

Ad Hoc Release

August 13, 2020

Daimler reaches agreements in principle to settle regulatory and civil proceedings in the United States regarding diesel emissions

Stuttgart (Germany) - Daimler AG and its subsidiary Mercedes-Benz USA LLC (MBUSA) have reached an agreement in principle with various U.S. authorities to settle civil and environmental claims regarding emission control systems of approx. 250,000 diesel passenger cars and vans in the United States. The involved U.S. authorities are the Environmental Protection Agency (EPA), the California Air Resources Board (CARB), the Environment and Natural Resources Division of the U.S. Department of Justice (DOJ), the California Attorney General's Office, and the U.S. Customs and Border Protection.

The company has cooperated fully with the U.S. authorities and continues to do so.

Daimler AG and MBUSA have also reached an agreement in principle with plaintiffs' counsel to settle the consumer class action "In re Mercedes-Benz Emissions Litigation," which is pending before the U.S. District Court for the District of New Jersey.

The company has made sufficient provisions for the expected total costs of the settlements.

For the settlements with the U.S. authorities, Daimler expects costs of approx. USD 1.5 billion (approx. EUR 1.27 billion). The estimated cost of the class action settlement is approx. USD 700 million (approx. EUR 592 million) including the court's anticipated award of attorneys' fees and costs. In addition, Daimler estimates further expenses of a mid three-digit-million EUR amount to fulfill requirements of the settlements.

Daimler expects a corresponding impact on the Free Cash Flow of the industrial business over the next 3 years with the main impact within the next 12 months.

Today, the Board of Management as well as the Supervisory Board of Daimler AG and Mercedes-Benz AG have approved the proposed settlements after weighing all aspects in the best interest of the company. With the proposed settlements, the company takes an

important step towards legal certainty with respect to various diesel proceedings in the United States.

The settlements are subject to the final approval of the relevant authorities and courts. The agreement in principle with the U.S. government authorities will be memorialized in binding consent decrees. In the coming weeks, the authorities will then lodge the consent decrees with a U.S. District Court for ultimate approval. The U.S. consumer class action settlement will be submitted to the U.S. District Court for the District of New Jersey for approval.

With this ad hoc release Daimler informs capital markets about the agreements in principle to comply with disclosure requirements of the European Market Abuse Regulation (MAR).

Exchange rate EUR to USD as of August 13, 2020, 1 EUR = 1.183 USD.

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