

DAIMLER

Annual Financial Statements 2018  
Daimler AG



**Cover:**

The EQC (combined electricity consumption: 22.2 kWh/100 km; combined CO<sub>2</sub> emissions: 0 g/km, preliminary figures)<sup>1</sup> will be the first Mercedes-Benz model of the EQ brand on the road. With its seamless, clear design and brand-typical color accents, it is the pioneer of avant-garde electro-aesthetics. In terms of quality, safety and comfort, the EQC is the Mercedes-Benz among electric vehicles. It convinces in the sum of its characteristics, in particular with its impressive driving dynamics and a range of up to 450 kilometers according to NEDC.<sup>1</sup>


<sup>1</sup> Figures on electricity consumption and CO<sub>2</sub> emissions are provisional and were determined by an external technical service and are non-binding. Figures for range are also provisional and non-binding. An EU type approval and certificate of conformity with official figures are not yet available. Deviations between

# Daimler AG

## Annual Financial Statements 2018

The Management Report of Daimler AG is combined with the Group Management Report in accordance with Section 315 Subsection 5 of the German Commercial Code (HGB) and is published in the Daimler Group's Annual Report 2018.

The Annual Financial Statements and the combined Management Report for Daimler AG and the Daimler Group for the year 2018 are filed with the operator of the German Federal Gazette and published in the German Federal Gazette.

The Annual Financial Statements of Daimler AG and the Daimler Group's Annual Report 2018 can be found on our website at  [www.daimler.com/investors/reports-news/](http://www.daimler.com/investors/reports-news/).

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Income taxes	21		
Net profit	21		

# Balance Sheet of Daimler AG

<b>Assets</b>			
	Notes	Dec. 31, 2018	Dec. 31, 2017
In millions of euros			
<b>Non-current assets</b>			
Intangible assets	(1)	1,587	1,440
Property, plant and equipment	(2)	9,528	9,142
Financial assets	(3)	43,977	32,118
		<b>55,092</b>	42,700
<b>Current assets</b>			
Inventories	(4)	10,524	9,466
Trade receivables	(5)	2,781	2,812
Receivables from subsidiaries	(5)	29,817	35,215
Other receivables and other assets	(5)	4,908	3,827
Securities	(6)	7,278	7,662
Cash and cash equivalents	(7)	6,354	1,782
		<b>61,662</b>	60,764
<b>Prepaid expenses</b>	(8)	<b>406</b>	384
<b>Net defined-benefit plan asset</b>	(10)	-	3,462
		<b>117,160</b>	107,310
<b>Equity and liabilities</b>			
	Notes	Dec. 31, 2018	Dec. 31, 2017
In millions of euros			
<b>Equity</b>			
Share capital (conditional capital €500 million)	(9a)	3,070	3,070
Capital reserve	(9b)	11,480	11,480
Retained earnings	(9c)	25,182	23,637
Distributable profit	(9d)	3,477	3,905
		<b>43,209</b>	42,092
<b>Provisions</b>			
Provisions for pensions and similar obligations	(10)	838	-
Other provisions	(11)	15,595	13,981
		<b>16,433</b>	13,981
<b>Liabilities</b>			
Trade payables	(12)	7,210	6,499
Liabilities to subsidiaries	(12)	18,838	7,425
Other liabilities	(12)	30,394	36,413
		<b>56,442</b>	50,337
<b>Deferred income</b>	(13)	<b>1,076</b>	900
		<b>117,160</b>	107,310

# Income Statement of Daimler AG

	Notes	2018	2017
In millions of euros			
<b>Revenue</b>	(14)	<b>112,491</b>	112,685
Cost of sales	(15)	<b>-103,232</b>	-101,874
<b>Gross profit</b>		<b>9,259</b>	10,811
Selling expenses	(15)	<b>-7,904</b>	-7,312
General administrative expenses	(15)	<b>-2,304</b>	-2,010
Other operating income	(16)	<b>1,372</b>	778
Other operating expenses	(17)	<b>-1,664</b>	-1,133
Income/expense from investments in subsidiaries and associated companies, net	(18)	<b>11,337</b>	6,785
Interest income/expense, net	(19)	<b>-4,202</b>	-967
Other financial income/expense, net	(20)	<b>183</b>	48
Income taxes	(21)	<b>-1,055</b>	-2,018
<b>Profit after taxes/Net profit</b>	(22)	<b>5,022</b>	4,982
<b>Transfer to retained earnings</b>		<b>-1,545</b>	-1,077
<b>Distributable profit</b>		<b>3,477</b>	3,905

# Notes to the Financial Statements of Daimler AG

## Accounting policies and methods

Daimler AG is entered in the Commercial Register of the Stuttgart District Court under No. HRB 19360 and its registered office is located at Mercedesstraße 137, 70327 Stuttgart, Germany.

The financial statements of Daimler AG have been prepared in accordance with the accounting principles of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG); the amounts shown are in millions of euros (€) and the comparable figures for the year ended December 31, 2017 are also shown. The items summarized in the balance sheet and the income statement are listed individually and explained in these notes.

For the sake of clarity, the system of presentation has been modified in accordance with Section 266 of the HGB. Other receivables and other assets comprise receivables from associated companies and other assets. Other provisions comprise provisions for taxes and miscellaneous provisions. Other liabilities comprise liabilities to associated companies, loans and bonds, liabilities to banks and miscellaneous liabilities.

The income statement has been prepared according to the internationally predominant cost-of-sales method. The system of presentation according to Section 275 of the HGB has been modified to improve clarity with regard to financial activities. Financial activities are presented as net income/expense from investments in subsidiaries and associated companies, net interest income/expense and net other financial income/expense.

## Recognition and measurement

*Intangible assets* are measured at cost of acquisition, reduced by systematic straight-line amortization. They have a useful life of between 2 and 30 years.

The capitalization option for self-produced intangible assets is not utilized. Research and development costs are immediately expensed.

*Property, plant and equipment* are measured at cost of acquisition or production, reduced by systematic depreciation.

The production costs of self-constructed assets comprise direct costs as well as prorated material and production overheads, including depreciation, to the extent that they are caused by the production process.

Systematic straight-line depreciation for technical equipment and machinery, other equipment and operating and office equipment is based on a useful life of 2 to 33 years. Correspondingly shorter periods apply for equipment used in multiple shifts.

Impairments are recognized if an asset has to be measured at a lower value.

Assets with costs of acquisition or production of up to €1,000 are immediately expensed.

*Leased assets* are measured at cost of acquisition or production and are systematically depreciated on a straight-line basis over a useful life of 3 to 9 years.

For the sake of better clarity, the item of leased assets has been added to the schedule of non-current assets under property, plant and equipment.

*Shares in subsidiaries and associated companies and other financial assets* are measured at cost of acquisition, or, if there is an indication of permanent impairment, at the lower fair value. If the reasons for permanent impairment are no longer given, the impairment is reversed. Loans bearing low interest or no interest are measured at their present values. In accounting for non-cash contributions, the exchange principles are generally applied and the newly acquired shares are measured at the carrying amount of the shares contributed.

*Raw materials, manufacturing supplies and goods* are measured at the lower of cost of acquisition or fair value; *work in progress and finished products* are measured at cost of production. Cost of production comprises production material and labor as well as prorated material and production overheads, including depreciation, to the extent that they are caused by the production process. Impairments are recognized if an asset has to be measured at a lower value.



*Receivables* and *other assets* are measured at their nominal values with consideration of all recognizable risks. If they have a residual period of more than one year and are non-interest bearing, they are discounted to their present value on the balance sheet date. General allowances are recognized to reflect general credit risks. Receivables and other assets with a residual term of less than one year which are denominated in foreign currencies are translated at the spot rates on the balance sheet date. Non-current assets denominated in foreign currencies are translated at the spot rates on the date when booked or at the lower rate on the balance sheet date.

*Securities* are measured at the lower of cost of acquisition or fair value on the balance sheet date.

Payments made prior to the balance sheet date that constitute expenses for a specific period after that date are reported as *prepaid expenses*. Any difference between the settlement amount and the lower issue amount of a liability is capitalized and amortized systematically over the period of the liability.

*Deferred taxes* are calculated on temporary differences in the measurement of assets, liabilities, accruals and deferrals between the tax basis and financial reporting according to HGB, as well as on tax-loss carryforwards. Tax-loss carryforwards can only be taken into account if they can be offset against taxable income within the statutory period of five years. Deferred taxes are measured based on the combined tax rate of 29.825% for the income tax consolidation group of Daimler AG. The combined tax rate includes corporate income tax, trade tax and the solidarity surcharge. Deferred tax assets and deferred tax liabilities are netted. Any resulting tax liability is recorded as a deferred tax liability in the balance sheet. Any resulting tax asset is not recognized, in line with the capitalization option.

*Provisions for pensions and similar obligations* for pension plans which stipulate a predefined benefit during retirement are recognized at the required settlement amounts in accordance with reasonable commercial judgment. The amounts are measured using the projected unit credit method. The discount rate for provisions for retirement benefit obligations is the average market interest rate of the past ten financial years as published on December 31, 2018 by the German central bank (Deutsche Bundesbank) for an assumed residual period of 15 years. The discount rate for comparable long-term obligations is the average market interest rate of the past seven financial years as published on December 31, 2018 by the German central bank (Deutsche Bundesbank) for an assumed residual period of 15 years.

Provisions for retirement benefit obligations which at least guarantee the contributions paid in are recognized at the fair value of the related assets, as this exceeds the guaranteed minimum amount. Future claims are related to the fair value of the assets (securities or comparable assets).

Assets to which other creditors have no recourse and which are solely used to fulfill retirement benefit obligations or comparable long-term obligations (special-purpose assets) are offset against pension obligations. The offset assets are measured at their fair values.

As the fair value of the related special-purpose assets exceeded the settlement amount of the obligations at December 31, 2017, the excess amount was presented as *net defined-benefit plan asset* in the previous year.

Expenses and income resulting from discounting the retirement benefit obligations are offset against the expenses and income of the offset assets under net interest income/expense. All other components of pension expenses are presented under functional costs.

*Other provisions* are recognized at the required settlement amounts in accordance with reasonable commercial judgment. Expected future increases in prices and costs until settlement of the liabilities are taken into consideration. Provisions with a residual period of more than one year are discounted according to the net method over that period using the average market interest rate of the past seven financial years as published by the German central bank (Deutsche Bundesbank). Changes in the discount rate or interest effects of a changed estimate of the residual period are presented under interest income/expense.

Other provisions include provisions for product warranties, whose recognition and measurement generally involves many estimates. Depending on the type of product and market conditions, various types of product warranties are provided. Provisions for product warranties are generally recognized when vehicles are sold or when new warranty programs are initiated. Based on historical warranty claim experience, assumptions have to be made on the type and extent of future warranty claims and customer goodwill, as well as on possible recall campaigns for each model series. These assessments are based on experience of the frequency and extent of vehicle faults and defects in the past. In addition, the estimates also include assumptions on the amounts of potential repair costs per vehicle and the effects of possible time or mileage limits. The provisions are regularly adjusted to reflect new information.



Furthermore, other provisions also include provisions for buy-back obligations, whose recognition and measurement generally involves many estimates. DAG sells new and used vehicles, and in connection with certain sale and repurchase transactions, commits to buy back those vehicles for a predetermined price after the expiry of a fixed contractual period. A provision is to be recognized when the guaranteed repurchase price is higher than the expected fair value of the vehicle at the time of repurchase.

Other provisions also include provisions for taxes. For the case that the amounts stated in the tax returns might not be realized (uncertain tax positions), the provisions are based on the best estimate of the expected tax payments.

In accordance with Section 254 of the HGB, *derivative financial transactions* are linked as a hedging relationship with an underlying transaction, provided there is a direct hedging context between the financial transaction and the underlying transaction. Financial transactions for which no units of valuation are formed are measured individually at fair value. Any resulting unrealized losses are expensed.

*Liabilities* are measured at their settlement amounts. Liabilities denominated in foreign currencies with a residual period of up to one year are translated at the spot rates on the balance sheet date. Non-current liabilities denominated in foreign currencies are translated at the spot rates on the date when booked or at the higher rate on the balance sheet date.

Payments received prior to the balance sheet date that constitute income for a specific period after that date are reported as *deferred income*.

Daimler AG recognizes *revenue* from sales of vehicles, spare parts and other related products and services, and from leasing. Revenue is recognized net of discounts, cash sales incentives, customer bonuses and rebates granted. For transactions with multiple deliverables, such as when vehicles are sold with free service programs, Daimler AG allocates revenue to the various elements based on their objectively and reliably determined fair values. Outstanding elements are recognized in the balance sheet as deferred income.

