

**Address by the Member of the Board of Management of Daimler AG
and Chairman of the Board of Management of Daimler Truck AG**

Martin Daum

at the Extraordinary General Meeting of Daimler AG

Stuttgart, October 1, 2021

Check against delivery!

- Dear shareholders,
- At Daimler Truck we do not use the term “historical” lightly. However, today is a truly historic day. For our company and for you, the shareholders of Daimler AG.
- Because today you can decide to make Daimler Truck independent and provide the path for us to move forward:
 - the path by which we can realize our full potential,
 - the path to achieve the greatest possible success for our company – with the best products for our customers, with an attractive investment for you, our shareholders, and with sustainable jobs for our employees.
- Trucks and buses form the backbone of the economy and society, which is why we at Daimler Truck proudly say: We work for all who keep the world moving. That is our corporate purpose - and I am deeply convinced we can best do justice to this overarching task as an independent company.
- I would now like to explain our path forward in more detail, as we intend to follow it as an independent company.
- My first message is this: We begin from a strong starting point:
 - We are the world market leader in commercial vehicles and have a unique global presence.
 - We have strong brands and strong teams in all regions.
 - And we are currently in the process of integrating our financial services business directly into the future Daimler Truck Group. As a result, in the future we will be able to offer our customers a complete package of vehicles and financial services perfectly tailored to their needs - and that is an important success factor in our industry.
- Based on this strong position, as Daimler Truck we have set two clear goals for ourselves:
 - First, we intend to fully exploit our earnings potential.

- And second, we are striving to actively shape the transformation of our industry. When it comes to sustainable transport in the future, we will continue to act and not merely react. That is the key to our future success. And it's a promise to our customers and society.
- Therefore, we aim to lead economically and technologically – and having our full entrepreneurial freedom will help us to achieve both. Because, as an independent company, we can optimally shape our future without compromise. To use an example from our industry: Until now we've had to orient ourselves to the route taken by our car colleagues. In the future we can plan our own route and choose the path that is ideal for us.
- Let me now elaborate on our two major goals.
- Let's begin with how we intend to realize our earnings potential.
- We have set ambitious return targets for 2025.
- Because our industry is a cyclical business, we have defined these goals for our industrial business dependent on respective market conditions:
 - Under unfavorable market conditions, as we experienced last year for example, we still aim to achieve a return on sales of 6 to 7 percent. That is our “rainy day scenario.”
 - In a normal market environment we will target a return of 8 to 9 percent.
 - And in a strong market environment – our “sunny day scenario” – we will strive for a return on sales of more than 10 percent.
- At this point I would like to emphasize the following: The entire Daimler Truck Board of Management is resolute and united in achieving these return targets.
- We are therefore also ready to make tough decisions in order to achieve these targets. We will not accept excuses.

- Each division – Trucks North America, Trucks Asia, Mercedes-Benz, Daimler Buses and Financial Services – will fully focus on its goals. And we will be very transparent with you here. In the future, each area will report on its profitability in detail. We will start with our next Capital Market Day that – due to logistical reasons – will take place one week later than originally planned, namely on November 11.
- In order to exploit our earnings potential, we have defined a full series of measures – I would like to mention just four of the most important ones:
 - First, each region has greater room to maneuver and more responsibility. This enables our on-site teams to act faster and in a more market-oriented manner.
 - Second, we aim to significantly reduce our fixed costs by 2025, by 15 percent compared to 2019.
 - Third, we are strengthening our service business.
 - That includes our spare parts and maintenance business, as well as financial services including leasing, financing and insurance.
 - Today our service portfolio makes up 30 percent of our total sales - by 2030 it should be 50 percent. We have backed this growth plan with specific initiatives.
 - Fourth, in the future we will concentrate even more on our high-margin business with heavy trucks.
- Our current course of business demonstrates that we have made good progress in improving our profitability in the first half of the year. After an adjusted return on sales of 6.0 percent in the first quarter, we achieved an adjusted return on sales of 8.3 percent in the second quarter.
- Since the summer months, however, the global shortage of computer chips is affecting the auto industry as a whole and now Daimler Truck as well. We are currently unable to complete a significant number of vehicles and therefore cannot deliver them.

- These are negative external factors that we experience from time to time and that we cannot influence. Still, I am convinced that such events are not decisive in determining our long-term success. Instead, the decisive factor for success is that we drive things forward that are in our own hands. We are very determined to do so and it will pay off.
- That brings me to our second major goal: We aim to lead the transformation of our industry with our sustainable business strategy.
- Here next to me you can see a prototype of our fuel cell truck.
- This hydrogen-powered truck is actually in permanent testing. We only took it off the road temporarily for today's General Meeting.
- This next-generation truck shows one thing very clearly: We are determined to shape the transition to emission-free transport from the front – and we have a clear roadmap here:
 - We are not investing our resources in dead-end technologies such as natural gas drives or overhead line trucks – and we are urging political decision-makers in Berlin and Brussels not to waste time or money on this either.
 - Natural gas drives are not emission-free and therefore only an expensive bridge technology.
 - And overhead lines will not prevail in Germany or in Europe, due to the highly complex planning and infrastructure measures alone.
- At Daimler Truck we are focused on the two technologies that really lead to a CO₂-neutral future: batteries and fuel cells. And here we are now accelerating development work, both on our own and with strategically meaningful partnerships.
- We rely on batteries and hydrogen-based fuel cells because our customers need both technologies:
 - On the one hand, this has to do with the various uses for our vehicles. The rule of thumb is this: The battery is better suited for lesser loads and shorter distances, and the fuel cell for larger loads and longer distances.

