

Chairman's Letter

Dear Shareholders,

It is a special honour for me to address you for the first time as Chairman of the Supervisory Board of Mercedes-Benz Group AG. Together with the Board of Management and our employees, I want to make my contribution to leading this outstanding company into a promising future. Since 2021, I have been a member of the Supervisory Board and I am very familiar with the challenges and opportunities of the fundamental transformation in the automotive industry. Our vision for the future is clear – we want to successfully develop the company further, promote sustainable growth and shape the mobility of the future. In doing so, we are relying on our strengths: innovative technologies and products, financial solidity and a clear focus on a profitable, sustainable and resilient business model.

I would like to take this opportunity to thank you, dear shareholders, for your trust and support. Your loyalty and commitment are the foundation of our success.

The global environment continued to pose numerous challenges for the Mercedes-Benz Group's business in 2024. Ongoing geopolitical conflicts, trade policy uncertainties and volatile markets shaped the framework conditions. Thanks to our outstanding products, determination and confidence in our own abilities, as well as flexibility in our actions, we have asserted ourselves as one of the world's leading suppliers of premium and luxury vehicles in this demanding and competitive environment. My thanks go to the entire Mercedes-Benz team, which has once again given its best. I am proud to be part of this team.

The framework conditions will remain difficult in 2025 as well. It is therefore important that the Mercedes-Benz Group positions itself optimally, utilises efficiency

potential and consistently pursues the path of digitalisation and electrification. With the largest product and technology offensive in our company's history to date and with measures that make our company leaner, faster and stronger, we want to unleash the full potential of Mercedes-Benz.

I am convinced of the great opportunities and abilities that lie within this company and its workforce. With the changes to the Board of Management decided in December, we have provided new impulses at crucial points and at the same time rejuvenated this body. I look forward to shaping the future of Mercedes-Benz successfully together with this team and you, dear shareholders.

Our strategy

For almost 140 years, the Mercedes star has been a global symbol of the highest engineering skills, iconic designs and the pursuit of status and economic success. For our company, this means a continuous drive for innovation, competitiveness, profitable growth and sustainability.

As early as 2019, we initiated the transformation of the company with Ambition 2039 and the pursuit of a net carbon-neutral¹ new-vehicle fleet across all stages of the value chain and the entire life cycle. The necessary framework conditions for the rapid and steady ramp-up of electromobility have not yet been sufficiently met, so that the transformation in important markets is proceeding very differently and slower than initially expected. This leads to higher complexity and higher costs in development and production.

¹ Net carbon-neutral means that carbon emissions that are not avoided or reduced at Mercedes-Benz are compensated for by certified offsetting projects.

However, the transformation must be economically viable – for our company, our customers and our shareholders. Economic, ecological and social responsibility go hand in hand along the entire value chain.

Nevertheless, decarbonisation remains a central element of our sustainable business strategy. Electrifying our product portfolio is the biggest lever here. We are creating the necessary conditions to make Mercedes-Benz all-electric and actively support our customers in the switch to electromobility. Regardless of the drive type, we will be in a position to cater to different customer needs well into the 2030s.²

With our planned product offensive, we are well-positioned to excite our customers with vehicles that are consistently tailored to their needs. This includes all-electric drivetrains and electrified combustion engines. The new CLA marks the beginning, followed by the world premiere of the new all-electric GLC.

Our results for the 2024 financial year, share buyback policy & dividend proposal

With a Group EBIT of €13.6 billion, earnings per share of €10.19 and a free cash flow of €9.2 billion, we achieved solid financial results in the 2024 financial year.

With this financial basis and despite the challenging environment, we were able to buy back own shares worth around €7 billion or approximately 10 percent of the share capital from March 2023 to November 2024, and as announced, redeemed them to optimise our capital structure. In line with our share buyback policy³ adopted in February 2024, we decided in February 2025, subject to renewed authorisation by the Annual General Meeting 2025, on another program to buy back own shares worth up to €5 billion⁴ with a term of up to 24 months.

Furthermore, we propose a dividend of €4.30 per dividend-entitled share to the Annual General Meeting 2025 (2023: €5.30).

Virtual Annual General Meeting

Following my election to the Supervisory Board as chairman, the format of the Annual General Meeting was also discussed and valuable, differentiated feedback was obtained during regular dialogues with investors and proxy advisors on specific Supervisory Board topics. This was considered both in the decision-making process of the Board of Management regarding the format of the 2025 Annual General Meeting, and in the discussion of the proposal by the Board of Management and the Supervisory Board for renewed authorisation of the Board of Management to hold the Annual General Meeting virtually.

After careful consideration, the Board of Management has decided to hold the 2025 Annual General Meeting in a virtual format based on the existing authorisation in the Articles of Incorporation, which is limited until June 26, 2025. It made this decision considering the interests of both the company and the shareholders, in particular the protection of shareholder rights, cost and sustainability considerations and the agenda of this year's Annual General Meeting.

The virtual Annual General Meetings in 2023 and 2024 were also held in full compliance with shareholder rights and overall without any relevant technical or organisational issues with a pleasantly high attendance. Based on these positive experiences and the company's own aspiration to assume a significant position in the field of digitalisation, a renewed authorisation of the Board of Management to hold the Annual General Meeting virtually will be proposed to the 2025 Annual General Meeting. As before, the Board of Management will continue to decide whether to make use of the authorisation exclusively based on factual criteria, taking into account the circumstances of the individual case. In the future, it will also include in its decision the Chairman of the Supervisory Board as the statutory chairman of the meeting.

The proposed new authorisation once again does not exhaust the maximum legal term of five years but limits the authorisation period to two years. Although the Board of Management is of the opinion that the virtual Annual General Meeting format has proven itself, shareholders should be able to decide on it again in two years.