## Schedule of non-current assets

	Cost of acquisition or production				Depreciation/Amortization/Write-ups					Book value			
	Jan. 1, 2018	Additions	Reclas-sifications	Dis-posals	Dec. 31, 2018	Jan. 1, 2018	Additions	Write-ups	Reclas-sifications	Dis-posals	Dec. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
In millions of euros													
<b>Intangible assets</b>													
Purchased concessions, industrial property rights and similar rights and values, as well as licenses to such rights and values	2,249	130	184	99	2,464	1,010	235	-	-	99	1,146	1,318	1,239
Advance payments made	201	262	-184	10	269	-	-	-	-	-	-	269	201
	2,450	392	-	109	2,733	1,010	235	-	-	99	1,146	1,587	1,440
<b>Property, plant and equipment</b>													
Technical equipment and machinery	16,181	538	477	375	16,821	13,082	1,197	-	-	370	13,909	2,912	3,099
Other equipment, factory and office equipment	16,494	1,232	371	305	17,792	13,395	1,388	-	-	268	14,515	3,277	3,099
Leased assets	1,565	1,668	-	1,574	1,659	149	206	-	-	218	137	1,522	1,416
Advance payments made and construction in progress	1,528	1,208	-848	71	1,817	-	-	-	-	-	0	1,817	1,528
	35,768	4,646	-	2,325	38,089	26,626	2,791	-	-	856	28,561	9,528	9,142
<b>Financial assets</b>													
Shares in subsidiaries	30,440	28,209 <sup>1</sup>	-	17,200 <sup>2</sup>	41,449	3,022	247	11	-	1,237	2,021	39,428	27,418
Loans to subsidiaries	1,851	74	-	407	1,518	4	-	4	-	-	-	1,518	1,847
Shares in associated companies	3,119	262 <sup>3</sup>	-	112	3,269	269	7	27	-	7	242	3,027	2,850
Other loans	5	0	-	1	4	2	-	2	-	0	-	4	3
	35,415	28,545	-	17,720	46,240	3,297	254	44	-	1,244	2,263	43,977	32,118
<b>Non-current assets</b>	<b>73,633</b>	<b>33,583</b>	<b>-</b>	<b>20,154</b>	<b>87,062</b>	<b>30,933</b>	<b>3,280</b>	<b>44</b>	<b>-</b>	<b>2,199</b>	<b>31,970</b>	<b>55,092</b>	<b>42,700</b>

1 In the context of the merger into Daimler AG of Daimler Vermögens- und Beteiligungsgesellschaft mbH, shares in subsidiaries with a total cost of acquisition of €9,336 million were transferred to Daimler AG.

2 This includes the elimination of the carrying value of Daimler Vermögens- und Beteiligungsgesellschaft mbH in an amount of €9,377 million due to its merger into Daimler AG.

3 In the context of the merger into Daimler AG of Daimler Vermögens- und Beteiligungsgesellschaft mbH, shares in associated companies with a total cost of acquisition of €86 million were transferred to Daimler AG.

# Notes to the Balance Sheet

## 1 Intangible assets

Intangible assets of €1,587 million primarily comprise purchased licenses, name rights, rights in connection with vehicle development and production from cooperation projects, and similar values. Systematic amortization amounts to €230 million (2017: €217 million). Impairment losses amount to €5 million (2017: €0 million).

## 2 Property, plant and equipment

Additions of €4,646 million include leased assets of €1,668 million. These are primarily vehicles sold in the employee-car business. The other additions consist only of movable assets. Systematic depreciation of property, plant and equipment amounts to €2,791 million (2017: €2,657 million).

## 3 Financial assets

Shares in subsidiaries and associated companies increased by €12,187 million to €42,455 million (2017: €30,268 million).


The increase compared with 2017 was primarily caused by additions to shares in subsidiaries.

Additions to and disposals of financial assets are influenced by the Group's internal restructuring in the context of "Project Future". In addition, numerous subsidiaries were transferred to Daimler AG as a result of the merger of Daimler Vermögens- und Beteiligungsgesellschaft mbH into Daimler AG.

Significant additions to shares in subsidiaries relate to acquisition of shares in Daimler Trucks & Buses US Holding Inc., the contribution in kind of Daimler North America Corporation to Daimler International Nederland B.V., the contribution in kind of EHG Elektroholding GmbH to LEONIE CORP DVB GmbH and the contribution in kind of Mercedes-Benz do Brasil Ltda. and Mercedes-Benz Canada Inc. (approx. 37.96%) to Daimler Nederland B.V. Further additions result from the contribution in kind of several Financial Services companies to LEONIE FS DVB GmbH, the acquisition of shares in Mercedes-Benz Trucks UK Limited and payments into the equity of Daimler Compra y Manufactura Mexico S. de R.L. de C.V., Daimler Financial Services AG and Mercedes-Benz Auto Finance Ltd.

Significant disposals of shares in subsidiaries relate to the derecognition of the carrying value of Daimler Vermögens- und Beteiligungsgesellschaft mbH in connection with its merger with Daimler AG, the disposal of Daimler North America Corporation in the context of the contribution in kind to Daimler International Nederland B.V. and the disposal of EHG Elektroholding GmbH in the context of the contribution in kind to LEONIE CORP DVB GmbH. Further disposals resulted from the transfer of shares in Mercedes-Benz do Brasil Ltda. and Mercedes-Benz Canada Inc. (approx. 37.96%) in the context of the contribution in kind to Daimler Nederland B.V. and the disposal of several Financial Services companies in the context of the contribution in kind to LEONIE FS DVB GmbH. Furthermore Daimler UK Limited and Daimler Nederland B.V. conducted repurchases of capital.

In 2018, shares in subsidiaries and associated companies were impaired by an amount of €254 million (2017: €371 million). This primarily affects Daimler Financial Services India Private Limited by an amount of €100 million, Mercedes-Benz do Brasil Ltda. by an amount of €83 million and Mercedes-Benz Argentina S.A. by an amount of €63 million. Write-ups amounted to €38 million (2017: €29 million).

The statement of investments pursuant to Section 285 of the German Commercial Code (HGB) is included in the  "Statement of investments" chapter.

The development of non-current assets is presented in the schedule of non-current assets.

## 4 Inventories [↗ C.01](#)

Finished products and goods comprise vehicles produced both in the plants of Daimler AG and in the context of contract manufacturing, as well as spare parts and used vehicles. Advance payments made were impaired by an amount of €68 million (2017: €0 million).

## 5 Receivables and other assets [↗ C.02](#)

Receivables from subsidiaries primarily include intragroup (cash) receivables within the scope of central financial and liquidity management (€24,985 million, 2017: €28,887 million), as well as trade receivables due to domestic and foreign companies of the Group (€4,832 million, 2017: €6,328 million). The lower

level of €5,398 million in receivables due from subsidiaries primarily results from sales of receivables in foreign currencies in the amount of €4,164 million to a Group company during the year.

Receivables from associated companies primarily comprise trade receivables that originally arose from associated companies in Germany and abroad (€1,589 million, 2017: €1,305 million).

Other assets include tax-refund claims (€1,556 million, 2017: €1,155 million), fixed-term deposits (€650 million, 2017: €200 million) and accrued interest (€161 million, 2017: €162 million).

## 6 Securities

Securities consist solely of other securities, which include fixed or variable-interest marketable debt securities as well as money-market funds. The decrease of €384 million to €7,278 million (2017: €7,662 million) is due in particular to the disposal of bonds.

## 7 Cash and cash equivalents

Cash and cash equivalents amount to €6,354 million at the end of the year (2017: €1,782 million) and consist of bank balances, cash in hand and checks.

Liquidity also includes securities (€7,278 million, 2017: €7,662 million), cash and cash equivalents, as well as fixed-term deposits (€650 million, 2017: €200 million), which are presented under other assets.

## 8 Prepaid expenses

Prepaid expenses include discount amounts of €112 million (2017: €143 million). They result from the difference between the settlement amount and the lower issue amount of liabilities.

## 9 Equity ↗ C.03

### a) Share capital

The share capital (authorized capital) is divided into no-par-value shares. All shares are fully paid up. Each share confers the right to one vote at the Annual Shareholders' Meeting of Daimler AG and, if applicable, with the exception of any new shares potentially not entitled to dividends, to an equal portion of the profits as defined by the dividend distribution resolved at the Annual Shareholders' Meeting. Each share represents a proportionate amount of approximately €2.87 of the share capital.

The number of shares outstanding/issued at December 31, 2018 is 1,070 million, unchanged from December 31, 2017.

### C.01

#### Inventories

	Dec. 31, 2018	Dec. 31, 2017
In millions of euros		
Raw materials and manufacturing supplies	1,932	1,746
Work in progress	1,635	1,356
Finished products and goods	6,743	6,158
Advance payments made	253	244
<b>Inventories excluding advance payments received</b>	<b>10,563</b>	9,504
Advance payments received	-39	-38
<b>Inventories</b>	<b>10,524</b>	9,466

### C.02

#### Receivables and other assets

	Dec. 31, 2018	Dec. 31, 2017
In millions of euros		
Trade receivables	2,781	2,812
thereof more than 1 year until maturity	12	6
Receivables from subsidiaries	29,817	35,215
thereof more than 1 year until maturity	10,316	11,811
Receivables from associated companies	1,679	1,589
thereof more than 1 year until maturity	-	-
Other assets	3,229	2,238
thereof more than 1 year until maturity	9	6
<b>Receivables and other assets</b>	<b>37,506</b>	41,854
thereof more than 1 year until maturity	10,337	11,823

### C.03

#### Equity

	Dec. 31, 2018	Dec. 31, 2017
In millions of euros		
Share capital	3,070	3,070
Capital reserve	11,480	11,480
Retained earnings	25,182	23,637
Distributable profit	3,477	3,905
<b>Equity</b>	<b>43,209</b>	42,092

**C.04****Number of shares**

	2018	2017
<b>Shares outstanding/issued at January 1</b>	<b>1,069,837,447</b>	1,069,837,447
Shares reacquired in the context of employee share programs and not cancelled	-732,729	-603,574
Sale of treasury shares to employees in the context of employee share programs	732,729	603,574
<b>Shares outstanding/issued at December 31</b>	<b>1,069,837,447</b>	1,069,837,447

**C.05****Other retained earnings**

	2018	2017
In millions of euros		
<b>Balance at January 1</b>	<b>23,637</b>	22,560
Purchase of treasury shares	-	-
Allocated by the Annual Shareholders' Meeting	-	-
Transfer from net profit	1,545	1,077
<b>Balance at December 31</b>	<b>25,182</b>	23,637
thereof treasury shares	-	-

**C.06****Distributable profit**

	2018
In millions of euros	
<b>Balance at January 1</b>	<b>3,905</b>
Dividend distribution	-3,905
Allocation to retained earnings by the Annual Shareholders' Meeting	-
Net profit 2018	5,022
Allocation to retained earnings by the Board of Management and the Supervisory Board pursuant to Section 58 of the German Stock Corporation Act (AktG)	-1,545
<b>Balance at December 31</b>	<b>3,477</b>

**Treasury shares**

By resolution of the Annual Shareholders' Meeting held on April 1, 2015, the Company was authorized until March 31, 2020 to acquire treasury shares in a volume up to 10% of the share capital issued as of the day of the resolution to be used for all legal purposes. The shares can be used, among other things, with the exclusion of shareholders' subscription rights, for business combinations or to acquire companies, or to be sold to third parties for cash at a price that is not significantly lower than the stock-exchange price of the Company's shares. The acquired shares can also be used to fulfill obligations from issued convertible bonds and/or bonds with warrants and to be issued to employees of the Company and employees and board members of the Company's subsidiaries pursuant to Sections 15 et seq. of the German Stock Corporation Act (AktG). The treasury shares can also be canceled.

The Board of Management is further authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in other defined cases. In a volume up to 5% of the share capital issued as of the day of the resolution of the Annual Shareholders' Meeting, the Company was authorized to acquire treasury shares also by using derivatives (put options, call options, forward purchases or a combination of these instruments), whereby term of a derivative must not exceed 18 months and must not end later than March 31, 2020.

The authorization to acquire treasury shares was not exercised in the reporting period.

As was the case at December 31, 2017, no treasury shares are held by Daimler AG at December 31, 2018. [↗ C.04](#)

**Employee share purchase plan**

In connection with employee share programs in 2018, Daimler AG distributed 732,729 Daimler shares (2017: 603,574 Daimler shares) to employees. This includes 15,394 shares provided as health shares in the context of the bonus program for attendance. The employee shares represent €2.1 million or 0.07% of the share capital. Daimler shares were acquired for an average price of €68.22 per share and reissued to employees for an average price of €48.07 per share. The proportionate loss arising for Daimler AG of €13.22 million was recognized through profit and loss as a personnel expense in 2018. The proportionate loss of €1.55 million from the sale of employee shares to entitled employees of Group companies was charged by Daimler AG to the respective companies of the Group.

