

Project Focus

Spin-off of a majority interest in Daimler Truck AG

Since the restructuring of the Daimler Group in 2019, the business operations of the Daimler Group have been carried out by three legally independent units under the umbrella of Daimler AG:

- Mercedes-Benz AG carries out the business operations of the Daimler Group in the Mercedes-Benz Cars & Vans divisions.
- The business operations of Daimler Trucks & Buses are carried out by Daimler Truck AG.
- As part of the Daimler Mobility division, Daimler Mobility AG is responsible for the Group's financing and leasing products in particular.

Why are we proposing this?

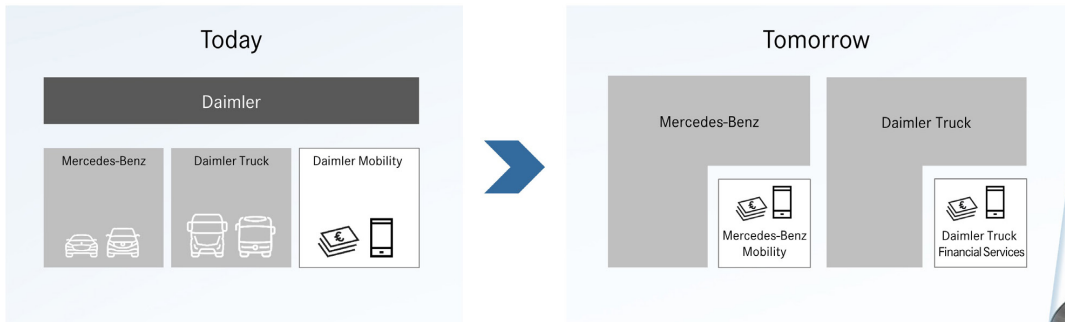
It is our conviction that independent management and governance will enable both businesses to win with the transformation. With independence comes ultimate customer dedication and even more entrepreneurial responsibility. The best ingredients we can imagine to foster value creation for Daimler AG shareholders and to unlock the full potential of the two companies.



The market environment for our operational business is rapidly and continually changing. New competitors are challenging traditional business models, in particular in the competition for capital. At the same time, technological change, driven by electrification and digitalisation, requires substantial investment in research and development.

For this reason, the Board of Management of Daimler AG has, with the agreement of the Supervisory Board, decided to separate the truck and bus business that is concentrated in Daimler Truck AG from the Daimler Group by spinning off a majority interest in Daimler Truck AG, and thus to provide the shareholders of Daimler AG with listed stocks in an independent company. The shareholders of Daimler AG will hold a 65% stake in the new Daimler Truck Holding AG. Daimler will retain a minority interest of 35% in Daimler Truck Holding AG.

We want to create two independent businesses with maximum focus




Schematic representation


Increasing entrepreneurial flexibility

The separate and independent organisation of the cars and vans business in the future Daimler Group and of the trucks and buses business in the future Daimler Truck Group will provide both companies with the necessary entrepreneurial flexibility. This flexibility and agility is needed to enable each company to independently adapt its strategic orientation and business model to the constantly changing market conditions.

The properties of the cars and vans business differ from those of the trucks and buses business in many respects, so the advantages of an independent strategic focus will not be significantly reduced by the loss of synergies. The spin-off of the trucks and buses business also has the advantage that the existing conglomerate discount on the Daimler shares can be reduced and further increases in value by means of a re-rating of Daimler AG could be enabled.

Different businesses deserve the freedom to focus on their specific customers

 Passenger Cars "First move the world"	
Product:	Luxury experience
Customers:	Mainly private (B2C)
Target:	Turn modern luxury into profitable growth
Transformation:	Focus on battery electric vehicles & car software

 Commercial Vehicles "For all who keep the world moving"	
Product:	Investment good
Customers:	Mainly business (B2B)
Target:	Turn global scale into profit
Transformation:	Battery, fuel cell, software customer solutions



Separation of the financial services activities

In order to strengthen the future focus on the cars business on the one hand and the commercial vehicles business on the other, it is also intended to divide the financial services business that is currently conducted under the umbrella of Daimler Mobility AG between two independent financial services companies. This step will enable even more consistent support for the future Daimler Group and the future Daimler Truck Group. The two clearly focussed entities and their made-to-measure financing, leasing, insurance, fleet and mobility solutions will be able to react to the requirements of their respective customers in the best possible way.

