa (Pty.) Ltd. i. L.	Centurion, South Africa	65.00	-	-	2
Daimler Fleet Management UK Limited	Milton Keynes, United Kingdom	100.00	-	-	
Daimler Fleet Services A.S.	Istanbul, Turkey	100.00	-	-	
Daimler Fleetboard GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Greater China Ltd.	Beijing, China	100.00	3.519	753	
Daimler Grund Services GmbH	Schönefeld, Germany	100.00	-	-	3
Daimler India Commercial Vehicles Private Limited	Chennai, India	100.00	-	-	
Daimler Insurance Agency LLC	Wilmington, USA	100.00	-	-	
Daimler Insurance Services GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Insurance Services Japan Co., Ltd.	Tokyo, Japan	100.00	-	-	
Daimler Insurance Services UK Limited	Milton Keynes, United Kingdom	100.00	-	-	
Daimler International Finance B.V.	Utrecht, Netherlands	100.00	473	-66	
Daimler International Nederland B.V.	Utrecht, Netherlands	100.00	12.467	18	
Daimler Investments US Corporation	Wilmington, USA	100.00	-	-	
Daimler Ladungsträger GmbH	Sindelfingen, Germany	100.00	63	-	3
Daimler Manufactura, S. de R.L. de C.V.	Mexico City, Mexico	100.00	-	-	
Daimler Mexico, S.A. de C.V.	Mexico City, Mexico	100.00	742	45	
Daimler Mobility & Technology Service Co., Ltd.	Beijing, China	100.00	-	-	
Daimler Mobility AG	Stuttgart, Germany	100.00	516	-	3
DAIMLER MOBILITY AUSTRALIA PTY LTD	Melbourne, Australia	100.00	-	-	
Daimler Mobility Brasil Holding S.A.	São Bernardo do Campo, Brazil	100.00	212	4	
Daimler Mobility Services GmbH	Leinfelden-Echterdingen, Germany	100.00	286	-	3
Daimler Motors Investments LLC	Wilmington, USA	100.00	-	-	
Daimler Nederland B.V.	Utrecht, Netherlands	100.00	2.627	-19	
Daimler Nederland Holding B.V.	Utrecht, Netherlands	100.00	53	10	
Daimler North America Corporation	Wilmington, USA	100.00	8.154	451	4
Daimler North America Finance Corporation	Newark, USA	100.00	-	-	
Daimler Northeast Asia Parts Trading and Services Co., Ltd.	Beijing, China	100.00	203	175	
Daimler Parts Brand GmbH	Stuttgart, Germany	100.00	.	-	3
Daimler Re Brokers GmbH	Bremen, Germany	74.90	-	-	3
Daimler Re Insurance S.A. Luxembourg	Luxembourg, Luxembourg	100.00	-	-	
Daimler Real Estate GmbH	Berlin, Germany	100.00	-	-	3
Daimler Retail Receivables LLC	Farmington Hills, USA	100.00	-	-	
Daimler Securitisation Australia Pty Ltd	Mulgrave, Australia	100.00	-	-	
DAIMLER SERVICIOS CORPORATIVOS MEXICO S. DE R.L. DE C.V.	Mexico City, Mexico	100.00	-	-	
Daimler South East Asia Pte. Ltd.	Singapore, Singapore	100.00	91	47	
Daimler Truck AG	Stuttgart, Germany	100.00	5.271	-	3
Daimler Truck and Bus Australia Pacific Pty. Ltd.	Mulgrave, Australia	100.00	-	-	
DAIMLER TRUCK AND BUS HOLDING AUSTRALIA PACIFIC PTY LTD	Melbourne, Australia	100.00	-	-	
Daimler Truck China Limited	Beijing, China	100.00	-	-	
Daimler Trucks & Buses US Holding LLC	Wilmington, USA	100.00	2.348	1.159	4
Daimler Trucks and Buses (China) Ltd.	Beijing, China	100.00	-	-	
Daimler Trucks and Buses Southern Africa (Pty) Ltd	Zwartkop, South Africa	100.00	-	-	

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Daimler Trucks Canada Ltd.	Mississauga, Canada	100.00	86	51	
Daimler Trucks Korea Ltd.	Seoul, South Korea	100.00	-	-	
Daimler Trucks North America LLC	Wilmington, USA	100.00	3.655	1.597	
Daimler Trucks Remarketing Corporation	Portland, USA	100.00	-	-	
Daimler Trust Holdings LLC	Farmington Hills, USA	100.00	-	-	
Daimler Trust Leasing Conduit LLC	Wilmington, USA	100.00	-	-	
Daimler Trust Leasing LLC	Farmington Hills, USA	100.00	-	-	
Daimler UK Limited	Milton Keynes, United Kingdom	100.00	507	133	
Daimler Vans Hong Kong Limited	Hong Kong, China	67.55	144	25	
Daimler Vans USA, LLC	Wilmington, USA	100.00	-	-	
Daimler Vehículos Comerciales Mexico S. de R.L. de C.V.	Mexico City, Mexico	100.00	231	40	4
Daimler Verwaltungsgesellschaft für Grundbesitz mbH	Schönefeld, Germany	100.00	3.861	-	3
Daimler Vorsorge und Versicherungsdienst GmbH	Berlin, Germany	100.00	-	-	3
Detroit Diesel Corporation	Detroit, USA	100.00	109	318	
Detroit Diesel Remanufacturing LLC	Detroit, USA	100.00	33	24	
Deutsche Accumotive GmbH & Co. KG	Kirchheim unter Teck, Germany	100.00	182	62	
EHG Elektroholding GmbH	Stuttgart, Germany	100.00	1.146	-	3
EvoBus (Schweiz) AG	Kloten, Switzerland	100.00	-	-	
EvoBus (U.K.) Ltd.	Coventry, United Kingdom	100.00	-	-	
EvoBus Austria GmbH	Wiener Neudorf, Austria	100.00	-	-	
EvoBus Belgium N.V.	Kobbegeem-Asse, Belgium	100.00	-	-	
EvoBus Česká republika s.r.o.	Prague, Czech Republic	100.00	-	-	
EvoBus Danmark A/S	Koege, Denmark	100.00	-	-	
EvoBus France S.A.S.U.	Sarcelles, France	100.00	37	18	
EvoBus GmbH	Stuttgart, Germany	100.00	89	-	3
EvoBus Ibérica, S.A.U.	Sámano, Spain	100.00	-	-	
EvoBus Italia S.p.A.	Bomporto, Italy	100.00	-	-	
EvoBus Nederland B.V.	Nijkerk, Netherlands	100.00	-	-	
EvoBus Polska Sp. z o.o.	Wolica, Poland	100.00	-	-	
EvoBus Portugal, S.A.	Mem Martins, Portugal	100.00	-	-	
EvoBus Sverige AB	Vetlanda, Sweden	100.00	-	-	
Freightliner Custom Chassis Corporation	Gaffney, USA	100.00	45	62	
Friesland Lease B.V.	Drachten, Netherlands	51.11	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 1 OHG	Schönefeld, Germany	100.00	3.300	323	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 2 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 3 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 4 OHG	Schönefeld, Germany	100.00	584	41	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 5 OHG	Schönefeld, Germany	100.00	582	29	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 6 OHG	Schönefeld, Germany	100.00	190	12	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 7 OHG	Schönefeld, Germany	100.00	20	19	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Beta OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Delta OHG	Schönefeld, Germany	100.00	213	20	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Epsilon OHG	Schönefeld, Germany	100.00	238	15	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 1 OHG	Schönefeld, Germany	100.00	424	60	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 2 OHG	Schönefeld, Germany	100.00	218	14	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 3 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 4 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft EvoBus GmbH & Co. OHG	Schönefeld, Germany	100.00	109	19	