**Approved capital**

The Annual Shareholders' Meeting held on April 5, 2018 authorized the Board of Management, with the consent of the Supervisory Board, to increase the share capital of the Company in the period until April 4, 2023 by a total of €1,000 million in one lump sum or by separate partial amounts at different times by issuing new, registered no-par-value shares in exchange for cash and/or non-cash contributions (Approved Capital 2018). The new shares are generally to be offered to the shareholders for subscription (also by way of indirect subscription pursuant to Section 186 Subsection 1 of the German Stock Corporation Act (AktG)). Among other things, the Board of Management was authorized with the consent of the Supervisory Board to exclude shareholders' subscription rights under certain conditions and within defined limits.

Approved Capital 2014, which had not been utilized, was cancelled when the resolution on Approved Capital 2018 took effect. Approved Capital 2018 has not yet been utilized.

**Conditional capital**

The resolution of the Annual Shareholders' Meeting on April 1, 2015 authorizes the Board of Management, with the consent of the Supervisory Board, until March 31, 2020 to issue convertible and/or warrant bonds or a combination of these instruments ("bonds") with a total face value of up to €10,000 million and a maturity of no more than ten years. The Board of Management is allowed to grant the holders of these bonds conversion or warrant rights for new registered no-par-value shares in Daimler AG with an allocable portion of the share capital of up to €500 million in accordance with the details defined in the terms and conditions of the bonds. The bonds can be offered in exchange for cash and/or non-cash contributions, in particular for shares in other companies. The terms and conditions of the bonds can include warranty obligations or conversion obligations. The bonds can be issued once or several times, wholly or in installments, or simultaneously in various tranches, as well as by subsidiaries of the Company within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG). Among other things, the Board of Management was authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights for the bonds under certain conditions and within defined limits.

In order to fulfill the conditions of the above-mentioned authorization, the Annual Shareholders' Meeting on April 1, 2015 also resolved to increase the share capital conditionally by an amount of up to €500 million (Conditional Capital 2015).

The authorization to issue convertible and/or warrant bonds has not yet been utilized.

**b) Capital reserve**

The capital reserve amounts to €11,480 million at December 31, 2018 (2017: €11,480 million).

**c) Retained earnings**

At December 31, 2018, other retained earnings amount to €25,182 million (2017: €23,637 million). ↗ C.05

**d) Distributable profit**

Distributable profit for the year 2018 is calculated in accordance with Section 158 Subsection 1 of the German Stock Corporation Act (AktG) and amounts to €3,477 million. ↗ C.06

**Information on amounts that may not be distributed**

The difference between the recognition of the retirement benefit obligations with the average market interest rate of the past ten financial years and the recognition of the retirement benefit obligations with the average market interest rate of the past seven financial years amounts to €2,275 million and may not be distributed.

On the other hand, retained earnings exist which may be freely disposed of in the amount of €25,182 million. Therefore, the distributable profit of €3,477 million is in fact fully distributable.

**Dividend**

Under the German Stock Corporation Act (AktG), the dividend is paid out of the distributable profit reported in the annual financial statements of Daimler AG (parent company only) in accordance with the German Commercial Code (HGB). For the year ended December 31, 2018, the Daimler management will propose to the shareholders at the Annual Shareholders' Meeting to pay out €3,477 million of the distributable profit of Daimler AG as a dividend to the shareholders, equivalent to €3.25 per no-par-value share entitled to a dividend (2017: €3,905 million and €3.65 per no-par-value share entitled to a dividend respectively).

**Share-based payment**

As of December 31, 2018, Daimler AG has Performance Phantom Share Plans (PPSP) 2015 through 2018 in operation. As instruments of share-based payment with cash settlement, the PPSP are measured at their fair values on the balance sheet date. They are paid out at the end of their contractually defined periods; an earlier, proportionate payout is only possible under certain conditions when a beneficiary leaves the company. PPSP 2014 was paid out as planned in the first quarter of 2018.

**C.07****Provisions for pensions and similar obligations/Net defined-benefit plan asset**

	Dec. 31, 2018	Dec. 31, 2017
In millions of euros		
Settlement amount of obligations from defined-benefit plans	13,720	18,272
Fair value of related special-purpose assets for obligations from defined-benefit plans	-12,882	-21,734
Settlement amount for obligations from plans with commitments backed by securities	587	490
Fair value of related special-purpose assets for obligations from plans with commitments backed by securities	-587	-490
<b>Provisions for pensions and similar obligations (+)/Net defined-benefit plan asset (-)</b>	<b>838</b>	<b>-3,462</b>

**C.08****Shares in investment funds by investment objective at Dec. 31, 2018**

	Book value/ fair value	Cost of acqui- sition	Difference	Dividend for the year	Daily return possible
In millions of euros					
Mixed funds	9,734	10,027	-293	654	yes
Private equity funds	116	82	34	-	yes
Equity funds	134	140	-6	.	yes
Bond funds	50	51	-1	.	yes
	10,034	10,300	-266	654	

**Performance Phantom Share Plans**

In 2018, Daimler AG adopted a Performance Phantom Share Plan similar to that used in prior years, under which eligible board members and employees are granted phantom shares entitling them to receive cash payments provided that predefined targets are met in the three-year performance period. The amount of cash paid to eligible persons is based on the number of vested phantom shares (determined depending on target achievement over a three-year performance period) multiplied by the quoted price of Daimler's ordinary shares (calculated as an average price over a specified period at the end of the four-year plan period). For the PPSP issued as of 2014, the determination of target achievement is based on the relative share performance, which measures the development of a share-price index of a group of competitors including Daimler, and the return on sales (RoS) of Daimler compared with the average RoS of a group of competitors. Since PPSP 2018, the average RoS of the group of competitors is additionally revenue weighted. In this context, special regulations apply to the members of the Board of Management beginning with the plan PPSP 2015 to the extent that Daimler has to achieve a higher RoS than the average of its competitors in order to obtain the same target achievement that the other plan participants obtain in the case of a RoS equal to the average of the competitors.

**10 Provisions for pensions and similar obligations (prior year: Net defined-benefit plan asset)**

Provisions for pensions and similar obligations amount to €838 million at December 31, 2018 after offsetting against the special-purpose assets reserved for them (2017: net defined-benefit plan asset of €3,462 million). ➔ **C.07**

The settlement amount for obligations that provide for a defined benefit during retirement is €13,720 million (2017: €18,272 million). The decrease in the obligation mainly relate to the transfer of pension obligations to Daimler Pensionsfonds AG (pension fund).

Effective December 13, 2018, Daimler AG transferred pension obligations for employees who had already retired and their surviving dependents to the pension fund established in June 2018. In the future, this non-insurance-form pension fund will implement the commitments of the companies specified in the pension fund agreement. The redemption amount of €8,185 million, which was actuarially determined in accordance with statutory requirements for the assumption of pension obligations, was paid out of the existing special-purpose assets. The transfer resulted in a disposal of pension obligations of €6,883 million recognized under German commercial law.



The measurement of the pension obligations is based on an interest rate of 3.21% (previous year 3.68%). Life expectancy is calculated on the basis of the 2018 G mortality tables of K. Heubeck. The mortality tables take into account the latest statistics of the statutory pension insurance and the Federal Statistical Office. The effect of the changeover to the Heubeck mortality tables amounts to €120 million at December 31, 2018 and is shown under functional costs. In addition, the measurement is based on annual increases in the cost of living and annual increases in future entitlements of 1.80% (2017: 1.70%) and expected annual wage and salary increases of 3.0% (2017: 3.0%).

These obligations are offset against the special-purpose assets, which as at 31 December 2018 have a fair value of €12,882 million (2017: €21,734 million) and cost of acquisition of €13,386 million (2017: €20,535 million). The decrease in the special-purpose assets is due in particular to the transfer of assets to the pension fund in the amount of the redemption amount.

The obligations for the pension plans, the amounts of which are determined by the fair value of securities or comparable assets, are recognized with the fair value of those assets at December 31, 2018 of €587 million (2017: €490 million), as this exceeds the guaranteed minimum value of the obligations at December 31, 2018. There is then an offset with those special-purpose assets that have original cost of acquisition of €575 million (2017: €471 million). As a result, this leads to the full offsetting of the obligations with the related special-purpose assets.

The assets offset as of December 31, 2018 include the shares as shown in table [C.08](#) of more than 10% in German or comparable foreign special funds as defined by Section 1 Subsection 10 of the German Capital Investment Act (KAGB) and investments in investment fund companies with variable equity pursuant to Sections 108 to 123 of the German Capital Investment Act (KAGB). The special funds include, as their investment focus, security funds and a private equity fund with an international orientation which reflect individual investors' needs.

There are no restrictions on the possibility of returning the shares on stock-exchange trading days. The return of shares can be temporarily suspended under unusual circumstances that make suspension seem necessary under consideration of the interests of the investors.

## 11 Other provisions [C.09](#)

Provisions for taxes relate primarily to income taxes for years not yet finally assessed.

Miscellaneous provisions relate primarily to worldwide warranty risks, personnel and social obligations, obligations from the sales business as well as provisions for liability and litigation risks. In addition, provisions are recognized for deferred maintenance that will be carried out in the first quarter of the following year.

### C.09

#### Other provisions

	Dec. 31, 2018	Dec. 31, 2017
In millions of euros		
Provisions for taxes	1,223	1,282
Miscellaneous provisions	14,372	12,699
	<b>15,595</b>	13,981

**C.10****Liabilities**

Dec. 31, 2018 Dec. 31, 2017

In millions of euros

Notes/bonds and commercial paper	<b>26,133</b>	30,838
of which due in less than 1 year	<b>5,104</b>	4,456
of which due in 1 year to 5 years	<b>10,731</b>	14,833
of which due in more than 5 years	<b>10,298</b>	11,549
Liabilities to banks	<b>2,800</b>	4,019
of which due in less than 1 year	<b>500</b>	1,219
of which due in 1 year to 5 years	<b>2,300</b>	2,800
of which due in more than 5 years	-	-
Trade payables	<b>7,210</b>	6,499
of which due in less than 1 year	<b>7,210</b>	6,499
of which due in 1 year to 5 years	-	-
of which due in more than 5 years	-	-
Liabilities due to subsidiaries	<b>18,838</b>	7,425
of which due in less than 1 year	<b>12,338</b>	7,380
of which due in 1 year to 5 years	<b>6,500</b>	45
of which due in more than 5 years	-	-
Liabilities due to associated companies	<b>42</b>	80
of which due in less than 1 year	<b>42</b>	80
of which due in 1 year to 5 years	-	-
of which due in more than 5 years	-	-
Other liabilities	<b>1,419</b>	1,476
of which due in less than 1 year	<b>1,418</b>	1,476
of which due in 1 year to 5 years	<b>1</b>	-
of which due in more than 5 years	-	-
of which tax liabilities	<b>163</b>	162
of which obligations concerning social security	<b>46</b>	46
<b>Total of liabilities</b>	<b>56,442</b>	50,337
of which due in less than 1 year	<b>26,612</b>	21,110
of which due in 1 year to 5 years	<b>19,532</b>	17,678
of which due in more than 5 years	<b>10,298</b>	11,549

**12 Liabilities ↗ C.10**

Notes, bonds and commercial paper are primarily European medium-term notes in the amount of €22,659 million (2017: €28,471 million).

Liabilities to banks of €2,800 million (2017: €4,019 million) solely comprise loans of €2,800 million (2017: €3,502 million).

Liabilities to subsidiaries comprise liabilities that originally arose from intragroup transactions within the scope of central financial and liquidity management (€18,029 million, 2017: €6,407 million) as well as from the supply of goods and services by domestic and foreign subsidiaries (€809 million, 2017: €1,018 million).

Liabilities to subsidiaries in the context of central financial and liquidity management include purchase-price liabilities from the Group's internal restructuring within the framework of "Project Future".

Liabilities to associated companies include trade payables due to domestic and foreign associated companies (€39 million, 2017: €78 million) as well as intragroup (cash) liabilities within the scope of central financial and liquidity management (€3 million, 2017: €2 million).

Other liabilities of €1,419 million (2017: €1,476 million) mainly comprise liabilities from wages and salaries, withheld income tax and social security contributions, and accrued interest.

**13 Deferred income**

The increase in deferred income primarily relates to deferred revenue in connection with Mercedes me connectivity services. The release of deferred income takes place pro rata in line with the periods of the underlying contracts.

# Notes to the Income Statement

## 14 Revenue

The development of revenue can be seen in table [7 C.11](#).

## 15 Functional costs

Functional costs are broken down in the income statement into the categories cost of sales, selling expenses and general administrative expenses.