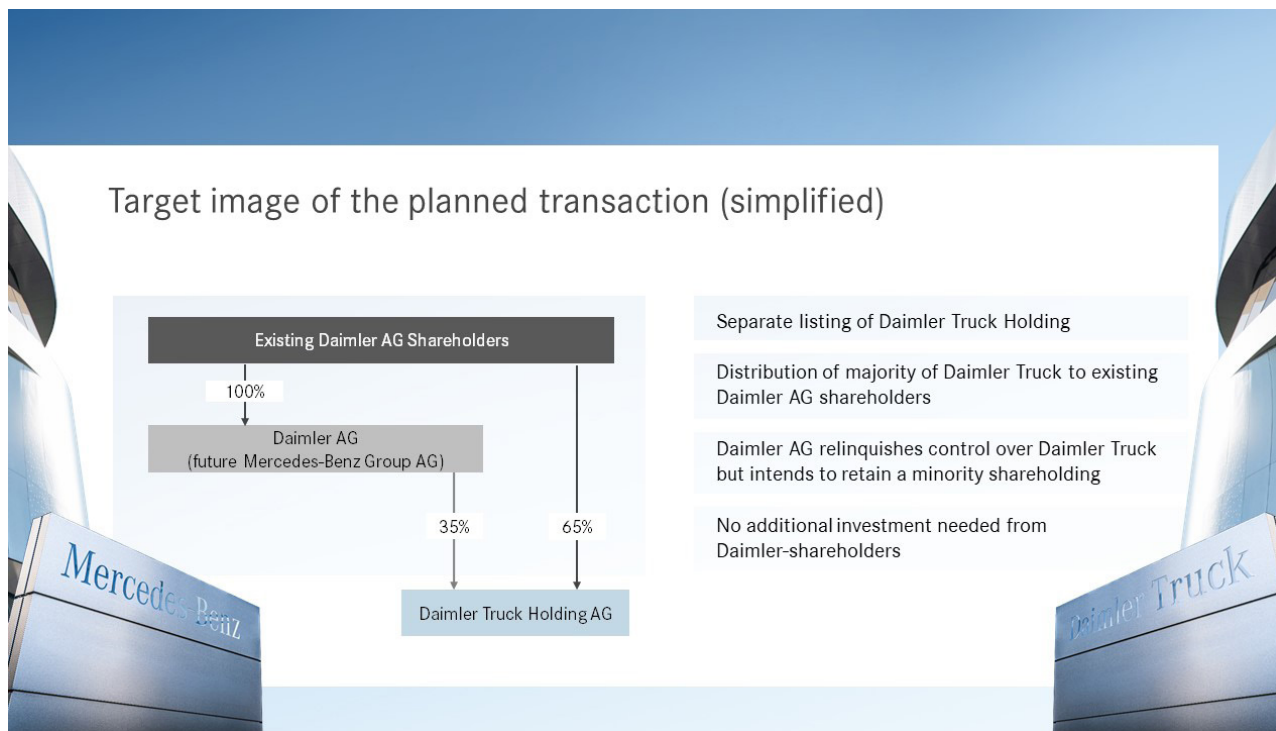
How will the spin-off and hive-down be implemented?

The demerger of the commercial vehicles business from the Daimler Group will take place by means of a combined spin-off and hive-down in accordance with the German Transformation Act (Umwandlungsgesetz – UmwG). Daimler Truck Holding AG, which serves as the acquiring legal entity in the context of the restructuring, was initially founded for this purpose in March 2021.

In the course of the spin-off, Daimler AG will transfer a majority interest in Daimler Truck AG to Daimler Truck Holding AG in accordance with § 123 para. 2 no. 1 UmwG. The Daimler shareholders will receive shares in Daimler Truck Holding AG as the consideration. In the course of the hive-down, Daimler AG will transfer a minority shareholding in Daimler Truck AG to Daimler Truck Holding AG in accordance with § 123 para. 3 no. 1 UmwG in return for the granting of new shares in Daimler Truck Holding AG to Daimler AG.