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Interleasing Luxembourg S.A.	Windhof, Luxembourg	100.00	-	-	
Invema Assessoria Empresarial Eireli	São Bernardo do Campo, Brazil	100.00	-	-	
Koppieview Property (Pty) Ltd	Zwartkop, South Africa	100.00	-	-	
LEONIE CORP DVB GmbH	Stuttgart, Germany	100.00	1,166	-	3
LEONIE FS DVB GmbH	Stuttgart, Germany	100.00	1,987	-	3
LEONIE FSM DVB GmbH	Stuttgart, Germany	100.00	-	-	3
LEONIE TB DVB GmbH	Stuttgart, Germany	100.00	-	-	3
Li-Tec Battery GmbH	Kamenz, Germany	100.00	-	-	3
Mascot Truck Parts Canada Ltd (2017)	Mississauga, Canada	100.00	-	-	
Mascot Truck Parts USA LLC	Wilmington, USA	100.00	-	-	
MBarc Credit Canada Inc.	Mississauga, Canada	100.00	-	-	
MDC Power GmbH	Kölleda, Germany	100.00	66	-	3
MDC Technology GmbH	Arnstadt, Germany	100.00	-	-	3
Mercedes AMG High Performance Powertrains Ltd	Brixworth, United Kingdom	100.00	-	-	
Mercedes pay AG	Zug, Switzerland	100.00	-	-	
Mercedes pay S.A.	Luxembourg, Luxembourg	100.00	13	-14	
Mercedes-AMG GmbH	Affalterbach, Germany	100.00	895	-	3
Mercedes-Benz - Aluguer de Veículos, Lda.	Mem Martins, Portugal	100.00	-	-	
Mercedes-Benz (China) Ltd.	Beijing, China	75.00	1,183	736	4
Mercedes-Benz (Thailand) Limited	Bangkok, Thailand	100.00	86	74	4
Mercedes-Benz AG	Stuttgart, Germany	100.00	19,944	-	3
Mercedes-Benz Antwerpen N.V.	Antwerp, Belgium	100.00	-	-	
Mercedes-Benz Argentina S.A.U.	Buenos Aires, Argentina	100.00	302	56	
Mercedes-Benz Asia GmbH	Stuttgart, Germany	100.00	208	-	3
Mercedes-Benz Assuradeuren B.V.	Utrecht, Netherlands	100.00	-	-	
Mercedes-Benz Australia/Pacific Pty Ltd	Melbourne, Australia	100.00	413	5	4
Mercedes-Benz Auto Finance Ltd.	Beijing, China	100.00	2,054	214	4
Mercedes-Benz Bank AG	Stuttgart, Germany	100.00	3,187	-	3
Mercedes-Benz Bank GmbH	Eugendorf, Austria	100.00	-	-	
Mercedes-Benz Bank Polska S.A.	Warsaw, Poland	100.00	-	-	
Mercedes-Benz Bank Rus OOO	Moscow, Russian Federation	100.00	-	-	
Mercedes-Benz Bank Service Center GmbH	Berlin, Germany	100.00	-	-	3
Mercedes-Benz Banking Service GmbH	Saarbrücken, Germany	100.00	-	-	3
Mercedes-Benz Belgium Luxembourg S.A.	Brussels, Belgium	100.00	96	11	
Mercedes-Benz Bordeaux S.A.S.	Begles, France	100.00	-	-	
Mercedes-Benz Broker Argentina S.A.	Buenos Aires, Argentina	99.00	-	-	
Mercedes-Benz Broker Biztosítási Alkusz Hungary Kft.	Budapest, Hungary	100.00	-	-	
Mercedes-Benz Brooklands Limited	Milton Keynes, United Kingdom	100.00	-	-	
Mercedes-Benz Canada Inc.	Toronto, Canada	100.00	-34	57	
Mercedes-Benz Capital Rus OOO	Moscow, Russian Federation	100.00	-	-	
Mercedes-Benz Cars Ceská republika s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Cars Nederland B.V.	Utrecht, Netherlands	100.00	-	-	
Mercedes-Benz Cars UK Limited	Milton Keynes, United Kingdom	100.00	132	101	4
Mercedes-Benz CharterWay S.A.S.	Montigny-le-Bretonneux, France	100.00	-	-	
Mercedes-Benz CharterWay S.r.l.	Trent, Italy	100.00	-	-	
Mercedes-Benz Compañía Financiera Argentina S.A.	Buenos Aires, Argentina	100.00	-	-	
Mercedes-Benz Connectivity Services GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Corretora de Seguros Ltda	São Paulo, Brazil	99.98	-	-	
Mercedes-Benz CPH A/S	Horsholm, Denmark	100.00	-	-	
Mercedes-Benz Credit Pénzügyi Szolgáltató Hungary Zrt.	Budapest, Hungary	100.00	-	-	
Mercedes-Benz Customer Solutions GmbH	Stuttgart, Germany	100.00	-12	-	3
Mercedes-Benz Danmark A/S	Copenhagen, Denmark	100.00	386	52	4
Mercedes-Benz Dealer Bedrijven B.V.	The Hague, Netherlands	100.00	-	-	
Mercedes-Benz do Brasil Assessoria Comercial Ltda.	São Paulo, Brazil	100.00	-	-	
Mercedes-Benz do Brasil Ltda.	São Bernardo do Campo, Brazil	100.00	257	-136	