Cost of sales includes the expenses incurred for products, goods and services sold. These expenses mainly comprise the costs of production materials, personnel expenses, purchased goods and services, depreciation, rental and lease expenses for the production premises and the currency result from business operations. The increase in cost of sales results primarily from higher expenses for production materials and purchased services. This was mainly due to higher expenses for new products and technologies, expenses related to certification according to the new WLTP (Worldwide Harmonized Light Vehicles Test Procedure) standard and expenses for service measures. Cost of sales also includes €8,084 million of research and development expenses (2017: €7,623 million). In addition, it includes expenses of €155 million (2017: €523 million) in connection with risks from buy-back obligations and residual-value guarantees.

Selling expenses mainly comprise purchased services such as for advertising and marketing, personnel expenses, commission, outbound shipping costs, and the rental and lease expenses of the sales organization. The increase in selling expenses primarily results from higher expenses for marketing, outgoing freight and sales systems.

General administrative expenses primarily comprise personnel expenses, IT costs and fees for expertise and consulting. The increase in general administrative expenses mainly reflects expenses of €192 million in connection with "Project Future".

The expenses for consulting include principal accountant fees. The shareholders of Daimler AG elected KPMG AG Wirtschaftsprüfungsgesellschaft as the external auditor at the Annual Shareholders' Meeting held on April 5, 2018. Table [7 C.12](#) shows the fees for services provided by KPMG AG Wirtschaftsprüfungsgesellschaft to Daimler AG and its consolidated companies for the respective reporting periods. Principal accounting fees relate to the audit of the consolidated financial statements and the company financial statements, as well as all services required for the audit, including the auditors' review of the interim financial statements, the audit of the accounting-related internal control system and the accounting-related IT and process audits.

Other attestation services primarily comprise statutory, contractually agreed or voluntary attestation services. In addition to project supporting audits in connection with non-accounting-related IT systems and processes, they include audits in connection with compliance management systems, the issuance of comfort letters, non-financial disclosures and reports. Tax advisory services primarily comprise tax advice in conjunction with value-added tax. Other services with regard to principal accountant fees were performed primarily in connection with non-accountant-relevant processes and M&A activities.

### C.11

#### Revenue

	2018	2017
In millions of euros		
<b>Revenue by product</b>		
Cars	83,837	86,976
Commercial vehicles	28,654	25,709
	<b>112,491</b>	112,685
<b>Revenue by region</b>		
Germany	24,689	24,431
International	87,802	88,254
	<b>112,491</b>	112,685
<b>Breakdown of international revenue</b>		
Western Europe (excluding Germany)	25,474	25,866
United States	18,322	18,996
Asia (excluding China)	12,000	11,483
China	13,110	12,940
Eastern Europe	9,300	9,573
The Americas (excluding United States)	4,507	3,977
Other markets	5,089	5,419
	<b>87,802</b>	88,254

### C.12

#### Accountant fees

	2018	2017
In millions of euros		
Audit services	23	21
Other attestation services	8	7
Tax services	1	1
Other services	6	5
	<b>38</b>	34

**C.13****Income/expense from investments in subsidiaries and associated companies, net**

	2018	2017
In millions of euros		
Income from profit and loss transfer agreements	2,291	2,609
Expenses from loss assumptions	-685	-27
Income from subsidiaries	9,069	3,498
Income from associated companies	830	934
Impairments of investments in subsidiaries and associated companies	-254	-371
Write-ups on investments in subsidiaries and associated companies	38	29
Gains on disposals of investments in subsidiaries and associated companies	48	113
Losses on disposals of investments in subsidiaries and associated companies	-	-
	<b>11,337</b>	<b>6,785</b>

In connection with the transfer of pension obligations and special-purpose assets to Daimler Pensionsfonds AG, expenses of €577 million were recognized in the aforementioned functional costs in 2018. That comprises cost of sales of €434 million, selling expenses of €92 million and general administrative expenses of €51 million.

Other taxes and customs duties amounting to €97 million (2017: €96 million) are included within functional costs.

**16 Other operating income**

Of the other operating income of €1,372 million (2017: €778 million), €326 million is attributable to the reporting period, primarily comprising income from insurance compensation of €192 million (2017: €27 million) and gains on currency translation of € 35 million (2017: €74 million).

Other operating income includes €1,046 million (2017: €574 million) of income assignable to other financial periods and relates mostly to income from the release of provisions, impairments of receivables, accruals and deferrals and insurance compensation.

**17 Other operating expenses**

Other operating expenses amount to €1,664 million (2017: €1,133 million). The change results in particular from expenses for legal proceedings.

The expense from the currency translation of trade receivables and payables amounts to €6 million in 2018 (2017: €100 million).

Other operating expense of €228 million (2017: €209 million) is attributable to other periods.

**18 Income/expense from investments in subsidiaries and associated companies, net ↗ C.13**

Net income from investments in subsidiaries and associated companies increased primarily due to higher income from subsidiaries. This resulted from increased dividends paid out by subsidiaries (especially Daimler North America Corporation by an amount of €3,331 million, Daimler UK Limited by an amount of €1,469 million and Daimler Nederland B.V. by an amount of €1,035 million). Additionally, impairments of investments in subsidiaries and associated companies were lower than in the prior year.

Expenses from loss transfers increased in 2018 primarily due to the loss transfer from Daimler Financial Services AG, which included an extraordinary expense of €620 million relating to the settlement reached in the Toll Collect arbitration proceedings.

Impairments of investments in subsidiaries and associated companies mainly relate to Daimler Financial Services India Private Limited (€100 million), Mercedes-Benz do Brasil Ltda. (€83 million) and Mercedes-Benz Argentina S.A. (€63 million). Impairments of investments in subsidiaries and associated companies in the previous year mainly related to Daimler India Commercial Vehicles Private Limited (€270 million).

## 19 Interest income/expense, net [↗ C.14](#)

All of the earnings components of the existing special-purpose assets are recognized under interest income/expense, net and are offset against the interest component of the retirement benefit obligation.

The interest expense includes higher expenses from the measurement of the pension obligations by an amount of €2,003 million (2017: €1,600 million) and expenses from the development of return on the special-purpose assets of €1,074 million (2017: income of €924 million). In addition, expenses from the proportionate transfer of existing pension obligations and existing special-purpose assets to Daimler Pensionsfonds AG by an amount of €725 million contributed to higher interest expenses.


The compounding of provisions with an original maturity of more than one year results in an interest expense of €298 million (2017: €274 million).

## 20 Other financial income/expense, net

Other financial income/expense, net includes currency gains of €148 million (2017: currency losses of €13 million) from current Group financing.

Miscellaneous income includes the Group's internal provisions for warranty and guarantee obligations of €108 million (2017: €80 million). Miscellaneous expenses include expenses for Group financing of €71 million (2017: €14 million). [↗ C.15](#)

## 21 Income taxes

The parent company, Daimler AG, is also a taxpayer with respect to the profit and loss transfer agreements concluded with its subsidiaries. The individual companies are listed in the  "Statement of investments" pursuant to Section 285 of the German Commercial Code (HGB) and are marked with a separate footnote.

The income tax expense amounts to €1,055 million (2017: €2,018 million). It comprises an expense of €1,070 million for the year 2018 (2017: expense of €1,683 million) as well as a benefit of €15 million for previous years (2017: expense of €335 million).

The decrease in the tax expense of €963 million compared to the prior year is primarily related to the decrease in the profit before income taxes and the end of tax expenses from other periods. In 2017, there were tax expenses from other periods in connection with the tax assessment of previous years.

The income tax expense of €1,070 million for 2018 is lower than for 2017 due to the decreased profit before income taxes compared with 2017. This is primarily caused by the changed composition of profit before income taxes. The expenses for increased liabilities from the sales business included in profit before taxes led to a decrease in operating income but do not reduce taxes until the year in which they are tax deductible. Only a part of the increase in financial income has an impact on taxable income. There was no effect on taxable income from the development of the financing expense for pensions due to interest-rate changes or due to the decreasing income from the special-purpose assets. A constant interest rate is to be applied in calculating the tax effects from the financing expense for pensions. In both years, significant components of income from subsidiaries and associated companies were nearly tax free.

Deferred taxes are not included in this item because the capitalization of deferred tax assets is optional. Future tax benefits mainly arise from temporary differences in connection with pensions and other provisions.

## 22 Net profit

Net profit for financial year 2018 is €5,022 million. After a transfer to retained earnings of €1,545 million pursuant to Section 58 Subsection 2 of the German Stock Corporation Act (AktG), distributable profit amounts to €3,477 million.

### C.14

#### Interest income/expense, net

	2018	2017
In millions of euros		
Income from other securities and loans of financial assets	18	26
thereof from subsidiaries	18	25
Other interest and similar income	707	621
thereof from subsidiaries	310	260
Interest and similar expenses	-4,927	-1,614
thereof to subsidiaries	-91	-40
	<b>-4,202</b>	-967

### C.15

#### Other financial income/expense, net

	2018	2017
In millions of euros		
Currency income/expense, net	148	-13
Miscellaneous income	119	80
Miscellaneous expenses	-84	-19
	<b>183</b>	48

# Other Notes

## C.16

### Personnel expenses

	2018	2017
In millions of euros		
Wages and salaries	11,275	11,279
Social security contributions	1,819	1,774
Pension costs	1,076	336
	<b>14,170</b>	13,389

### Employees

	2018	2017
Annual average numbers		
Manual workers	81,792	81,863
Salaried employees	60,565	59,354
	<b>142,357</b>	141,217
Trainees/apprentices/interns	9,522	9,874
<b>Total (average for the year)</b>	<b>151,879</b>	151,091
<b>Total (at end of year)</b>	<b>149,797</b>	148,953

## Personnel expenses/Employees [↗ C.16](#)

Wages and salaries include direct labor, salaries, severance payments, holiday bonuses, special bonuses and expenses resulting from personnel-related provisions.

Social-security contributions primarily relate to the employer's contributions to pension, unemployment, nursing-care and medical insurance plans.

Pension costs include the components to be shown under functional costs pursuant to applicable law. Pensions costs increased primarily due to the transfer of pension obligations and special-purpose assets to Daimler Pensionsfonds AG. Insofar as they occur, contributions to the German Pension Insurance Association are included as well.

## Cost of materials

Cost of materials includes expenses for raw materials and manufacturing supplies as well as for purchased goods and services. [↗ C.17](#)

## C.17

### Cost of materials

	2018	2017
In millions of euros		
Cost of raw materials, manufacturing supplies and purchased goods	77,110	75,894
Cost of purchased services	15,846	14,440
	<b>92,956</b>	90,334

## Derivative financial instruments and valuation units

Derivative financial instruments serve solely to hedge risks relating to foreign exchange rates, interest rates and raw material prices. They cover the underlying transactions of the companies of the Daimler Group and the original financial transactions (underlying transactions) and are placed together with them as far as possible in valuation units.

The derivative financial instruments held by Daimler AG have the nominal values at the end of the reporting year and the prior year as shown in table [↗ C.18](#). The nominal values are the totals of the basic values of all purchase and sale contracts without netting off.

## C.18

### Derivative financial instruments: nominal values

	Dec. 31, 2018	Dec. 31, 2017
In millions of euros		
Foreign exchange contracts	44,698	52,144
Interest rate contracts	50,303	30,243
Commodity forward contracts	704	826
	<b>95,705</b>	83,213

The foreign exchange contracts primarily comprise currency forwards and currency options. They mainly serve to hedge the foreign exchange risks of the companies of the Group from the cash flows expected with a high degree of certainty from the automotive business. Currency forwards are also held to hedge the risks connected with financial receivables and liabilities from the Group's financing. Interest rate contracts include interest rate swaps as well as interest/currency swaps. They are primarily used to minimize the risk of changes in interest rates. Commodity contracts currently consist of commodity swaps used for hedging the purchasing prices of raw materials expected to be purchased with a high degree of certainty.

The carrying values and fair values of derivative financial instruments at the end of the reporting year and the prior year are shown in table [C.19](#).

The carrying values are taken from the items of the balance sheet and relate to other assets, other liabilities, other provisions, and prepaid expenses and deferred income. Other assets and other liabilities comprise paid and received option premiums from currency options as well as advance payments made and received for interest-rate/currency swaps. Other provisions consist on the one hand of negative fair values and changes in fair values of derivatives which are not included in a valuation unit, and on the other hand of negative ineffectiveness from valuation units. Prepaid expenses and deferred income include effects on earnings from commodity swaps which have already become due. In addition, bond transfers between Daimler AG and its subsidiaries resulted in the early termination of valuation units. The valuations at the time of termination of the valuation units are deferred over the remaining terms of the transactions.

The fair values of currency forwards are determined on the basis of current ECB reference rates with consideration of forward premiums or discounts. Currency options are measured with the use of quoted rates or option price models. The fair values of interest rate contracts are determined on the basis of discounted expected future cash flows with the use of the market interest rates applicable for the remaining time until maturity of the financial instruments. The fair values of commodity contracts are determined on the basis of current spot rates on commodity exchanges with consideration of forward premiums or discounts.

