

Chairman's Letter

Dear Shareholders,

At our virtual Annual General Meeting on March 31, 2021 you not only approved the management's proposals with an overwhelming majority but also bid goodbye to Dr Manfred Bischoff, who stepped down as Chairman of the Supervisory Board after 14 years. Since then, we have continued on our new strategic course in an industry in transformation. For me personally, the past five months have underlined that the company is taking the right decisions and I am honoured to be able to contribute to its success.

Review first half of 2021

After an already promising start in the first quarter, we also achieved a strong performance across all divisions in the second quarter, despite the continuing shortage of semiconductors. This demonstrates the resilience of our business and underlines the success of our strategy. We are implementing fundamental changes and are focusing on the electrification and digitalization of our entire portfolio. Mercedes-Benz is getting ready to go all electric by the end of the decade, where market conditions allow. Daimler Truck has set itself the ambition of leading the way to zero emissions.

Project Focus - Spin-off of a majority interest in Daimler Truck AG

In addition to the transformation of our core business, we decided on a historic step in the nearly 140-year history of this unique company by evaluating and preparing the necessary steps for the spin-off of the truck and bus business. We intend to generate value for our shareholders, to raise our profitability and to unlock our full potential by creating two pure-play companies. As a result, Daimler Truck will gain full entrepreneurial freedom and an independent corporate governance structure, and both companies will be empowered to succeed in a new era of transformation.

We intend to distribute a 65% stake in Daimler Truck to you, our Daimler shareholders. The shareholders of Daimler AG will receive one registered share of the newly created Daimler Truck Holding AG for every two registered shares of Daimler AG. The transaction and the intended listing of Daimler Truck Holding AG on the Frankfurt Stock Exchange are on track and should be completed before year-end 2021. We will ask for your approval of this historic strategic step at our Extraordinary General Meeting.

New Supervisory Board Candidates

Having experienced members on the Supervisory Boards of Daimler AG and Daimler Truck Holding AG is of vital importance in the course of the strategic realignment of the two separate companies. In this context, Marie Wieck and Joe Kaeser will step down from their mandates at Daimler AG as they are designated for election to the Supervisory Board of the listed Daimler Truck Holding AG. Joe Kaeser has been nominated to lead the Supervisory Board as Chairman. Together with Renata Jungo Brüngger, Member of the Board of Management of Daimler AG and Mercedes-Benz AG responsible for Integrity and Legal Affairs, Harald Wilhelm, Member of the Board of Management of Daimler AG and Mercedes-Benz AG responsible for Finance & Controlling, and the to be appointed candidates Laura Ipsen (President and CEO Ellucian Company L.P.), Jacques Esculier (former CEO and Chairman von WABCO Holdings Inc.), Martin Richenhagen (former Chairman, President and CEO of AGCO Corporation), Akihiro Eto (former President and Global Chief Operating Officer of Bridgestone Corporation), John Krafcik (former CEO of Waymo LLC) and Michael Brosnan (former CFO of Fresenius Medical Care AG & Co. KGaA) the competence profile of the Supervisory Board of Daimler Truck Holding AG should support a successful strategic positioning in the areas of digitalization, automation and software in an international environment.

When selecting the candidates to succeed Joe Kaeser and Marie Wieck at Daimler AG, the Supervisory Board took a close look at the profile requirements and the necessary competencies, which were perfectly fulfilled by Helene Svahn (Professor in Nanobiotechnology at the Royal Institute of Technology in Stockholm) and Olaf Koch (Partner and Managing Director Zintinus GmbH). Both candidates meet the requirements of the German Corporate Governance Code and complement the Supervisory Board and its interaction with the Board of Management in an excellent way by adding fundamental experience in corporate transformation, digitalization, interaction with global markets, and ESG.

ESG Board Oversight

For the members of Daimler's Supervisory Board, the implementation of our sustainable business strategies is a central objective. To this end, we have established processes to ensure that the Supervisory Board and its committees receive adequate information on ESG topics. This includes regular meetings with the Board of Management as well as close communication with our departmental experts on ESG and with our Advisory Board for Integrity and Corporate Responsibility regarding the progress of the implementation of our sustainable business strategies.

Climate protection is a core element and oversight on climate-related risks and opportunities is crucial for the transformation of our company. We publish a dedicated TCFD (Task Force on Climate-related Financial Disclosures) report in order to disclose climate-related information.

Interaction with shareholders under COVID-19 circumstances

For our company and for me personally a continuous exchange and dialogue with shareholders and investors forms the basis for mutual respect and trust. At the same time, we still have to deal with the challenges of the current pandemic. Daimler will therefore hold its Extraordinary General Meeting virtually, in accordance with the German COVID-19 Act. However, it is particularly important to us that the resolutions and the historical decision on the realignment of the Daimler Group are supported by as many shareholders as possible. That is why I would like to ask you to make use of the opportunities to exercise your voting rights.

Our company has once again shown that it can demonstrate its strength in all areas of its business activities even under challenging conditions. At the Extraordinary General Meeting, let us now take the next step together to secure the long-term and sustainable success of two clearly aligned, separate companies.

Sincerely yours,



Dr. Bernd Pischetsrieder