The basis of the spin-off and the hive-down is the Spin-Off and Hive-Down Agreement (“Demerger Agreement”) between Daimler AG and Daimler Truck Holding AG concluded in notarial form on 6 August 2021. The Demerger Agreement determines the subject matter of the spin-off and the hive-down and specifies the number of shares in Daimler Truck AG that are to be transferred to Daimler Truck Holding AG in the course of the demerger. In addition, the control and profit and loss transfer agreement existing between Daimler AG and Daimler Truck AG will be transferred to Daimler Truck Holding AG as a result of the spin-off.

After consummation of the Demerger Agreement the Group structure – in simplified form – will be as follows:



In order to take effect, the Demerger Agreement requires the approval of the General Meetings of Daimler AG and Daimler Truck Holding AG. In view of this, the Board of Management of Daimler AG will submit the Demerger Agreement to the Extraordinary General Meeting of Daimler AG on

1 October 2021, for the adoption of a resolution and approval. The resolution requires a majority of at least three quarters of the share capital of Daimler AG represented at the meeting. The approval resolution of the General Meeting of Daimler Truck Holding AG will be passed subsequently.

Listing of Daimler Truck Holding is planned to be complete by year-end 2021



Both the spin-off and the hive-down will take effect upon their entry in the Commercial Register Stuttgart. Immediately thereafter all of the shares in Daimler Truck Holding AG will be admitted to trading on the Regulated Market of the Frankfurt Stock Exchange (Börse Frankfurt) and additionally in the Prime Standard segment (for companies fulfilling high international transparency requirements) of the Regulated Market of the Frankfurt Stock Exchange. Daimler AG intends that the stock exchange listing of the Daimler Truck Holding AG share takes place in December 2021.

In view of the stronger focus of Daimler AG on the core business of Mercedes-Benz AG intended by the restructuring, it is also planned to make this focus visible externally by changing the name of Daimler AG to “Mercedes-Benz Group AG”. The change of the company name is to take effect as of 1 February 2022, subject to the spin-off having become effective prior to this date.

Our intention is to create value

Customers

We want to increase our competitiveness through an even sharper focus. Our customers will gain solutions tailored to their specific needs.

People

We want to take advantage of growth opportunities - with our people, and for our people. Our goal: safe, attractive jobs in the long term.

Shareholders

We want to establish two undisputed innovation leaders. Our shareholders will profit from the value crystallization.

Partners

We want to set the pace in both industries - with strong partnerships to jointly accelerate technological progress.

Society

Economic success is the prerequisite to achieve our societal responsibility and our environmental commitment.



What does this mean in concrete terms for you as shareholders?

The planned separation of the commercial vehicles business will result in the shareholders of Daimler AG holding investments in two listed corporations.

The objective of the separation is to ensure that the capital market will price the future Daimler Group as a pure-play car manufacturer and the future Daimler Truck Group as a pure-play commercial vehicles manufacturer. Ideally this will lead to the two entities having a higher respective value than previously.

At the same time, the shareholders will be able to decide independently whether they wish to remain as investors in both companies.

On the basis of the contractual provisions, the shareholders of Daimler AG will receive in proportion to their previously existing shareholdings one no par value share of Daimler Truck Holding AG for each two no par value shares of Daimler AG. Shareholders whose shares are held in collective safe custody by means of a custodian account connected to Clearstream will receive the distribution of the Daimler Truck Holding AG shares as a collective securities account credit via the respective custodian bank. In this case the Daimler shareholders do not need to take any action. All new shares in Daimler Truck Holding AG will be entitled to a share in profits for the financial years starting on or after 1 January 2022.

2:1 Allocation ratio

Share fractions (partial rights) arise as a result of the allocation ratio of 2:1, insofar as the holdings of Daimler shares in custodian accounts are not divisible by two. In this event, the affected shareholders in Daimler AG will receive partial rights to one share of Daimler Truck Holding AG. These rights do not give rise to any enforceable shareholder rights. The affected shareholders can however round off these rights by means of a corresponding sale or purchase order to their custodian bank.

The Board of Management of Daimler AG and the Board of Management of Daimler Truck Holding AG will jointly submit a spin-off and hive-down report (Demerger Report) pursuant to § 127 UmwG for the information of the shareholders of Daimler AG concerning the planned spin-off and hive-down. The Demerger Report contains detailed legal and financial explanations and justifications for the spin-off and hive-down and the Demerger Agreement. Publication of the Demerger Report on our home page is planned for 17 August 2021.

We have collected further information for you on our website under the following link:

 www.daimler.com/fokus/