Of the derivative financial instruments held on the balance sheet date in a nominal amount of €95,705 million, financial instruments in a total amount of €70,464 million serve as hedging instruments in valuation units. Of that total, €36,420 million is accounted for by foreign exchange contracts, €33,495 million by interest rate contracts and €549 million by commodity forward contracts.

## C.19

### Derivative financial instruments: carrying values / fair values

	Dec. 31, 2018		Dec. 31, 2017	
	Carrying value	Fair value	Carrying value	Fair value
In millions of euros				
<b>Assets</b>				
Foreign exchange contracts	1	506	23	1,913
Interest rate contracts	9	557	1	458
Commodity forward contracts	8	57	12	112
	18	1,120	36	2,483
<b>Liabilities</b>				
Foreign exchange contracts	-38	-611	-28	-233
Interest rate contracts	-15	-348	-9	-319
Commodity forward contracts	-12	-73	-12	-64
	-65	-1,032	-49	-616
<b>Balance</b>	<b>-56</b>	<b>88</b>	<b>-13</b>	<b>1,867</b>



Table 7 C.20 shows the hedged exchange-rate, interest-rate and commodity-price risks included in valuation units.

If derivative financial instruments are included in valuation units with the related underlying transactions, an effectiveness measurement is carried out both at the beginning of the hedging period and on each following balance sheet date upon which the hedge exists. In connection with the hedging of exchange rate risks of assets and liabilities, the terms and parameters of the underlying transaction and the hedging transaction are compared with each other. With the hedging of future transactions, the dollar-offset method is mainly used. The risk management system at the Daimler Group monitors the effectiveness of hedges.

#### Foreign exchange contracts

Currency forwards and currency options in the automotive business are combined with the expected cash flows they are based upon in valuation units (portfolio hedges) for each currency. To the extent that negative fair values from the valuation of hedges are offset by currency gains from the expected underlying transactions, they are not accounted for (freezing method); in this case, the corresponding losses are only recognized in profit and loss for the period when the derivatives mature, simultaneously with currency gains from the underlying transactions. Provisions are recognized for any amounts in excess of that. The hedging period is generally up to five years. Setting hedging volumes lower than the planned cash flows in the respective foreign currency and decreasing as time passes ensures that future cash flows from derivatives are covered to a high degree of certainty by opposing currency effects from the underlying transactions.

Currency forwards with Group-external counterparties of the financing activities are combined into valuation units (micro hedges) with opposing hedges concluded within the Group. Currency forwards with Group-external counterparties that are not opposed by any corresponding hedges within the Group are included in valuation units with the related financial receivables and liabilities, provided that the documentation requirements are fulfilled. Provided that negative fair values from the valuation of hedges are offset by currency gains from the underlying transactions, these derivatives are not accounted for; in this case, the corresponding losses are only recognized in profit and loss for the period when the derivatives mature, simultaneously with the currency gains from the underlying transactions. Provisions are recognized for any amounts in excess of that. The hedging period is generally one to three years.

#### Interest rate contracts

Interest swaps and interest/currency swaps with Group-external counterparties are combined into valuation units (micro hedges) with opposing interest and interest/currency contracts within the Group. For interest hedges with Group-external counterparties that are not opposed by any corresponding hedges within the Group, provided the documentation requirements are fulfilled, they are included in valuation units with the related financial receivables and liabilities. If negative fair values from the valuation of hedges are offset by currency gains from the underlying transactions, these derivatives are not accounted for (freezing method). Provisions are recognized for any amounts in excess of that. The hedging period is one to a maximum of twelve years.

## C.20

### Derivative financial instruments: valuation units

Dec. 31, 2018

	Hedging instrument	Hedged volume	Positive fair value	Negative fair value
In millions of euros				
Exchange rate / interest rate risk of assets and liabilities	Interest rate contracts	33,495	237	-352
	Foreign exchange contracts	1,007	0	-27
Exchange rate risk of future transactions	Foreign exchange contracts	35,413	434	-582
Purchase price risk of future transactions	Commodity forward contracts	549	35	-63

### Commodity forward contracts

Raw-material hedges with Group-external counterparties are combined into valuation units (micro hedges) with opposing hedges within the Group. For raw-material hedges with Group-external counterparties that are not opposed by any corresponding hedges within the Group, to the extent that applicable statutory requirements can be fulfilled, commodity forward contracts are combined in valuation units (portfolio hedges) with the price-change effects of the future material purchases they are intended to hedge. To the extent that negative fair values from the valuation of hedges are opposed by positive price-change effects from the expected underlying transactions, derivatives are not accounted for (freezing method); in this case, the corresponding losses are recognized in profit and loss for the period when the price-change effects from the purchases of raw materials are recognized. Provisions are recognized for any amounts in excess of that. The hedging period is generally one to four years. Setting hedging rates lower than the planned material requirements and decreasing as time passes ensures that the future cash flows from the derivatives are covered to a high degree of certainty by opposing price-change effects of the hedged materials.

### Contingent liabilities

Contingent liabilities relate to potential future events, the occurrence of which would lead to an obligation. At the balance sheet date, the contingent liabilities of Daimler AG were reviewed with consideration of available knowledge about the financial position, cash flows and profitability of business partners with regard to the risk situation. Daimler AG therefore assesses the risk of possible claims on all the listed obligations as unlikely. At December 31, 2018, contingent liabilities amount to €86,437 million (2017: €69,275 million), primarily consisting of guarantees. They include guarantees to domestic and foreign subsidiaries amounting to €86,393 million (2017: €69,132 million), which primarily comprise guarantees provided to creditors of subsidiaries of Daimler AG, for example for loans they have taken out and bonds they have issued and liabilities to banks. To the benefit of co-shareholders of Mercedes-Benz (China) Ltd., Daimler AG is liable for guaranteed dividends for 2018 and following years.

Guarantees were issued for the benefit of third parties in a total amount of €44 million (2017: €143 million).

### Other financial obligations

Other financial obligations total €30,609 million (thereof due in 2019: €22,205 million). Such obligations to subsidiaries amount to €7,996 million (thereof due in 2019: €4,757 million); such obligations to associated companies amount to €5 million (thereof due in 2019: €5 million).

In connection with vehicle sales and leasing, buyback obligations exist in an amount of €5,273 million (thereof due in 2019: €2,149 million). Such obligations to subsidiaries amount to €3,767 million (thereof due in 2019: €1,740 million).

Other financial obligations resulting from rental and leasing agreements amount to €2,813 million (thereof due in 2019: €1,096 million). Of that total, €1,903 million relates to subsidiaries (thereof due in 2019: €870 million). Rental obligations to property management companies amount to €1,758 million (thereof due in 2019: €855 million).

The remaining financial obligations, in particular purchase commitments, are of a magnitude typical for the industry.

## Related party relationships pursuant to Section 285 No. 21 of the German Commercial Code (HGB)

### Subsidiaries and associated companies

Most of the goods and services supplied within the ordinary course of business between Daimler AG and related parties comprise transactions with subsidiaries and associated companies and are included in table [C.21](#).

### Board members

Throughout the world, Daimler AG has business relationships with numerous entities that are also customers and/or suppliers of Daimler AG. Those customers and/or suppliers include companies that have a connection with some of the members of the Supervisory Board or Board of Management of Daimler AG or its subsidiaries.

## C.21

### Business between Daimler AG and related parties

	Subsidiaries	Associated companies
In millions of euros		
Sales of goods and services and other income in 2018	14,238	5,815
Purchases of goods and services and other expenses in 2018	2,365	246
Receivables at December 31, 2018	2,473	1,753
Payables at December 31, 2018	400	52

## Legal proceedings

Daimler AG and its subsidiaries are confronted with various legal proceedings, claims as well as governmental investigations and orders (legal proceedings) on a large number of topics, including vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights, product warranties, environmental matters, antitrust matters (including actions for damages) and shareholder matters. Legal proceedings relating to products deal with claims on account of alleged vehicle defects.

Some of these claims are asserted by way of class action suits. If the outcome of such legal proceedings is detrimental to Daimler, the Group may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions. Legal proceedings may have an impact on the Group's reputation.

### Diesel emission behavior: Class action and other lawsuits in the United States and Canada

As already reported, several consumer class action lawsuits were filed against Mercedes-Benz USA, LLC (MBUSA) in federal courts in the United States in early 2016. The main allegation was the use of devices that impermissibly impair the effectiveness of emission control systems in reducing nitrogen-oxide (NO<sub>x</sub>) emissions and which cause excessive emissions from vehicles with diesel engines. In addition, plaintiffs alleged that consumers were deliberately deceived in connection with the advertising of Mercedes-Benz diesel vehicles. Those consumer class actions were consolidated into one class action pending against both Daimler AG and MBUSA in the US District Court for the District of New Jersey, in which the plaintiffs asserted various grounds for monetary relief on behalf of a nation-wide class of persons or entities who owned or leased certain models of Mercedes-Benz diesel vehicles as of February 18, 2016. Daimler AG and MBUSA moved to dismiss the lawsuit in its entirety. By order dated December 6, 2016, the court granted Daimler AG's and MBUSA's motion to dismiss and dismissed the lawsuit without prejudice, based on plaintiffs' failure to allege with sufficient specificity the advertising that they contended had misled them. Plaintiffs subsequently filed an amended class action complaint in the same court making similar allegations. The amended complaint also adds as defendants Robert Bosch LLC and Robert Bosch GmbH (collectively; "Bosch"), and alleges that Daimler AG and MBUSA conspired with Bosch to deceive US regulators and consumers. On February 1, 2019, the Court granted in part and denied in part Daimler AG and MBUSA's subsequent motion to dismiss. The case is ongoing as the Court's decision merely addressed certain legal aspects of plaintiffs' claims and did not decide whether the plaintiffs can ultimately prove their claims, whether the plaintiffs' allegations are true, or whether their claims have merit. Daimler AG and MBUSA view the lawsuit as being without merit and will defend against the claims.

On January 8, 2019, the Arizona State Attorney General filed a civil complaint in Arizona state court against Daimler AG and MBUSA making similar allegations that Arizona consumers were deliberately deceived in connection with the advertising of Mercedes-Benz diesel vehicles. The state seeks monetary penalties for violation of Arizona's consumer protection laws. Daimler AG and MBUSA view this lawsuit as being without merit.

Another consumer classaction lawsuit against Daimler AG and other companies of the Group containing similar allegations was filed in Canada in April 2016. On June 29, 2017, the court granted a procedural motion to certify certain issues for class treatment, and on March 12, 2018 the court ordered the parties to send a notice to the class by May 18, 2018, informing class members that the litigation is ongoing and they will be bound by the outcome. That notice was sent, and class members had until July 20, 2018 to opt out of the class to avoid being bound by subsequent rulings in the case. Daimler also regards this lawsuit as being without merit and will defend against the claims.

On July 14, 2017, an additional class action was filed in the Superior Court of California, Los Angeles County, against Daimler AG and other companies of the Group, alleging claims similar to the existing US class action. That action was removed to federal court and, on October 31, 2017, was transferred to the District of New Jersey. On December 21, 2017 the parties stipulated to dismiss, without prejudice, that lawsuit. It may be filed again under specific conditions, but Daimler also regards this lawsuit as being without merit.

#### **Diesel emission behavior: Governmental proceedings**

Furthermore, several state and federal authorities and other institutions worldwide have inquired about and/or are conducting investigations and/or administrative proceedings and/or have issued administrative orders. These particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant state and federal authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, securities, criminal and antitrust laws. These authorities and institutions include, among others, the U.S. Department of Justice (DOJ), which in April 2016 requested that Daimler AG review its certification and admissions processes related to exhaust emissions of diesel vehicles in the United States by way of an internal investigation in cooperation with the DOJ, the U.S. Environmental Protection Agency (EPA), the California Air Resources Board (CARB) and other US state authorities, the U.S. Securities and Exchange Commission

(SEC), the European Commission, with which Daimler AG has filed a leniency application and which meanwhile has opened a formal investigation into possible collusion on clean emission technology, as well as national antitrust authorities and other authorities of various foreign states as well as the German Federal Financial Supervisory Authority (BaFin), the German Federal Ministry of Transport and Digital Infrastructure (BMVI) and the German Federal Motor Transport Authority (KBA), the diesel emissions committee of inquiry of the German Parliament of the previous legislative period and the Stuttgart district attorney's office. The Stuttgart district attorney's office is conducting criminal investigation proceedings against Daimler employees concerning the suspicion of fraud and criminal advertising, and, in May 2017, searched the premises of Daimler at several locations in Germany. In the second and third quarter of 2018, KBA issued administrative orders holding that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices and ordered subsequent auxiliary provisions for the respective EU type approvals in this respect, including a stop of the first registration and mandatory recall. Daimler filed timely objections against such administrative orders in order to have the open legal issues resolved, if necessary, also by a court of law. In the course of its regular market supervision, KBA routinely conducts further reviews of Mercedes-Benz vehicles. It cannot be ruled out that in the course of further investigations KBA will issue additional administrative orders making similar findings. Daimler has implemented a temporary delivery and registration stop with respect to certain models and reviews constantly whether it can lift this delivery and registration stop in whole or in part. The new calibration requested by KBA in its administrative order of the second quarter of 2018 has meanwhile been completed and the relevant software has been approved by KBA; the related recall has in the meanwhile been initiated. It cannot be ruled out, however, that further delivery and registration stops may be ordered or resolved by the Company as a precautionary measure under the relevant circumstances.