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Mercedes-Benz Drogenbos N.V.	Drogenbos, Belgium	100.00	-	-	
Mercedes-Benz Espana, S.A.U.	Alcobendas, Spain	100.00	368	72	
Mercedes-Benz Europa NV/SA	Woluwe-Saint-Lambert, Belgium	100.00	-	-	
Mercedes-Benz ExTra LLC	Wilmington, USA	100.00	-	-	
Mercedes-Benz Finance Co., Ltd.	Tokyo, Japan	95.01	519	72	4
Mercedes-Benz Financial Services Australia Pty. Ltd.	Melbourne, Australia	100.00	209	37	4
Mercedes-Benz Financial Services Austria GmbH	Eugendorf, Austria	100.00	-	-	
Mercedes-Benz Financial Services BeLux NV	Brussels, Belgium	100.00	80	11	
Mercedes-Benz Financial Services Canada Corporation	Mississauga, Canada	100.00	302	77	4
Mercedes-Benz Financial Services Česká republika s.r.o.	Prague, Czech Republic	100.00	175	14	
Mercedes-Benz Financial Services España, E.F.C., S.A.	Alcobendas, Spain	100.00	177	34	
Mercedes-Benz Financial Services France S.A.	Montigny-le Bretonneux, France	100.00	503	47	
Mercedes-Benz Financial Services Hong Kong Ltd.	Hong Kong, China	80.00	-	-	
Mercedes-Benz Financial Services Italia S.p.A.	Rome, Italy	100.00	407	58	4
Mercedes-Benz Financial Services Korea Ltd.	Seoul, South Korea	80.00	417	47	
Mercedes-Benz Financial Services Nederland B.V.	Utrecht, Netherlands	100.00	191	22	4
Mercedes-Benz Financial Services New Zealand Ltd	Auckland, New Zealand	100.00	-	-	
Mercedes-Benz Financial Services Portugal - Sociedade Financeira de Crédito S.A.	Mem Martins, Portugal	100.00	81	12	4
Mercedes-Benz Financial Services Rus OOO	Moscow, Russian Federation	100.00	92	15	
Mercedes-Benz Financial Services Schweiz AG	Schlieren, Switzerland	100.00	140	29	
Mercedes-Benz Financial Services Slovakia s.r.o.	Bratislava, Slovakia	75.00	-	-	
Mercedes-Benz Financial Services South Africa (Pty) Ltd	Centurion, South Africa	100.00	118	11	4
Mercedes-Benz Financial Services Sp. zo.o.	Warsaw, Poland	100.00	-	-	
Mercedes-Benz Financial Services Taiwan Ltd.	Taipei, Taiwan	100.00	55	11	4
Mercedes-Benz Financial Services UK Limited	Milton Keynes, United Kingdom	100.00	626	35	4
Mercedes-Benz Financial Services USA LLC	Wilmington, USA	100.00	2,446	442	4
Mercedes-Benz Finans Danmark A/S	Copenhagen, Denmark	100.00	34	10	
Mercedes-Benz Finans Sverige AB	Malmö, Sweden	100.00	-	-	
Mercedes-Benz Finansal Kiralama Türk A.S.	Istanbul, Turkey	100.00	-	-	
Mercedes-Benz Finansman Türk A.S.	Istanbul, Turkey	100.00	151	14	4
Mercedes-Benz Formula E Limited	Brackley, United Kingdom	100.00	-	-	
Mercedes-Benz Försäljnings AB	Malmö, Sweden	100.00	-	-	
Mercedes-Benz France S.A.S.	Montigny-le Bretonneux, France	100.00	319	46	
Mercedes-Benz Fuel Cell GmbH	Kirchheim unter Teck, Germany	100.00	-	-	
Mercedes-Benz Grand Prix Ltd.	Brackley, United Kingdom	100.00	64	19	
Mercedes-Benz Hellas S.A.	Kifissia, Greece	100.00	-	-	
Mercedes-Benz Hong Kong Limited	Hong Kong, China	100.00	34	13	
Mercedes-Benz India Private Limited	Pune, India	100.00	146	18	
Mercedes-Benz Insurance Agency (Beijing) Co., Ltd.	Beijing, China	100.00	-	-	
Mercedes-Benz Insurance Broker S.R.L.	Voluntari, Romania	100.00	-	-	
Mercedes-Benz Insurance Services Nederland B.V.	Utrecht, Netherlands	100.00	-	-	
Mercedes-Benz Insurance Services Taiwan Ltd.	Taipei, Taiwan	100.00	-	-	
Mercedes-Benz Investment Company LLC	Wilmington, USA	100.00	223	-16	
Mercedes-Benz Italia S.p.A.	Rome, Italy	100.00	521	3	
Mercedes-Benz Japan Co., Ltd.	Tokyo, Japan	100.00	328	123	
Mercedes-Benz Korea Limited	Seoul, South Korea	51.00	349	103	
Mercedes-Benz Leasing (Thailand) Co., Ltd.	Bangkok, Thailand	100.00	134	21	
Mercedes-Benz Leasing Co., Ltd.	Beijing, China	65.00	777	112	
Mercedes-Benz Leasing do Brasil Arrendamento Mercantil S.A.	Barueri, Brazil	100.00	-	-	
Mercedes-Benz Leasing GmbH	Stuttgart, Germany	100.00	-9	-	3
Mercedes-Benz Leasing Hrvatska d.o.o.	Zagreb, Croatia	100.00	-	-	
Mercedes-Benz Leasing IFN S.A.	Bucharest, Romania	100.00	41	11	4
Mercedes-Benz Leasing Kft.	Budapest, Hungary	100.00	-	-	4
Mercedes-Benz Leasing Polska Sp. z o.o.	Warsaw, Poland	100.00	127	12	4

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Mercedes-Benz Leasing Taiwan Ltd.	Taipei, Taiwan	100.00	-	-	
Mercedes-Benz Leasing Treuhand GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Ludwigsfelde GmbH	Ludwigsfelde, Germany	100.00	-	-	3
Mercedes-Benz Malaysia Sdn. Bhd.	Puchong, Malaysia	100.00	-	-	
Mercedes-Benz Manhattan, Inc.	Wilmington, USA	100.00	-	-	
Mercedes-Benz Manufacturing (Thailand) Limited	Bangkok, Thailand	100.00	-	-	
Mercedes-Benz Manufacturing Hungary Kft.	Kecskemét, Hungary	100.00	536	84	
Mercedes-Benz Manufacturing Poland Sp. z o.o.	Jawor, Poland	100.00	-	-	
Mercedes-Benz Mechelen N.V.	Mechelen, Belgium	100.00	-	-	
Mercedes-Benz Mexico, S. de R.L. de C.V.	Mexico City, Mexico	100.00	33	11	
Mercedes-Benz Minibus GmbH	Dortmund, Germany	100.00	-	-	3
Mercedes-Benz Mitarbeiter-Fahrzeuge Leasing GmbH	Stuttgart, Germany	100.00	3	-	3
Mercedes-Benz New Zealand Ltd	Auckland, New Zealand	100.00	-	-	
Mercedes-Benz Österreich GmbH	Eugendorf, Austria	100.00	28	31	
Mercedes-Benz Paris SAS	Port-Marly, France	100.00	28	-13	4
Mercedes-Benz Parts Logistics Eastern Europe s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Parts Logistics Ibérica, S.L.U.	Azuqueca de Henares, Spain	100.00	-	-	
Mercedes-Benz Parts Logistics UK Limited	Milton Keynes, United Kingdom	100.00	-	-	
Mercedes-Benz Parts Manufacturing & Services Ltd.	Shanghai, China	100.00	15	-13	
Mercedes-Benz Polska Sp. z o.o.	Warsaw, Poland	100.00	56	13	
Mercedes-Benz Portugal, S.A.	Mem Martins, Portugal	100.00	-	-	4
Mercedes-Benz PRAHA s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Renting, S.A.	Alcobendas, Spain	100.00	-	-	
Mercedes-Benz Research & Development North America, Inc.	Wilmington, USA	100.00	22	13	
Mercedes-Benz Retail Belgium NV/SA	Woluwe-Saint-Lambert, Belgium	100.00	-	-	4
Mercedes-Benz Retail Group UK Limited	Milton Keynes, United Kingdom	100.00	44	-42	
Mercedes-Benz Retail, S.A.	Madrid, Spain	100.00	-	-	
Mercedes-Benz Retail, Unipessoal Lda.	Mem Martins, Portugal	100.00	-	-	
Mercedes-Benz Risk Solutions South Africa (Pty.) Ltd.	Centurion, South Africa	100.00	-	-	
Mercedes-Benz Roma S.p.A.	Rome, Italy	100.00	-	-	
Mercedes-Benz Romania S.R.L.	Bucharest, Romania	100.00	-	-	
Mercedes-Benz Russia AO	Moscow, Russian Federation	100.00	280	-28	
Mercedes-Benz Schweiz AG	Schlieren, Switzerland	100.00	392	67	
Mercedes-Benz Service Leasing S.R.L.	Bucharest, Romania	100.00	-	-	
Mercedes-Benz Services Correduria de Seguros, S.A.	Alcobendas, Spain	100.00	-	-	
Mercedes-Benz Services Malaysia Sdn Bhd	Petaling Jaya, Malaysia	100.00	-	-	
Mercedes-Benz Sigorta Aracilik Hizmetleri A.S.	Istanbul, Turkey	100.00	-	-	
Mercedes-Benz Sosnowiec Sp. z o.o.	Sosnowiec, Poland	100.00	-	-	
Mercedes-Benz South Africa Ltd	Pretoria, South Africa	100.00	779	47	
Mercedes-Benz Sverige AB	Malmö, Sweden	100.00	93	37	4
Mercedes-Benz Taiwan Ltd.	Taipei, Taiwan	51.00	92	24	
Mercedes-Benz Trucks Belgium Luxembourg NV/SA	Brussels, Belgium	100.00	-	-	
Mercedes-Benz Trucks Center Sint-Pieters-Leeuw NV/SA	Sint-Pieters-Leeuw, Belgium	100.00	-	-	
Mercedes-Benz Trucks Česká republika s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Trucks España S.L.U.	Alcobendas, Spain	100.00	-	-	
Mercedes-Benz Trucks France S.A.S.U	Montigny-le-Bretonneux, France	100.00	-	-	
Mercedes-Benz Trucks Italia S.r.l.	Rome, Italy	100.00	-	-	
Mercedes-Benz Trucks Molsheim	Molsheim, France	100.00	-	-	
Mercedes-Benz Trucks Nederland B.V.	Utrecht, Netherlands	100.00	-	-	
MERCEDES-BENZ TRUCKS POLSKA SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Warsaw, Poland	100.00	-	-	
Mercedes-Benz Trucks Schweiz AG	Schlieren, Switzerland	100.00	-	-	
Mercedes-Benz Trucks UK Limited	Milton Keynes, United Kingdom	100.00	31	17	
Mercedes-Benz Türk A.S.	Istanbul, Turkey	66.91	831	19	
Mercedes-Benz U.S. International, Inc.	Vance, USA	100.00	360	136	