² The pace of transformation is determined by market conditions, the infrastructure and consumer behavior.

³ This states that any future free cash flow from the industrial business, (as available post potential small-scale M&A) generated beyond the approximately 40% dividend payout ratio of Group Net Income, shall be used to fund share buybacks with the purpose of redeeming shares.

⁴ not including incidental costs

Supervisory Board

In recent years, we have worked intensively on the efficiency of the body. With feedback from our investors, we have further developed the requirements profile for the entire Supervisory Board to ensure a diverse and complementary composition. The Supervisory Board must have the necessary knowledge, skills and experience, including expertise in sustainability issues. This ensures qualified supervision and advice to the Board of Management, especially in times of transformation and fundamental upheavals in our industry.

I am therefore very pleased that the five members of the Supervisory Board, whose mandates end at the 2025 Annual General Meeting, are willing to contribute again with pleasure, enthusiasm and expertise. We propose to the Annual General Meeting the re-election of Ben van Beurden, Liz Centoni, Timotheus Höttges, Olaf Koch and Professor Dr Helene Svahn.

Staggered terms of office strengthen the continuity of the Supervisory Board's work, enable flexible and timely responses to changing requirements and facilitate the search for suitable candidates.

Therefore, we propose to appoint Ben van Beurden, Liz Centoni, Timotheus Höttges and Olaf Koch for four-year terms and Professor Dr Helene Svahn for a one-year term.

Remuneration

In the 2024 financial year, the Presidential Committee and the Supervisory Board dealt with the remuneration of the Board of Management on several occasions. The remuneration system for the Board of Management aims to make a significant contribution to promoting our business strategy and the long-term and sustainable development of the company. It incentivises the achievement of our strategic goals and provides effective incentives for the long-term value-creating development of the company in the interest of all stakeholders.

The Supervisory Board reviewed the remuneration system approved by the Annual General Meeting in 2023 in view of the difficult market environment, taking into account the company's market position, investor feedback and the volatile general conditions and decided to make adjustments.

As of January 1, 2026, the short-term variable remuneration component is to be simplified by reducing it to financial and non-financial performance criteria through the elimination of performance indicators from transformation targets. Additionally, the weighting of financial and non-financial targets will be fixed in such a way that the overall achievement of the target for short-term variable remuneration of 200% of the base salary will be more challenging. The parameters set in the remuneration system continue to apply uniformly to all members of the Board of Management. The adjusted remuneration system will be submitted to the 2025 Annual General Meeting for approval.

In times that require all of us to contribute to a profitable, sustainable and resilient business model of our company, the remuneration of the Board of Management is under special scrutiny. Given the current conditions, the Supervisory Board has decided not to increase the target remuneration of the members of the Board of Management, which was last adjusted in 2023.

Diesel emissions issues

During the last business year, as in previous years, the Supervisory Board paid close attention to the diesel emissions issue.

The Supervisory Board's analysis of the potential liability of current and former Members of the Board of Management, which has been ongoing for several years, has been completed. The Supervisory Board, together with its legal experts, has examined what led to the diesel emissions issue and whether appropriate measures were omitted at Management Board level. The analysis included, among other things, the actions of all Members of the Board of Management from 2005 onwards with regard to the emission control technologies and software functionalities used in diesel engines, as well as all related circumstances. It covered, among other regions, Germany, the EU, as well as the U.S. The analysis concluded that there are no claims against Members of the Board of Management. This conclusion is consistent with the findings of the authorities and courts.

Under the 2020 settlement with U.S. authorities, the fourth reporting year has been completed. Compliance with the provisions of the settlement lies within the company's own responsibility and is

monitored by the Supervisory Board and its Committee for Legal Affairs in lieu of an external monitor. This also applies to the company's refinement of its sophisticated technical compliance management system to accommodate future technological and regulatory developments.

The Supervisory Board assesses the still ongoing civil and administrative proceedings. These are pursued in the company's best interests, consistent with the strategy jointly approved with the Supervisory Board. For details, please refer to the attached statement of Professor Dr Roland Steinmeyer.

Antitrust matters

Furthermore, antitrust matters continue to be an important issue for the Supervisory Board. In the concluded proceedings of the European Commission and the South Korean antitrust authority relating to anticompetitive conduct with regard to exhaust aftertreatment systems for cars with diesel engines (SCR⁵) the company did not have to pay a fine due to its cooperation with the authorities; no further fines are expected in this antitrust matter. This also applies to the investigations by the European Commission and the British Competition and Markets Authority (CMA) in the field of end-of-life vehicles disposal. The company has been cooperating extensively with the authorities from an early stage.

With regard to all mentioned proceedings, the Supervisory Board is still reviewing potential compensation claims against current or former members of the Board of Management. The same holds true for potential claims with regard to the trucks proceedings already concluded by the European Commission; those potential claims have remained with the company irrespective of the spinoff of the truck and bus business.

The Supervisory Board has fully performed its supervision tasks under stock corporation law. This was confirmed again in February 2025 in an amended expert opinion by Professor Dr Mathias Habersack; an updated statement is attached to this letter.

Dear shareholders, we have great people at Mercedes-Benz who contribute to the success of our company day after day with commitment and passion. Their hard work, innovative spirit and tireless dedication even in challenging times are the foundation on which we build our future. Let us shape this future successfully together – with determination and confidence.

It is my great pleasure to welcome you, dear shareholders, to this year's virtual Annual General Meeting on May 7, 2025.

Yours sincerely,



Dr Martin Bruder Müller

⁵ Selective catalytic reduction