Daimler has initiated further investigations and otherwise continues to fully cooperate with the authorities and institutions. As the aforementioned inquiries, investigations, administrative proceedings and the replies to these related information requests, the objection proceedings against the administrative orders as well as Daimler's internal investigations are ongoing.

**Antitrust law proceedings (including actions for damages)**

Starting on July 25, 2017, a number of class actions have been filed in the United States and Canada against Daimler AG and other manufacturers of automobiles as well as various of their North American subsidiaries. Plaintiffs allege to have suffered damages because defendants engaged in anticompetitive behavior relating to vehicle technology, costs, suppliers, markets, and other competitive attributes, including diesel emissions control technology, since the 1990s. On October 4, 2017, all pending US class actions were centralized in one proceeding by the Judicial Panel on Multidistrict Litigation and transferred to the U.S. District Court for the Northern District of California. On March 15, 2018, plaintiffs in the US class action amended and consolidated their complaints into two pleadings, one on behalf of consumers and the other on behalf of dealers. On June 1, 2018, the court dismissed Mercedes-Benz U.S. International, Inc., Mercedes-Benz Vans, LLC, and Daimler North America Corp., pursuant to the parties' stipulation. Daimler AG and MBUSA remain parties in the case, regard the US and Canadian lawsuits as being without merit, and will defend against the claims.

In this context, Daimler AG may disclose that it filed an application for immunity from fines (leniency application) with the European Commission some time ago. In late October 2017, the European Commission conducted preannounced inspections with Daimler in Stuttgart (as well as further inspections with other manufacturers) in order to further clarify the facts of the case. In the third quarter of 2018, the European Commission opened a formal investigation into possible collusion on clean emission technology.

Following the settlement decision by the European Commission adopted on July 19, 2016, concluding the trucks antitrust proceedings, Daimler AG faces customers' claims for damages to a considerable degree. Respective legal actions, class actions and other forms of legal redress have been initiated in various states in and outside of Europe and should further be expected. Daimler is taking appropriate legal remedies to defend itself.

On June 23, 2016, the German Federal Cartel Office carried out dawn raids at several car manufacturers and suppliers, including Daimler AG, with regard to steel purchasing. Daimler is cooperating in full with the authority.

**Class action lawsuits Takata airbag inflators**

As already reported, in August 2016, Mercedes-Benz Canada (MB Canada) was added as a defendant to a putative nationwide class action pending in Ontario Superior Court. The main allegation in the matter is that MB Canada, along with Takata entities and many other companies that sold vehicles equipped with Takata airbag inflators, was allegedly negligent in selling such vehicles, purportedly not recalling them quickly enough, and failing to provide an allegedly adequate replacement airbag inflator. In addition, on June 28, 2017, Takata entities along with Daimler AG and MBUSA were named as defendants in a U.S. nationwide class action, which was filed in New Jersey federal court and includes allegations that are similar to the Canadian action. In the third quarter of 2017, the New Jersey lawsuit was transferred to federal court in the Southern District of Florida for consolidation with other multi-district litigation proceedings. Then, on March 14, 2018, Daimler AG and MBUSA were named as defendants in two additional US nationwide class action complaints, one filed in Georgia federal court, and the other filed into the multi-district litigation proceedings pending in Florida. The allegations in these new complaints are similar to those in the Canadian and New Jersey actions. The U.S. cases have been centralized in one proceeding by the Judicial Panel on Multidistrict Litigation and transferred to the U.S. District Court for the Southern District of Florida, which is overseeing litigation against Takata and other manufacturers of automobiles. The previously reported lawsuit filed by the State of New Mexico, which also made similar claims against MBUSA and many other companies that sold vehicles equipped with Takata airbag inflators, was dismissed without prejudice on June 22, 2017. It may, however, be filed again under specific conditions. Daimler AG continues to regard all these lawsuits brought with regard to Mercedes-Benz vehicles as being without merit, and the Daimler Group affiliates respectively affected will further defend themselves against the claims.

**Refrigerant**

Pursuant to EU Directive 2006/40/EC, since January 1, 2011, vehicles only receive new type approvals if their air-conditioning units are filled with a refrigerant that meets certain criteria with regard to climate friendliness. For vehicles produced on the basis of type approvals granted previously, the directive allowed a period of transition until December 31, 2016. Mercedes-Benz vehicles fully comply with the legal requirements in force since January 1, 2017 through the application of CO<sub>2</sub> air-conditioning and the refrigerant R1234yf in combination with safety devices that are used as necessary depending on each vehicle's configuration. In December 2016, the EU Commission initiated infringement proceedings against the Federal Republic of Germany in the European Court of Justice (ECJ). The Commission saw a contravention by the German authorities of the European type-approval frame directive and of the directive on emissions from air-conditioning systems in motor vehicles. In March 2017, Germany's Federal Motor Transport Authority issued Daimler AG with an injunction requiring to retrofit such vehicles in which, in the first half of 2013 and for reasons of safety, the previously used refrigerant R134a had



been used. Daimler AG considered the request to be unfounded and had filed an objection to the injunction. On October 4, 2018, the ECJ ruled in the infringement proceedings that the Federal Republic of Germany had contravened European Union law, inter alia, by not ordering the changeover of the relevant vehicles within the period specified by the Commission. Subsequently, Daimler AG has withdrawn the objection, and will carry out the requested retrofit of the affected vehicles. A provision was already recognized in the financial year of 2018 for the retrofitting of the vehicles still operating with the previously used refrigerant R134a. No other significant risks are expected in this respect.

#### **Toll Collect**

In 2002, our subsidiary Daimler Financial Services AG, together with Deutsche Telekom AG and Compagnie Financière et Industrielle des Autoroutes S.A. (Cofiroute) entered into a consortium agreement for the purpose of jointly operating a system for the electronic collection of tolls for commercial vehicles using German highways under a contract with the Federal Republic of Germany (operating agreement) through the project company Toll Collect GmbH. Until August 31, 2018, Daimler Financial Services AG and Deutsche Telekom AG each held a 45% equity interest in the project company Toll Collect GmbH, and Cofiroute S.A. held the remaining 10%. The consortium continues to hold the equity interest in Toll Collect GbR.

The Federal Republic of Germany declared its acceptance of the offer to take over all shares in Toll Collect GmbH on August 31, 2018 and acquired the company as scheduled on September 1, 2018.

According to the operating agreement, the toll collection system had to be operational not later than August 31, 2003. After a delay of the launch date, the system was largely introduced on January 1, 2005. The final operating permit was granted on July 4, 2018, in connection with the settlement of the pending arbitration proceedings. The Federal Republic of Germany had initiated arbitration proceedings against Daimler Financial Services AG, Deutsche Telekom AG and Toll Collect GbR in September 2004. In the first half of 2017, the shareholders Deutsche Telekom AG and Daimler Financial Services AG asserted counterclaims relating to breaches of duty by the Federal Republic of Germany with regard to the delay in the start of the toll system. Toll Collect GmbH had also initiated an arbitration proceeding against the Federal Republic of Germany in order to recover the advance payments withheld by the Federal Republic of Germany of €8 million per month since June 2006, as well as other remuneration in dispute.

On July 4, 2018, through its subsidiary Daimler Financial Services AG, Daimler AG together with Deutsche Telekom AG notarized a settlement agreement (hereinafter: settlement) with the Federal Republic of Germany which settles all arbitration proceedings in connection with the involvement in the Toll Collect consortium, which have been ongoing since 2004.

On July 6, 2018, the arbitral tribunal issued an award on agreed terms terminating the arbitration proceedings on the basis of the settlement.

The settlement agreement is composed of different elements. One material element is a cash payment (hereinafter: settlement payment) by Toll Collect GbR of €1.1 billion that has to be transferred in three tranches until 2020 and equally divided between Daimler Financial Services AG and Deutsche Telekom AG. The first tranche in the amount of €400 million was paid to the Federal Republic of Germany on August 1, 2018, equally divided between Daimler Financial Services AG and Deutsche Telekom. The settlement takes into account claims of Toll Collect GmbH with regard to the remuneration pursuant to the operating agreement withheld monthly by the Federal Republic of Germany since June 2006. It also takes into account penalty payments for delays already settled by the shareholders of Toll Collect GbR and related interest. Further elements of the settlement agreement relate to the determination of the purchase price for the shares in Toll Collect GmbH on August 31, 2018 as well as the obligation to achieve a certain quality regarding the collection of tolls. Should this quality parameter not be achieved, the settlement payment to the Federal Republic of Germany will be increased by €50 million. On November 15, 2018, Daimler Financial Services AG and Deutsche Telekom AG have received the written confirmation from the Federal Republic of Germany that the quality parameters have been reached. Overall, the total settlement payments to the Federal Republic of Germany amount to €3.2 billion.

In context with the settlement reached in the Toll Collect arbitration proceedings, Daimler AG paid an income subsidy to its subsidiary Daimler Financial Services AG in an amount of €620 million.

All known and unknown claims from the toll agreement that arose until March 31, 2018 are settled under the settlement provided that the related damage occurred before March 31, 2018.

Failure to comply with various obligations under the operating agreement during the period from April 1, 2018 until the end of the operating agreement on August 31, 2018 may result in contract penalties, additional revenue reductions and damage claims. However, contract penalties and revenue reductions are capped at €100 million per operating year (increasing by 3% per financial year). At present, no respective facts are known.

Irrespective of the settlement, the guarantees relating to the completion and operation of the toll collection system as stated in the operating agreement or other additional agreements and the responsibility to fulfill all relevant obligations from April 1, 2018 until the end of the operating agreement on August 31, 2018 remain unchanged. At present, no respective facts are known.

Guarantees, which are subject to specific triggering events are described below:

– *Guarantee of bank loans.* Daimler AG issued a guarantee to third parties up to a maximum amount of €100 million for bank loans which could be obtained by Toll Collect GmbH. In September 2018 Daimler AG was released of this guarantee obligation.

– *Equity capitalization.* The consortium members have agreed within the settlement to ensure that Toll Collect GmbH disposes of a minimum equity of €50 million and a minimum liquidity of €10 million as of August 31, 2018. The minimum equity and the minimum liquidity have been confirmed on December 17, 2018, with the authorization of Toll Collect GmbH financial statements as of August 31, 2018. Should damage claims, reductions of compensation or other events that take place after March 31, 2018 lead subsequently to a decrease of Toll Collect GmbH's equity below the minimum contractually agreed, the members of the consortium are obliged to financially ensure that the minimum equity of Toll Collect GmbH is achieved anew.

– Cofiroute's risks and obligations are limited to €70 million. Daimler Financial Services AG and Deutsche Telekom AG are jointly obliged to indemnify Cofiroute for amounts exceeding this limitation.

#### Accounting estimates and management judgments

Daimler AG recognizes provisions in connection with pending or threatened proceedings to the extent a loss is probable and can be reasonably estimated. Such provisions are recognized in the financial statements and are based on estimates. Risks resulting from legal proceedings sometimes cannot be assessed reliably or only to a limited extent. Consequently, provisions recognized for some legal proceedings may turn out to be insufficient once such proceedings have ended. Daimler AG may also become liable for payments in legal proceedings for which no provisions were recognized. Uncertainty exists with regard to the amounts or due dates of possible cash outflows. Although the final result of any such proceedings could materially affect Daimler's operating results and cash flows for a particular reporting period, Daimler believes that it should not exert a sustained influence on its financial position.


## Remuneration of the members of the Board of Management and the Supervisory Board

The following information regarding the remuneration of the members of the Board of Management and of the Supervisory Board is disclosed on an individual basis in the Remuneration Report. The Remuneration Report is a component of the Combined Management Report for Daimler AG and the Daimler Group.