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Mercedes-Benz Ubezpieczenia Sp. z o.o.	Warsaw, Poland	100.00	-	-	
Mercedes-Benz USA, LLC	Wilmington, USA	100.00	8	233	4
Mercedes-Benz V.I. Lyon SAS	Genas, France	100.00	-	-	4
Mercedes-Benz V.I. Paris Ile de France SAS	Wissous, France	100.00	-	-	
Mercedes-Benz Vans Česká republika s.r.o	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Vans España, S.L.U.	Madrid, Spain	100.00	-	-	
Mercedes-Benz Vans Mobility GmbH	Berlin, Germany	100.00	-	-	3
Mercedes-Benz Vans Nederland B.V.	Utrecht, Netherlands	100.00	-	-	
Mercedes-Benz Vans UK Limited	Milton Keynes, United Kingdom	100.00	56	16	
Mercedes-Benz Vans, LLC	Wilmington, USA	100.00	77	27	
Mercedes-Benz Vermögens- und Beteiligungsgesellschaft mbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Versicherung AG	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Vertrieb NFZ GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Vertrieb PKW GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Vietnam Ltd.	Ho Chi Minh City, Vietnam	70.00	115	38	
Mercedes-Benz Warszawa Sp. z o.o.	Warsaw, Poland	100.00	-	-	4
Mercedes-Benz Waterloo S.A.	Braine-L'Alleud, Belgium	100.00	-	-	
Mercedes-Benz Wavre S.A.	Wavre, Belgium	100.00	-	-	
Mercedes-Benz Wemmel N.V.	Wemmel, Belgium	100.00	-	-	
Mercedes-Benz Wholesale Receivables LLC	Wilmington, USA	100.00	-	-	
MFTA Canada, Inc.	Toronto, Canada	100.00	-	-	
Mitsubishi Fuso Truck and Bus Corporation	Kawasaki, Japan	89.29	2,361	124	
MITSUBISHI FUSO TRUCK EUROPE - Sociedade Europeia de Automóveis, S.A.	Tramagal, Portugal	100.00	-	-	
Mitsubishi Fuso Truck of America, Inc.	Logan Township, USA	100.00	-	-	4
Multifleet G.I.E	Le Bourget, France	50.10	-	-	
P.T. Mercedes-Benz Indonesia	Bogor, Indonesia	100.00	-	-	
PT Daimler Commercial Vehicles Indonesia	Jakarta, Indonesia	100.00	-	-	
PT Daimler Commercial Vehicles Manufacturing Indonesia	Bogor, Indonesia	100.00	-	-	
PT Mercedes-Benz Distribution Indonesia	Jakarta, Indonesia	100.00	-	-	
Renting del Pacífico S.A.C.	Lima, Peru	100.00	-	-	
Sandown Motor Holdings (Pty) Ltd	Bryanston, South Africa	62.62	-	-	
SelecTrucks of America LLC	Portland, USA	100.00	-	-	
SelecTrucks of Toronto, Inc.	Mississauga, Canada	100.00	-	-	
Silver Arrow Canada GP Inc.	Mississauga, Canada	100.00	-	-	
Silver Arrow Canada LP	Mississauga, Canada	100.00	-	-	
smart France S.A.S.	Hambach, France	100.00	-	-	
smart Vertriebs gmbh	Berlin, Germany	100.00	-	-	3
Special Lease Systems (SLS) B.V	Schiphol, Netherlands	100.00	-	-	
Star Assembly SRL	Sebes, Romania	100.00	227	59	
Sterling Truck Corporation	Portland, USA	100.00	-	-	
Sumperská správa majetku k.s.	Prague, Czech Republic	100.00	-	-	
Thomas Built Buses of Canada Limited	Calgary, Canada	100.00	-	-	
Thomas Built Buses, Inc.	High Point, USA	100.00	91	10	
TORC Robotics, Inc.	Baltimore, USA	75.61	-	-	
Trona Cogeneration Corporation	Wilmington, USA	100.00	-	-	
Ucafleet S.A.S	Le Bourget, France	65.00	-	-	
Vierzehnte Vermögensverwaltungsgesellschaft DVB mbH	Stuttgart, Germany	100.00	-	-	3
Western Star Trucks Sales, Inc	Portland, USA	100.00	-	-	
Zuidlease B.V.	Sittard, Netherlands	51.00	-	-	

II. Unconsolidated subsidiaries

Achtzehnte Vermögensverwaltungsgesellschaft DVB mbH	Stuttgart, Germany	100.00	-	-	
AEG Olympia Office GmbH	Stuttgart, Germany	100.00	-	-	3
Anota Fahrzeug Service- und Vertriebsgesellschaft mbH	Berlin, Germany	100.00	-	-	3