- On the other hand, this is due to the requisite infrastructures. Because if the number of electric cars, trucks and buses climbs even close to as fast as we all hope in support of sustainability, batteries alone will soon no longer suffice. They would overwhelm the electricity infrastructure. Europe therefore needs a hydrogen economy and our customers need hydrogen-powered commercial vehicles. We will be able to provide them.
- We have an ambitious timeline on the road to sustainable, emission-free transport:
 - As early as 2030 battery and fuel cell powered trucks and buses could account for up to 60 percent of our sales.
 - And from 2039 on our goal for the triad – i.e. North America, Europe and Japan – is to exclusively sell vehicles that are CO₂-neutral in operation.
- That means we are building a complete e-portfolio – and we are not just starting out, but are already doing very well here:
 - In North America we are already delivering our Jouley electric school bus and a large fleet of trucks is being tested by customers: Our medium-weight Freightliner eM2 model and our eCascadia semitrailer have already covered more than a million miles.
 - Our eCanter, our light distribution truck from our Japanese brand FUSO, has successfully been in use around the world since 2017.
 - In Europe we have offered our series-production Mercedes-Benz eCitaro city bus since 2018. Our next step is imminent: Starting next week our Mercedes-Benz eActros, a heavy truck for distribution transport, will roll off the assembly line in our plant in Wörth.
- Our battery-powered trucks and buses are therefore already on the market or soon will be.
- At the same time, we are developing our fuel cell vehicles. I've already introduced you to the GenH2 Truck next to me. We are aiming for our first pre-production vehicles in 2024. And we're preparing large-scale series production - depending on the infrastructure – for 2027.

- In order to free up funds for these future technologies we will significantly reduce our investments in conventional combustion engines over the next few years.
- In addition, we are using an important strategic lever – namely, partnerships. Together with a suitable partner, we can help new technologies achieve breakthroughs more quickly, reduce our own investment requirements and gain access to important know how.
- Here are three of the exemplary partnerships we have entered into:
 - We founded the cellcentric joint venture with the Volvo Group to make fuel cell technology ready for series production. cellcentric emerged from the Daimler Group and has more than 30 years of experience in fuel cell systems development. cellcentric aims to build one of the largest fuel-cell factories in Europe by 2025.
 - We are working with the energy company Shell to set up a charging infrastructure for fuel cell trucks. This is not Daimler Truck’s core business – and it will not be – but in this phase of the transformation we want to consciously support infrastructure development. By 2030 a network of 150 hydrogen filling stations is to be built on the central logistics axis of Rotterdam, Cologne and Hamburg.
 - With the Volvo Group and the TRATON Group, we are also planning to set up a public high-performance charging network for battery-powered long-distance trucks and coaches in Europe. Our joint venture is scheduled to start operations in 2022.
- So much for the overview of our path to emission-free transport with climate-neutral drives – to which the transformation of our industry is, all too often, completely reduced.
- However, there is another key technology with the potential to fundamentally change our business. I’m referring here to highly automated trucks, which, under certain conditions, can operate in self-driving mode.
- One thing is clear: This technology is yet to overcome high security hurdles. However, when we succeed here highly automated trucks can help further reduce the number of accidents in the future. They can also make road freight transport even more efficient, which is crucial in light of ever-increasing transport volumes.

- In addition, should highly automated trucks establish themselves in the market they have considerable business potential. Their revenue per vehicle is significantly higher than that of conventional trucks. In addition to the vehicle, customers also get a high-quality service: intelligent control software.
- We see ourselves in a leading position in automation - thanks in part to two strategic partnerships:
 - In 2019 we acquired a majority share in Torc Robotics, a U.S. software specialist and pioneer in autonomous driving. Together with Torc we are already successfully testing highly automated trucks on American highways.
 - In 2020 we entered into a parallel partnership with Waymo, a sister company of Google. That means: One of the most innovative companies in Silicon Valley has deliberately allied itself with the leading global commercial vehicle manufacturer – your Daimler Truck AG – in pursuit of the potential multi-billion dollar market for highly automated transport.
- In conclusion, ladies and gentlemen, let me emphasize once again – today is an historic day.
- Today you can decide to make Daimler Truck independent and open the path for us to move forward.
- And I am certain, it will be a good path.
- At this point, personally, I would like to add that in 2017 I stepped in to lead our company to a successful future.
 - This company has more than 100,000 employees who trust in a workplace that is sustainable long into the future.
 - We have customers all over the world who rely on our vehicles for their daily work.
 - And we have written German and international industrial history over many years and decades.
- With that I mean the following: Leading Daimler Truck is a great responsibility, and I am well aware of that responsibility.

- Together with my team, I have therefore tackled, at an early stage, the key issues crucial to our long-term success: Be it electric drives, our trucks for China, or the efficiency programs in our regions.
- With our planned independence we now have the tremendous opportunity to make even faster progress.
- And my management team and I are determined to seize this opportunity.
 - We aim to significantly increase the profitability of our company and shape the transformation of our industry from the very front.
 - Because everyone benefits from our doing so – our customers, our employees and, last but not least, you, our shareholders.
- We will do everything we can to live up to your trust!
- Thank you very much.