### Board of Management remuneration

The total remuneration (excluding retirement benefit commitments) granted to the members of the Board of Management of Daimler AG pursuant to Section 285 No. 9 of the German Commercial Code (HGB) is calculated as the total of the amounts of

- the base salary in 2018,
- the half of the annual bonus for 2018 payable in 2019 with its value at the balance sheet date,
- the half of the medium-term share-based component of the annual bonus for 2018 ("deferral") payable in 2020 with its value at the balance sheet date (entitlement depending on the development of Daimler's share price compared with the STOXX Europe Auto Index),
- the value of the long-term share-based remuneration (Performance Phantom Share Plan – PPSP) at the time when granted in 2018 (payable in 2022), and
- taxable non-cash benefits in 2018 and other fringe benefits.

For both of the share-based components of remuneration – both the deferred payment of the second 50% of the annual bonus (deferral) and the PPSP with a long-term orientation – the amounts to be paid out can deviate significantly from the values described, depending on the development of the Daimler share price and on the achievement of the relevant target parameters. Upward deviation is limited. Both components can also be zero. Further information on share-based remuneration is provided in the  "Equity" chapter and in the Remuneration Report.

In 2018, €9.3 million was fixed, that is, non-performance-related remuneration (2017: €9.3 million), €5.0 million (2017: €15.3 million) was short- and medium-term performance-related variable remuneration (annual bonus with deferral) and €10.2 million was variable performance-related remuneration granted in 2017 with a long-term incentive effect (PPSP: 145,775 phantom shares to €70.13) (2017: €10.2 million, 151,157 phantom shares to €67.49). This adds up to a total of €24.5 million for 2018 (2017: €34.8 million).



The members of the Board of Management are entitled to a company pension. The system upon which that pension is based was last adjusted by the Supervisory Board for members newly appointed as of 2012. Service cost and present value have been calculated with consideration of the parameters used to calculate the pension obligation. The service cost of the pension obligation in 2018 was €2.2 million (2017: €1.7 million). The present value of the total obligation at December 31, 2018 was €73.4 million (2017: €66.2 million). Taking age and years of service into consideration, the individual pensions, service costs and present values are as shown in table [C.22](#).

In the case of early termination of a service contract without an important reason, Board of Management service contracts include commitments to payment of the base salary and provision of a company car until the end of the original service period at a maximum. However, entitlement to the payment of the annual bonus exists only pro-rata for the time until the termination of the service contract. Entitlement to payment of the performance-related component of remuneration with a long-term incentive effect (PPSP) that has already been allocated is defined by the conditions of the respective plans. To the extent that the benefits described above are subject to the

provisions of the so-called severance cap of the German Corporate Governance Code, their total including fringe benefits is limited to double the annual remuneration and may not exceed the total remuneration for the remaining period of the service contract.

Payments made in 2018 to former members of the Board of Management of Daimler AG and their survivors amounted to a total of €16.2 million (2017: €19.0 million). Pension obligations for former members of the Board of Management and their survivors amounted to €234.8 million at December 31, 2018 (2017: €223.5 million).

In 2018, no advances or loans were made to members of the Board of Management of Daimler AG.

#### Supervisory Board remuneration

Total remuneration for the members of the Supervisory Board of Daimler AG amounted to €4.2 million in 2018 (2017: €4.2 million). The remuneration of the members of the Supervisory Board does not include a performance-related variable component.

With the exception of the remuneration paid to the members of the Supervisory Board representing the employees in accordance with their contracts of employment, no remuneration was paid to the members of the Supervisory Board for services provided personally beyond their board and committee activities in 2018, in particular for advisory or agency services.

In 2018, no advances or loans were made to members of the Supervisory Board of Daimler AG.

## C.22

### Individual entitlements, service costs and present values for members of the Board of Management

		Annual pension (as regulated until 2005) as of age 60	Service cost (for pension, pension capital and Daimler Pensions Plan)	Present value <sup>1</sup> of obligations (for pension, pension capital and Daimler Pensions Plan)
In thousands of euros				
Dr. Dieter Zetsche	<b>2018</b>	<b>1,050</b>	-	<b>35,378</b>
	2017	1,050	-	33,936
Dr. Wolfgang Bernhard <sup>2</sup>	<b>2018</b>	-	-	-
	2017	-	39	-
Martin Daum <sup>3</sup>	<b>2018</b>	-	<b>244</b>	<b>3,011</b>
	2017	-	102	2,497
Renata Jungo Brüngger	<b>2018</b>	-	<b>251</b>	<b>1,224</b>
	2017	-	244	847
Ola Källenius	<b>2018</b>	-	<b>255</b>	<b>2,632</b>
	2017	-	246	2,198
Wilfried Porth	<b>2018</b>	<b>156</b>	<b>234</b>	<b>9,525</b>
	2017	156	216	8,086
Britta Seeger	<b>2018</b>	-	<b>247</b>	<b>1,285</b>
	2017	-	122	833
Hubertus Troska	<b>2018</b>	-	<b>244</b>	<b>4,977</b>
	2017	-	237	4,463
Bodo Uebber	<b>2018</b>	<b>275</b>	<b>734</b>	<b>15,344</b>
	2017	275	539	13,400
<b>Total</b>	<b>2018</b>	<b>1,481</b>	<b>2,209</b>	<b>73,376</b>
	2017	1,481	1,745	66,260

<sup>1</sup> The amounts of the present values are primarily due to the low level of the relevant discount rate.

<sup>2</sup> 2017: Mr. Dr. Bernhard proportionately until February 10, 2017

<sup>3</sup> 2017: Mr. Daum proportionately since March 1, 2017

## Disclosures pursuant to Section 160 Subsection 1 No. 8 of the German Stock Corporation Act (AktG)

At the balance sheet date of December 31, 2018, shareholdings in the Company exist that were communicated pursuant to Section 33 Subsection 1 and Section 21 Subsection 1 [old version] of the German Securities Trading Act (WpHG) and disclosed pursuant to Section 40 Subsection 1 and Section 26 Subsection 1 [old version] of the WpHG as follows:

**BlackRock, Inc.**, Wilmington, Delaware, USA, notified us on December 20, 2018 pursuant to Section 33 Subsection 1 in conjunction with Section 37 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, Mercedesstr. 137, 70327 Stuttgart, Germany, exceeded the threshold of 5% on December 17, 2018 and amounts to 5.12% (equal to 54,731,146 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 5.12% (equal to 54,731,146 voting rights) are to be attributed to BlackRock, Inc. Wilmington, Delaware, USA, pursuant to section 34 of the WpHG. The notification was made when the threshold of 5% of the voting rights in Daimler AG was exceeded by BlackRock HoldCo 2. Inc. and BlackRock Financial Management, Inc.

**Li Shufu**, notified us on December 5, 2018 pursuant to Section 33 Subsection 1 in conjunction with Section 37 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, Mercedesstr. 137, 70327 Stuttgart, Germany, exceeded the threshold of 5% on December 3, 2018 and amounts to 9.69% (equal to 103,619,340 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 9.69% (equal to 103,619,340 voting rights) are to be attributed to Li Shufu pursuant to Section 34 of the WpHG. 3% or more of the voting rights are held directly by Tenaciou3 Prospect Investment Limited as of that date. The notification was made on the occasion of touching a threshold at subsidiary level as a result of a change in the holding structure.

**Harris Associates L.P.**, Wilmington, Delaware, USA, notified us on October 22, 2018 pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, Mercedesstr. 137, 70327 Stuttgart, Germany, fell below the threshold of 5% on October 16, 2018 and amounts to 4.93% (equal to 52,723,503 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 4.93% (equal to 52,723,503 voting rights) are to be attributed to Harris Associates L.P., Wilmington, Delaware, USA, pursuant to Section 34 of the WpHG. 3% or more of the voting rights are held directly by Harris Associates Investment Trust as of that date. On November 1, 2018, Harris Associates Investment Trust, Boston, Massachusetts, USA, notified us pursuant to Section 33 Subsection 1 of the WpHG that its voting rights in Daimler AG fell below the threshold of 3% on October 29, 2018 and amounted to 2.99% (equal to 31,994,625 out of a total of 1,069,837,447 voting rights) as of that date.

**Bank of America Corporation**, Wilmington, Delaware, USA, notified us on May 15, 2018 pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, Mercedesstr. 137, 70327 Stuttgart, Germany, exceeded the threshold of 3% on May 9, 2018 and amounts to 3.30% (equal to 35,313,653 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 3.30% (equal to 35,313,653 voting rights) are to be attributed to Bank of America Corporation, Wilmington, Delaware, USA, pursuant to Section 34 of the WpHG. 3% or more of the voting rights are held directly by Merrill Lynch International as of that date.

**Renault S. A.**, Boulogne-Billancourt, France, has notified us pursuant to Section 21 Subsection 1 of the German Securities Trading Act (WpHG)[old version] that its percentage holding of the voting rights in Daimler AG, Mercedesstr. 137, 70327 Stuttgart, Germany, exceeded the threshold of 3% on April 28, 2010 and amounts to 3.10% (32,896,756 voting rights) on that day. Thereof 16,448,378 voting rights (representing 1.55% of the voting rights in Daimler AG) directly held by Nissan Motor Co. Ltd. are attributable to Renault S. A. pursuant to Section 22 Subsection 2 of the WpHG [old version].

**Nissan Motor Co. Ltd.**, Yokohama, Japan, has notified us pursuant to Section 21 Subsection 1 of the German Securities Trading Act (WpHG)[old version] that its percentage holding of the voting rights in Daimler AG, Mercedesstr. 137, 70327 Stuttgart, Germany, exceeded the threshold of 3% on April 28, 2010 and amounts to 3.10% (32,896,756 voting rights) as of that date. Thereof 16,448,378 voting rights (representing 1.55% of the voting rights in Daimler AG) directly held by Renault S. A. are attributable to Nissan Motor Co. Ltd. pursuant to Section 22 Subsection 2 of the WpHG [old version].

**The Kuwait Investment Authority** as Agent for the Government of the State of Kuwait, Kuwait City, State of Kuwait, has notified us pursuant to Section 21 Subsection 1 of the German Securities Trading Act [old version] that the voting rights of the State of Kuwait in Daimler AG, Mercedesstr. 137, 70327 Stuttgart, Germany, exceeded the threshold of 5% on April 22, 2010 and that it held 5.33% (56,589,320 voting rights) as of that date. According to the notification, all voting rights are directly held.

After the balance sheet date, the company received a further notification concerning the shareholding of BlackRock, Inc., Wilmington, Delaware, USA, pursuant to Section 33 Subsection 1 of the German Securities Trading Act (WpHG), which, pursuant to Section 40 Subsection 1 of the WpHG was disclosed as follows:

**BlackRock, Inc.**, Wilmington, Delaware, USA, notified us on February 7, 2019 pursuant to Section 33 Subsection 1 in conjunction with Section 37 of the German Securities Trading Act (WpHG) that its percentage of voting rights in Daimler AG, Mercedesstr. 137, 70327 Stuttgart, Germany, exceeded the threshold of 5% on February 4, 2019 and amounts to 5.11% (equal to 54,697,877 out of a total of 1,069,837,447 voting rights) as of that date. Of these voting rights, 5.11% (equal to 54,697,877 voting rights) are to be attributed to BlackRock, Inc. Wilmington, Delaware, USA, pursuant to section 34 of the WpHG. The notification was made when the threshold of 5% of the voting rights in Daimler AG was exceeded by BlackRock HoldCo 2. Inc. and BlackRock Financial Management, Inc.

### Declaration of Compliance with the German Corporate Governance Code

The mandatory statement pursuant to Section 161 of the German Stock Corporation Act (AktG) has been issued by the Board of Management and the Supervisory Board and is permanently accessible at [www.daimler.com/company/corporate-governance/declarations/](http://www.daimler.com/company/corporate-governance/declarations/).