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Circulo Cerrado S.A. de Ahorro para Fines Determinados	Buenos Aires, Argentina	73.53	-	-	
CoROS Corp.	Menlo Park, USA	100.00	-	-	
Cúspide GmbH	Stuttgart, Germany	100.00	-	-	
Daimler AG & Co. Anlagenverwaltung OHG	Schönefeld, Germany	100.00	-	-	
Daimler Automotive de Venezuela C.A.	Valencia, Venezuela	100.00	-	-	
Daimler Brand & IP Management Verwaltung GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Commercial Vehicles (Thailand) Ltd.	Bangkok, Thailand	100.00	-	-	
Daimler Commercial Vehicles Africa Ltd.	Nairobi, Kenya	100.00	-	-	
Daimler Commercial Vehicles MENA FZE	Dubai, United Arab Emirates	100.00	-	-	
Daimler Financial Services UK Trustees Ltd.	Milton Keynes, United Kingdom	100.00	-	-	
Daimler Gastronomie GmbH	Esslingen am Neckar, Germany	100.00	-	-	3
Daimler Group Services Berlin GmbH	Berlin, Germany	100.00	-	-	3
Daimler Group Services Madrid, S.A.U.	San Sebastián de los Reyes, Spain	100.00	-	-	
Daimler Innovation Technology (China) Co., Ltd.	Beijing, China	100.00	-	-	
Daimler International Assignment Services USA, LLC	Wilmington, USA	100.00	-	-	
Daimler Mitarbeiter Wohnfinanz GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Pensionsfonds AG	Stuttgart, Germany	100.00	-	-	9
Daimler Protics GmbH	Leinfelden-Echterdingen, Germany	100.00	-	-	3
Daimler Purchasing Coordination Corp.	Wilmington, USA	100.00	-	-	
Daimler Truck Verwaltungsgesellschaft für Grundbesitz mbH	Schönefeld, Germany	100.00	-	-	
Daimler Trucks Asia Taiwan Ltd.	Taipei, Taiwan	51.00	37	16	6
Daimler TSS GmbH	Ulm, Germany	100.00	2	-	3, 5
Daimler UK Share Trustee Ltd.	Milton Keynes, United Kingdom	100.00	-	-	
Daimler UK Trustees Limited	Milton Keynes, United Kingdom	100.00	-	-	
Daimler Unterstützungskasse GmbH	Stuttgart, Germany	100.00	-	-	
Deutsche Accumotive Verwaltungs-GmbH	Kirchheim unter Teck, Germany	100.00	-	-	
Dreizehnte Vermögensverwaltungsgesellschaft DVB mbH	Stuttgart, Germany	100.00	-	-	3
Dritte Vermögensverwaltung PV GmbH	Stuttgart, Germany	100.00	-	-	
DTB Tech & Data Hub, Unipessoal Lda	Tramagal, Portugal	100.00	-	-	
EvoBus Reunion S. A.	Le Port, France	96.00	-	-	
EvoBus Russland OOO	Moscow, Russian Federation	100.00	-	-	
EXOKNOX GmbH	Stuttgart, Germany	100.00	-	-	
Fleetboard Logistics GmbH	Volkach, Germany	100.00	-	-	3
LAB1886 GmbH	Stuttgart, Germany	100.00	-	-	3
Lab1886 USA LLC	Wilmington, USA	100.00	-	-	
Lapland Car Test Aktiebolag	Arvidsjaur, Sweden	100.00	-	-	
LEONIE DMS DVB GmbH	Stuttgart, Germany	100.00	-	-	3
MB GTC GmbH Mercedes-Benz Gebrauchtteile Center	Neuhausen auf den Fildern, Germany	100.00	-	-	3
MBition GmbH	Berlin, Germany	100.00	-	-	3
Mercedes-Benz Otomotiv Ticaret ve Hizmetler A.S.	Istanbul, Turkey	66.91	-	-	
Mercedes-Benz Adm. Consorcios Ltda.	São Bernardo do Campo, Brazil	100.00	-	-	
Mercedes-Benz Camiones y Buses Argentina SAU.	Buenos Aires, Argentina	100.00	-	-	
Mercedes-Benz CarMesh GmbH	Berlin, Germany	100.00	-	-	
Mercedes-Benz Cars & Vans Brasil - Indústria e Comércio De Veículos Ltda.	São Bernardo do Campo, Brazil	100.00	-	-	
Mercedes-Benz Cars Middle East FZE	Dubai, United Arab Emirates	100.00	-	-	
Mercedes-Benz Consulting GmbH	Leinfelden-Echterdingen, Germany	100.00	-	-	3
Mercedes-Benz Customer Assistance Center Maastricht N.V.	Maastricht, Netherlands	100.00	-	-	
Mercedes-Benz Egypt S.A.E.	New Cairo, Egypt	100.00	46	29	5
Mercedes-Benz Energy GmbH	Kamenz, Germany	100.00	-	-	3
Mercedes-Benz G GmbH	Raaba, Austria	100.00	-	-	
Mercedes-Benz Group Services Phils., Inc.	Cebu City, Philippines	100.00	-	-	
Mercedes-Benz Hungária Kft.	Budapest, Hungary	100.00	-	-	
Mercedes-Benz IDC Europe S.A.S.	Valbonne, France	100.00	-	-	

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Mercedes-Benz Manufacturing and Import Egypt	New Cairo, Egypt	100.00	-	-	
Mercedes-Benz Manufacturing Rus Ltd	Moscow, Russian Federation	80.00	-6	-12	6
Mercedes-Benz Mobility Korea Ltd.	Seoul, South Korea	100.00	-	-	
Mercedes-Benz Museum GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz OD GmbH	Stuttgart, Germany	100.00	-	-	
Mercedes-Benz Project Consult GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Research & Development Tel Aviv Ltd.	Tel Aviv, Israel	100.00	-	-	
Mercedes-Benz Research and Development India Private Limited	Bangalore, India	100.00	159	49	5
Mercedes-Benz Servicios S.A.U	Buenos Aires, Argentina	100.00	-	-	
Mercedes-Benz Slovakia s.r.o.	Bratislava, Slovakia	100.00	-	-	
Mercedes-Benz Subscription Services USA LLC	Wilmington, USA	100.00	-	-	
Mercedes-Benz Trucks & Buses Romania S.R.L.	Bucharest, Romania	100.00	-	-	
Mercedes-Benz Trucks MENA Holding GmbH	Stuttgart, Germany	100.00	-	-	
Mercedes-Benz Trucks Österreich GmbH	Eugendorf, Austria	100.00	-	-	
Mercedes-Benz Trucks Portugal S.A.	Sintra, Portugal	100.00	-	-	
Mercedes-Benz Vans Mobility S.L.	Alcobendas, Spain	100.00	-	-	
Mercedes-Benz Vehículos Comerciales Argentina SAU i.L.	Buenos Aires, Argentina	100.00	-	-	2
Mercedes-Benz Venezuela S.A.	Valencia, Venezuela	100.00	-	-	
Mercedes-Benz.io GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz.io Portugal Unipessoal Lda.	Lisbon, Portugal	100.00	-	-	
MercedesService Card Beteiligungsgesellschaft mbH	Kleinostheim, Germany	51.00	-	-	
Mitsubishi Fuso Bus Manufacturing Co., Ltd.	Toyama, Japan	100.00	-	-	
Montajes y Estampaciones Metálicas, S.L.	Esparraguera, Spain	51.00	-	-	
NAG Nationale Automobil-Gesellschaft Aktiengesellschaft	Stuttgart, Germany	100.00	-	-	
PABCO Co., Ltd.	Ebina, Japan	100.00	22	13	6
Porcher & Meffert Grundstücksgesellschaft mbH & Co. Stuttgart OHG	Schönefeld, Germany	100.00	-	-	
R.T.C. Management Company Limited	Banbury, United Kingdom	88.89	-	-	
RepairSmith, Inc.	El Segundo, USA	100.00	-	-	
Sechste Vermögensverwaltungsgesellschaft Zeus mbH	Stuttgart, Germany	100.00	-	-	
SelecTrucks Comércio de Veículos Ltda	Mauá, Brazil	100.00	-	-	
Star Transmission srl	Cugir, Romania	100.00	-	-	
STARKOM, proizvodnja in trgovina d.o.o.	Maribor, Slovenia	100.00	-	-	
T.O.C (Schweiz) AG	Schlieren, Switzerland	51.00	-	-	
trapoFit GmbH	Chemnitz, Germany	100.00	-	-	
Vierte Vermögensverwaltung PV GmbH	Stuttgart, Germany	100.00	-	-	3
Zweite Vermögensverwaltung PV GmbH	Stuttgart, Germany	100.00	-	-	3
Zweite Vermögensverwaltungsgesellschaft Zeus mbH	Stuttgart, Germany	100.00	-	-	3
III. Joint operations accounted for using proportionate consolidation					
Cooperation Manufacturing Plant Aguascalientes, S.A.P.I de C.V.	Aguascalientes, Mexico	54.01	694	14	7
IV. Joint operations accounted for using the equity method					
North America Fuel Systems Remanufacturing LLC	Kentwood, USA	50.00	36	14	7
V. Joint ventures accounted for using the equity method					
Beijing Foton Daimler Automotive Co., Ltd	Beijing, China	50.00	704	11	6
Blitz 18-353 GmbH	Munich, Germany	50.00	-	-	10
Daimler Kamaz Trucks Holding GmbH	Vienna, Austria	50.00	-	-	
Enbase Power GmbH	Munich, Germany	25.10	-	-	
Fujian Benz Automotive Co., Ltd.	Fuzhou, China	50.00	519	147	7
IONITY Holding GmbH & Co. KG	Munich, Germany	25.00	143	-18	6
MB Service Japan Co., Ltd.	Hitachi, Japan	33.40	-	-	

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
Polomex, S.A. de C.V.	Garcia, Mexico	26.00	34	10	7
SelecTrucks of Atlanta LLC	McDonough, USA	50.00	-	-	
SelecTrucks of Houston LLC	Houston, USA	50.00	-	-	
SelecTrucks of Houston Wholesale LLC	Houston, USA	50.00	-	-	
SelecTrucks of Omaha LLC	Council Bluffs, USA	50.00	-	-	
Shenzhen DENZA New Energy Automotive Co. Ltd.	Shenzhen, China	50.00	60	-114	6
ViaVan Technologies B.V.	Amsterdam, Netherlands	50.00	48	-41	4, 7
Wagenplan B.V.	Almere, Netherlands	50.00	-	-	
Wei Xing Tech. Co., Ltd.	Hangzhou, China	50.00	-	-	

VI. Associated companies accounted for using the equity method

BAIC Motor Corporation Ltd.	Beijing, China	9.55	5,740	425	6
Beijing Benz Automotive Co., Ltd.	Beijing, China	49.00	5,422	2,702	7
Blacklane GmbH	Berlin, Germany	30.57	5	-15	6
Bolt Technology OÜ	Tallinn, Estonia	9.44	46	-61	4, 6
FUSO LAND TRANSPORT & Co. Ltd.	Kawasaki, Japan	21.67	-	-	
KAMAZ PAO	Naberezhnye Chelny, Russian Federation	15.00	501	21	4, 8
Kanagawa Mitsubishi Fuso Truck & Bus Sales Co., Ltd.	Yokohama, Japan	43.83	-	-	
LSH Auto International Limited	Hongkong, China	15.00	-	-	
Mobility Trader Holding GmbH	Berlin, Germany	20.00	-	-	
Okayama Mitsubishi Fuso Truck & Bus Sales Co., Ltd.	Okayamashi, Japan	50.00	-	-	
P.T. Krama Yudha Tiga Berlian Motors	Jakarta, Indonesia	30.00	-	-	
P.T. Mitsubishi Krama Yudha Motors and Manufacturing	Jakarta, Indonesia	32.28	-	-	
There Holding B.V.	Rijswijk, Netherlands	29.71	1,597	-383	7
Toll4Europe GmbH	Berlin, Germany	15.00	66	-33	7
Verimi GmbH	Berlin, Germany	14.79	55	-29	6
Via Transportation Inc.	New York, USA	12.20	83	-116	4, 6

VII. Joint operations, joint ventures, associated companies and substantial other investments accounted for at (amortized) cost

AFCC Automotive Fuel Cell Cooperation Corp.	Burnaby, Canada	50.10	-	-	
BDF IP Holdings Ltd.	Burnaby, Canada	33.00	-	-	
Beijing Mercedes-Benz Sales Service Co., Ltd.	Beijing, China	51.00	61	13	6
ChargePoint Inc.	Campbell, USA	5.74	-	-	
COBUS Industries GmbH	Wiesbaden, Germany	40.82	-	-	
Esslinger Wohnungsbau GmbH	Esslingen am Neckar, Germany	26.57	-	-	
European Center for Information and Communication Technologies - EICT GmbH	Berlin, Germany	25.00	-	-	
EvoBus Hungária Kereskedelmi Kft.	Budapest, Hungary	33.33	-	-	
Gottapark, Inc.	San Francisco, USA	18.09	-	-	
Grundstücksgesellschaft Schlossplatz 1 mbH & Co. KG	Berlin, Germany	18.37	-	-	
H2 Mobility Deutschland GmbH & Co. KG	Berlin, Germany	2.90	-	-	
hap2U SAS	Pontcharra, France	34.59	-	-	
Laureus World Sports Awards Limited	London, United Kingdom	50.00	-	-	
MercedesService Card GmbH & Co. KG	Kleinostheim, Germany	51.00	-	-	
MFTB Taiwan Co., Ltd.	Taipei, Taiwan	33.40	-	-	
Momenta Global Limited	Grand Cayman, Cayman Islands	5.10	-	-	
National Automobile Industry Company Ltd.	Jeddah, Saudi Arabia	26.00	-	-	
Omuta Unso Co., Ltd.	Ohmuta, Japan	33.51	-	-	
PDB - Partnership for Dummy Technology and Biomechanics GbR	Ingolstadt, Germany	20.00	-	-	
Proterra Inc.	Burlingame, USA	6.22	-	-	
Rally Bus Corp.	New York, USA	15.13	-	-	
REV Coach LLC	Wilmington, USA	20.00	-	-	
Sila Nanotechnologies Inc.	Dover, USA	11.66	-	-	
SK Gaming Beteiligungs GmbH	Köln, Germany	33.33	-	-	

Name of the Company	Domicile, Country	Capital share in % ¹	Equity in millions of €	Net income (loss) in millions of €	Footnote
smart Automobile Co., Ltd.	Ningbo, China	50.00	-	-	
smart-BRABUS GmbH	Bottrop, Germany	50.00	-	-	
STARCAM s.r.o.	Most, Czech Republic	51.00	-	-	
TASIAP GmbH	Stuttgart, Germany	60.00	-	-	
tiramizoo GmbH	Munich, Germany	15.95	-	-	
Toyo Kotsu Co., Ltd.	Sannoseki, Japan	28.20	-	-	
Turo Inc.	San Francisco, USA	5.17	-	-	
VfB Stuttgart 1893 AG	Stuttgart, Germany	11.75	42	-11	6
Volocopter GmbH	Bruchsal, Germany	10.17	10	-15	6
what3words Ltd.		10.95	24	-11	8

1 Shareholding pursuant to Section 16 of the German Stock Corporation Act (AktG)

2 In liquidation

3 Profit-and-loss transfer agreement with Daimler AG (direct or indirect)

4 Pre-consolidation company

5 Financial statements according to local GAAP 2019

6 Financial statements according to local GAAP 2018

7 Financial statements according to IFRS 2019

8 Financial statements according to IFRS 2018

9 Control over the investment of the assets. No consolidation of the assets due to the contractual situation.

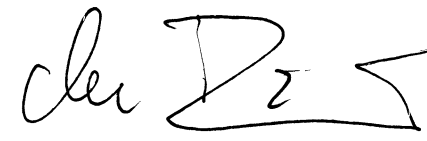
10 The company was renamed YOUR NOW Holding GmbH in January 2020. Due to corporate transactions on December 31, 2019 the company's annual financial statements as of December 31, 2019 are not yet available.

Board of Management

Stuttgart, February 19, 2020



Ola Källenius



Martin Daum



Renata Jungo Brüngger



Wilfried Porth



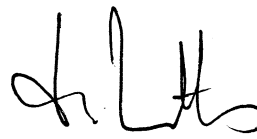
Markus Schäfer



Britta Seeger



Hubertus Troska



Harald Wilhelm

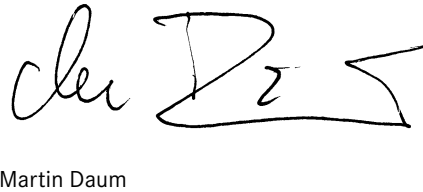
Responsibility Statement

To the best of our knowledge, and in accordance with applicable reporting principles, the financial statements give a true and fair view of the financial position, cash flows and profit or loss of Daimler AG, and the management report, which has been combined with the Group management report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of Daimler AG.

Stuttgart, February 19, 2020



Ola Källenius



Martin Daum



Renata Jungo Brüngger



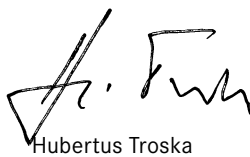
Wilfried Porth



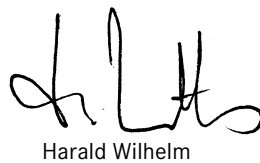
Markus Schäfer



Britta Seeger



Hubertus Troska



Harald Wilhelm

Independent Auditor's Report

To Daimler AG, Stuttgart

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Opinions

We have audited the annual financial statements of Daimler AG, Stuttgart (the Company), which comprise the balance sheet as of December 31, 2019 and the income statement for the financial year from January 1 to December 31, 2019, as well as the notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of Daimler AG, Stuttgart, for the financial year from January 1 to December 31, 2019. In accordance with German legal requirements, we have not audited the content of those components of the management report specified in the "Other Information" section of our auditor's report.

The combined management report includes cross-references not foreseen by law that are marked as unaudited. In accordance with the German legal regulations, we have not audited the content of these cross-references and the information to which these cross-references relate.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2019, and of its financial performance for the financial year from January 1 to December 31, 2019, in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, the combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the elements of the combined management report referred to in the "Other information" section of our auditor's report. The combined management report includes cross-references not foreseen by law that are marked as unaudited. Our opinion does not cover these cross-references and the information to which these cross-references relate.

Pursuant to Section 322 paragraph 3 sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as the "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 paragraph 2 letter f) of the EU Audit Regulation, we declare that we have not provided any non-audit services prohibited under Article 5 paragraph 1 of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2019. These matters were addressed in the context of our audit of the annual financial statements as a whole, and, in forming our opinion thereon; we do not provide a separate opinion on these matters.

Impairment of Financial Assets

Please refer with regard to the accounting policies and methods applied to the notes to the financial statements in the section entitled "Accounting policies and methods". Further information on the financial assets can be found in the notes to the financial statements in Note 3 "Financial assets" in the section entitled "Notes to the Balance Sheet" and in the comments in the combined management report in the section entitled "Company-specific risks and opportunities – risks and opportunities related to equity investments and cooperations".

THE RISK FOR THE ANNUAL FINANCIAL STATEMENTS

Daimler AG holds shares in subsidiaries and associated companies as of December 31, 2019 with a book value of € 55 billion (PY: € 42 billion). In the reporting period, intragroup transfers of significant interests in subsidiaries and associated companies were carried out at fair value among other things in conjunction with Project Future. Daimler AG is reporting additions to the interests in subsidiaries and associated companies of € 34 billion in this connection in the reporting period.

Financial assets are measured at cost of acquisition or, if there is an indication of permanent impairment, at the lower fair values.

In the absence of market values, the lower fair value as the benchmark for impairment of the financial assets is primarily determined as the discretionary future earnings value. If the fair value is lower than the book value, it is investigated on the basis of qualitative and quantitative criteria whether the impairment is expected to be permanent. The assessment of impairment including the calculation of the fair value via the future earnings value is complex and, as regards the assumptions made, dependent to a high degree on estimations and assessments by the Company. This applies in particular to the estimation of the future cash flows and long-term growth rates and the determination of the interest rates applied for capitalization purposes. On account to the complexity and the discretion in connection with the determination of the fair value, the main risk is that impairment will not be identified in time or that the impairment losses recognized are inadequate.

In the light of updated assessments of the market and unit sales developments in newly industrialized countries, write-downs of altogether € 230 million were recorded in the financial year on interests in subsidiaries and associated companies.

OUR AUDIT APPROACH

We performed a risk-oriented audit. We first of all evaluated the process for determining the need to recognize impairment and assessed, on the basis of the information obtained in the course of our audit, the subsidiaries and associated companies where there are indications of the need to recognize impairment. To this end, we appraised in particular the impairment test documentation and reviewed the forecasts on the future development of the revenue and earnings of the individual companies.

Our audit procedures on the valuation of the, in our opinion, main financial investments that are at risk consisted in particular of the assessment of whether the underlying cash flow forecasts are based on accurate and acceptable assumptions. Hereby we first of all compared the unit sales expected by the companies with the external market assessments. At the same time, we evaluated the explanations of the Company's legal representatives regarding the main assumptions, the strategic considerations and the operative measures reflected in the budgets with regard to their impact on the cash flow forecasts. We used our own valuation specialists in order to assess the valuation methods and the interest rates applied for capitalization purposes with regard to the determination of the lower fair value and to audit the mathematical correctness of the discounted cash flows. In order to evaluate the acceptability of the Company's assumptions, we evolved a range of acceptable carrying amounts for the lower fair values with the help of our valuation model.

In order to audit the valuation of significant interests in subsidiaries and associated companies, which are reported in connection with intragroup transfers at fair value, we used as a basis the valuation reports of the external appraiser instructed by Daimler AG. For this we assessed the competence, capabilities and objectivity of the external appraiser. We then evaluated the appropriateness of the main assumptions and the measurement model for the company valuations that were performed, using our own valuation specialists. To this end, we compared the assumptions and parameters providing the basis for the capitalization interest rate with our own assumptions and publicly available data. We discussed the assumptions on expected cash flows and the assumed long-term growth rates with those responsible for the planning and evaluated the consistency with external market estimates. We calculated and evaluated alternative scenarios (sensitivity analyses) for the main assumptions with an impact on the cash flow forecasts.

OUR OBSERVATIONS

The approach providing the basis for the impairment tests on the financial assets is appropriate and is consistent with the accounting principles. The Company's assumptions and parameters are appropriate.

Hive-down of assets and liabilities of the Mercedes-Benz Cars and Mercedes-Benz Vans divisions and the Daimler Trucks und Daimler Buses divisions

Please Disclosures on the hive-down performed in the financial year are to be found in the notes to the financial statements in the section entitled "Accounting policies and methods" and Note 3 "Financial assets" as well as in the combined management report in the section entitled "condensed version according to HGB".

THE RISK FOR THE ANNUAL FINANCIAL STATEMENTS

Daimler AG transferred assets and liabilities of the Mercedes-Benz Cars and Mercedes-Benz Vans divisions and the Daimler Trucks and Daimler Buses divisions with economic effect from January 1, 2019 (hive-down effective date) to Mercedes-Benz AG and Daimler Truck AG respectively as the transferring legal entities by way of hive-down by way of acquisition (Section 123 paragraph 3 No. 1 UmwG [German Transformation Act]) on the basis of the hive-down and acquisition agreement concluded in notarized form dated May 25, 2019 and with the approval of the Annual Shareholders' Meeting dated May 22, 2019. In addition, with the coming into effect of the hive-down, further assets and liabilities, whose basis is to be found in the hive-down and acquisition agreement, were transferred to the respective companies through singular succession. The hive-down was carried out in return for the granting of shares in the two acquiring AGs [Aktiengesellschaften: joint-stock companies]. The shares granted (999,950,000 shares in Mercedes-Benz AG with a pro rata amount of the increased share capital of € 1.00 in each case and 299,950,000 shares in Daimler Truck AG with a pro rata amount of the increased share capital of € 1.00 in each case) were recognized in accordance with the swap principles under German commercial law at the book value of the assets and liabilities acquired from Daimler AG of € 9,515 million (Mercedes-Benz AG) and € 2,570 million (Daimler Truck AG) respectively and reported as interests in subsidiaries under the financial assets. Daimler AG did not exercise the existing option of realizing hidden reserves.

On account of the complex wording of the agreement and its implementation in the annual financial statements, this transaction was of particular importance for us in the audit of the annual financial statements, especially with regard to the correct allocation to the respective company of the assets and liabilities to be transferred (or with regard to the assets and liabilities remaining in Daimler AG). In addition, the take-over of the shares granted and associated with this the calculation of the correct carrying amount of the investments in the annual financial statements of Daimler AG represented a main focus of our audit procedures. The main risk that arises is that, on account of the complexity of the transaction, of the hive-down and acquisition agreement (including the annexes) and the large number of individual items to be transferred and their recording in the systems of Daimler AG, the assets and liabilities were not transferred in accordance with the terms of the hive-down and acquisition agreement. Furthermore, the evaluation of the tax implications in connection with a transaction of this nature is associated with a high degree of complexity.

OUR AUDIT APPROACH

In the course of our audit we first of all obtained an understanding of the content of the hive-down and acquisition agreement and its further contractual bases and assessed the accounting impacts in order to evaluate the appropriate accounting treatment. By questioning the respective specialist departments and internal lawyers and evaluating the explanations received and the underlying documentation, we obtained an understanding of the process implemented by the Company to transfer and allocate the assets and liabilities to Mercedes-Benz AG and Daimler Truck AG respectively and evaluated Daimler AG's approach in this respect.

We evaluated the assets and liabilities transferred in connection with the hive-down by way of singular succession with regard to their reflection in the annual financial statements and hereby also involved our treasury specialists with regard to the derivatives.

In the assessment of possible tax consequences of the hive-down, we involved our tax specialists, who discussed the matter with the Daimler tax department and hereby also evaluated the binding assessment obtained.

Furthermore, we assessed on the basis of other information obtained in the course of our audit of the annual financial statements (e.g. critical review of the balance sheet and income statement) whether there were any indications of the non-identification or incorrect identification of assets and liabilities that were to be hived down. At the same time, we evaluated the Company's explanations in the annual financial statements on deviations compared with the previous year resulting from the hive-down with a view to the establishment of comparability within the meaning of Section 265 paragraph 2 sentence 2 HGB.

OUR OBSERVATIONS

The identification and allocation of assets and liabilities transferred to the respective legal entities with the coming into effect of the hive-down was carried out appropriately and in compliance with the hive-down and acquisition agreement; the corresponding increase in the carrying amounts of the investments in Mercedes-Benz AG and Daimler Truck AG is correct.

Other information

The legal representatives are responsible for the other information. The other information comprises:

- the separate nonfinancial report included in the annual report and the corporate governance statement and
- the remaining parts of the annual report, with the exception of the audited annual financial statements and combined management report and our auditor's report.

The other information also includes the remaining parts of the annual report.

The other information does not include the financial statements, the audited disclosures in the management report and our related auditor's report.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, the content of the combined management report to the extent audited by us 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.

As instructed, we have performed a separate business management review of the separate non-financial report. Please refer with regard to the nature, scope and results of this business management review to our audit opinion dated February 19, 2020.

Responsibilities of the Legal Representatives and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the legal representatives are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the legal representatives are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and for providing sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) will always detect a material misstatement. 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 annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, 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 opinions. 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 controls.

- obtain an understanding of internal control relevant to the audit of the annual financial statements, and of arrangements and measures (systems) relevant to the audit of the combined management report, 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 these systems of the Company.
- evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- conclude on the appropriateness of the use by the legal representatives of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or other legal regulations preclude public disclosure of the matter.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on May 22, 2019. We were engaged by the Supervisory Board on June 6, 2019. We have been the auditor of Daimler AG without interruption since the financial year 1998.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dr. Axel Thümler.

Stuttgart, February 19, 2020

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by]

[signed] Sailer
Wirtschaftsprüfer
[German Public Auditor]

[signed] Dr. Thümler
Wirtschaftsprüfer
[German Public Auditor]

Forward-looking statements:

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

These documents represent the English translation of the German “Jahresabschluss” which is the sole authoritative version.

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