## Members of the Board of Management and their mandates

Members of the Board of Management	Supervisory board memberships/directorships
<p><b>Dr.-Ing. Dieter Zetsche</b>            Stuttgart            Chairman of the Board of Management Daimler AG/            Head of Mercedes-Benz Cars            Appointed until December 2019            Resignation with effect as of the end of the Annual Meeting 2019</p>	<p><i>Internal directorships</i>            None</p> <p><i>External directorships</i>            TUI AG (since February 13, 2018)            Veta Health LLC</p>
<p><b>Martin Daum</b>            Stuttgart            Daimler Trucks &amp; Buses            Appointed until February 2022</p>	<p><i>Internal directorships</i>            None</p> <p><i>External directorships</i>            Beijing Foton Daimler Automotive Co., Ltd.</p>
<p><b>Renata Jungo Brüngger</b>            Stuttgart            Integrity and Legal Affairs            Appointed until December 2023</p>	<p><i>Internal directorships</i>            None</p> <p><i>External directorships</i>            Münchener Rückversicherungs-Gesellschaft            Aktiengesellschaft in München</p>
<p><b>Ola Källenius</b>            Stuttgart            Group Research &amp; Mercedes-Benz Cars Development            Appointed until December 2022            Appointed as Chairman of the Board of Management Daimler AG/Head of Mercedes-Benz Cars with effect as of the end of the Annual Meeting 2019 until May 2024</p>	<p><i>Internal directorships</i>            Mercedes AMG High Performance Powertrains Ltd. –            Chairman            Mercedes-Benz Formula E Ltd.            Mercedes-Benz Grand Prix Ltd.</p> <p><i>External directorships</i>            HERE International B.V.            Shenzhen DENZA New Energy Automotive Co., Ltd.            Tetra Laval Group</p>
<p><b>Wilfried Porth</b>            Stuttgart            Human Resources and Director of Labor Relations            &amp; Mercedes-Benz Vans            Appointed until April 2022</p>	<p><i>Internal directorships</i>            None</p> <p><i>External directorships</i>            VfB Stuttgart 1893 AG – Vice Chairman</p>

**Members of the Board of Management****Supervisory board memberships/directorships****Britta Seeger**

Stuttgart  
Mercedes-Benz Cars Marketing & Sales  
Appointed until December 2024

*Internal directorships*

Daimler Financial Services AG  
Mercedes-Benz (China) Ltd. - Vice Chairman  
Mercedes-Benz Formula E Ltd.  
Mercedes-Benz Grand Prix Ltd.  
Mercedes-Benz South Africa Ltd.

*External directorships*

Beijing Mercedes-Benz Sales Service Co., Ltd.  
Laureus World Sports Awards Ltd.

**Hubertus Troska**

Stuttgart  
Greater China  
Appointed until December 2020

*Internal directorships*

Daimler Greater China Ltd. - Chairman  
Daimler Northeast Asia Parts Trading & Services Co., Ltd. - Chairman  
Daimler Trucks and Buses (China) Ltd. - Chairman  
Daimler Vans Hong Kong Ltd. - Chairman  
Mercedes-Benz Auto Finance Ltd.  
Mercedes-Benz Leasing Co., Ltd.  
Mercedes-Benz (China) Ltd.  
Mercedes-Benz Hong Kong Ltd.  
Mercedes-Benz Taiwan Ltd.

*External directorships*

BAIC Motor Corporation Ltd.  
Beijing Mercedes-Benz Sales Service Co., Ltd. - Chairman  
Beijing Benz Automotive Co., Ltd. - Vice Chairman  
Beijing Foton Daimler Automotive Co., Ltd. - Vice Chairman  
Fujian Benz Automotive Co., Ltd. - Vice Chairman  
Daimler Culture Development Co., Ltd. - Chairman  
Shenzhen DENZA New Energy Automotive Co., Ltd. - Chairman

**Bodo Uebber**

Stuttgart  
Finance & Controlling/Daimler Financial Services  
Appointed until December 2019  
Resignation with effect as of the end of the Annual Meeting 2019

*Internal directorships*

Daimler Financial Services AG - Chairman  
Mercedes-Benz Grand Prix Ltd.

*External directorships*

BAIC Motor Corporation Ltd.  
Bertelsmann SE & Co. KGaA / Bertelsmann Management SE - Chairman of the Audit and Finance Committee  
Delta Topco Ltd.

In the Supervisory Board meeting on February 13, 2019, Harald Wilhelm was appointed to the Board of Management of Daimler AG for a period of 3 years with effect as of April 1, 2019. Bodo Uebber will resign from the Board of Management of Daimler AG with effect as of the end of the Annual Meeting 2019 and with effect as of the same time, Harald Wilhelm will take over the responsibility for "Finance & Controlling/Daimler Financial Services".

## Members of the Supervisory Board and their mandates

Members of the Supervisory Board	Supervisory board memberships/directorships
<b>Dr. Manfred Bischoff</b> Munich Chairman of the Supervisory Board of Daimler AG Elected until 2021	SMS Holding GmbH - Member of the Shareholders' Committee
<b>Michael Brecht*</b> Gaggenau Deputy Chairman of the Supervisory Board of Daimler AG; Chairman of the General Works Council, Daimler Group and Daimler AG; Chairman of the Works Council, Gaggenau Plant, Daimler AG Elected until 2023	
<b>Dr. Paul Achleitner</b> Munich Chairman of the Supervisory Board of Deutsche Bank AG Elected until 2020	Deutsche Bank AG - Chairman Bayer AG
<b>Bader M. Al Saad</b> Kuwait Former Chairman and Managing Director of the Executive Committee of the Board of Directors of Kuwait Investment Authority Elected until 2022	Kuwait Investment Authority Kuwait Fund for Economic Development (since March 5, 2018)
<b>Sari Baldauf</b> Helsinki Former Executive Vice President and General Manager of the Networks Business Group of Nokia Corporation Elected until 2023	Vexve Holding Oy - Chairwoman Nokia Oyj (since May 30, 2018) Fortum Oyj - Chairwoman (until March 28, 2018) Deutsche Telekom AG (until May 17, 2018)
<b>Michael Bettag*</b> Nuremberg Chairman of the Works Council of the Nuremberg Dealership, Daimler AG Elected until 2023	
<b>Dr. Clemens Börsig</b> Frankfurt am Main Former Chairman of the Supervisory Board of Deutsche Bank AG Elected until 2022	Linde AG Linde Intermediate Holding AG (since September 25, 2018) Linde plc (since October 22, 2018) Emerson Electric Co.
<b>Raymond Curry*</b> Detroit (since April, 5 2018) Secretary-Treasurer United Auto Workers (UAW) Elected until 2023	
<b>Dr. Jürgen Hambrecht</b> Ludwigshafen Chairman of the Supervisory Board of BASF SE Elected until 2023	BASF SE - Chairman Fuchs Petrolub SE - Chairman Trumpf GmbH + Co. KG - Chairman
<b>Petraea Heynike</b> Vevey Former Executive Vice President of the Executive Board of Nestlé S.A. Elected until 2021	

\* Representative of the employees



**Members of the Supervisory Board****Supervisory board memberships/directorships****Joe Kaeser**

Munich  
Chairman of the Board of Management of Siemens AG  
Elected until 2019

Allianz Deutschland AG  
NXP Semiconductors N.V.

**Ergun Lümali\***

Sindelfingen  
Chairman of the Works Council, Sindelfingen Plant;  
Deputy Chairman of the General Works Council of Daimler AG  
Elected until 2023

**Wolfgang Nieke\***

Stuttgart  
Chairman of the Works Council, Untertürkheim Plant,  
Daimler AG (until December 31, 2018)  
Until December 31, 2018

**Dr. Bernd Pischetsrieder**

Munich  
Chairman of the Supervisory Board of Münchener  
Rückversicherungs-Gesellschaft Aktiengesellschaft in München  
Elected until 2019

Münchener Rückversicherungs-Gesellschaft  
Aktiengesellschaft in München – Chairman  
Tetra Laval Group

**Elke Tönjes-Werner\***

Bremen  
Deputy Chairwoman of the Works Council, Bremen Plant,  
Daimler AG  
Elected until 2023

**Sibylle Wanke\***

Frankfurt am Main  
General Legal Counsel of the German Metalworkers' Union  
(IG Metall)  
Elected until 2023

Siemens AG (until January 31, 2018)

**Dr. Frank Weber\***

Sindelfingen  
Director of the Press Shop, Sindelfingen Plant, Daimler AG;  
Chairman of the Management Representatives Committee,  
Daimler Group  
Elected until 2023

**Marie Wieck\***

Cold Spring/New York  
(since April 5, 2018)  
General Manager IBM Blockchain  
Elected until 2023

**Dr. Sabine Zimmer\***

Stuttgart  
(since April 5, 2018)  
Manager Vocational Training Policies, Germany, Daimler AG  
Elected until 2023

**Roman Zitzelsberger\***

Stuttgart  
German Metalworkers' Union (IG Metall)  
District Manager Baden-Württemberg  
Elected until 2023

Heidelberger Druckmaschinen AG (until July 25, 2018)  
MTU Friedrichshafen GmbH (since March 23, 2018)  
Rolls-Royce Power Systems AG (since March 23, 2018)

\* Representative of the employees

**Elected as substitute member for Wolfgang Nieke, moved up on January 1, 2019:****Michael Häberle\***

Stuttgart  
 Chairman of the Works Council, Untertürkheim Plant,  
 Daimler AG (since January 1, 2019)  
 Elected until 2023

**Retired from the Supervisory Board:****Andrea Jung**

New York  
 President and Chief Executive Officer of Grameen America, Inc.  
 retired on April 5, 2018

**Wolfgang Nieke\***

Stuttgart  
 Chairman of the Works Council, Untertürkheim Plant,  
 Daimler AG (until December 31, 2018)  
 retired on December 31, 2018

**Valter Sanches\***

Geneva  
 General Secretary IndustriALL Global Union  
 retired on April 5, 2018

**Jörg Spies\***

Stuttgart  
 Chairman of the Works Council, Headquarters, Daimler AG  
 retired on April 5, 2018

**Committees of the Supervisory board:****Committee pursuant to Section 27 Subsection 3 of the German Codetermination Act (MitbestG)**

Dr. Manfred Bischoff – Chairman  
 Michael Brecht\*  
 Dr. Jürgen Hambrecht  
 Roman Zitzelsberger\*

**Presidential Committee**

Dr. Manfred Bischoff – Chairman  
 Michael Brecht\*  
 Dr. Jürgen Hambrecht  
 Roman Zitzelsberger\*

**Audit Committee**

Dr. Clemens Börsig – Chairman  
 Michael Brecht\*  
 Joe Kaeser  
 Ergun Lümali\*

**Nomination Committee**

Dr. Manfred Bischoff – Chairman  
 Dr. Paul Achleitner  
 Sari Baldauf

\* Representative of the employees

# Statement of Investments

pursuant to Section 285 of the German Commercial Code (HGB)  
in conjunction with Section 286 Subsection 3 Sentence 1 No. 1  
and Subsection 3 Sentence 2 of the German Commercial Code (HGB)

The statement of investments of Daimler AG pursuant to Section 285 of the German Commercial Code (HGB) is presented as follows. For information regarding equity and earnings, IFRS values are generally used for fully consolidated companies. Information on equity, earnings and other investments is

omitted pursuant to Section 286 Subsection 3 Sentence 1 No. 1 of the HGB if such information is of minor relevance for a fair presentation of the financial position, cash flows and profitability of Daimler AG.

## C.23

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
<b>I. Consolidated subsidiaries</b>					
Athlon Beheer International B.V.	Almere, Netherlands	100.00	-	-	
Athlon Beheer Nederland B.V.	Almere, Netherlands	100.00	315	42	
Athlon Car Lease Belgium N.V.	Machelen, Belgium	100.00	100	13	
Athlon Car Lease International B.V.	Almere, Netherlands	100.00	444	20	
Athlon Car Lease Italy S.R.L.	Rome, Italy	100.00	-	-	
Athlon Car Lease Nederland B.V.	Almere, Netherlands	100.00	113	33	
Athlon Car Lease Polska Sp. z o.o.	Warsaw, Poland	100.00	-	-	
Athlon Car Lease Portugal, Ida	Oeiras, Portugal	100.00	-	-	
Athlon Car Lease Rental Services B.V.	Almere, Netherlands	100.00	-	-	
Athlon Car Lease Rental Services Belgium N.V.	Machelen, Belgium	100.00	-	-	
Athlon Car Lease S.A.S.	Le Bourget, France	100.00	-	-	
Athlon Car Lease Spain, S.A.	Alcobendas, Spain	100.00	-	-	
Athlon Dealerlease B.V.	Almere, Netherlands	100.00	-	-	
Athlon France S.A.S.	Le Bourget, France	100.00	-	-	
Athlon Germany GmbH	Düsseldorf, Germany	100.00	-	-	
Athlon Mobility Consultancy B.V.	Amsterdam, Netherlands	100.00	-	-	
Athlon Mobility Consultancy N.V.	Machelen, Belgium	100.00	-	-	
Athlon Rental Germany GmbH	Düsseldorf, Germany	100.00	-	-	
Athlon Sweden AB	Malmö, Sweden	100.00	-	-	
Athlon Switzerland AG	Schlieren, Switzerland	100.00	-	-	
AutoGravity Corporation	Irvine, USA	80.00	24	-40	
Banco Mercedes-Benz do Brasil S.A.	São Paulo, Brazil	100.00	380	34	5
Brooklands Estates Management Limited	Milton Keynes, United Kingdom	100.00	-	-	
Campo Largo Comercio de Veículos e Peças Ltda.	Campinas, Brazil	100.00	-	-	
car2go Canada Ltd.	Vancouver, Canada	100.00	6	-15	
car2go China Co., Ltd.	Beijing, China	100.00	5	-13	
car2go Deutschland GmbH	Leinfelden-Echterdingen, Germany	100.00	215	-15	
car2go Europe GmbH	Leinfelden-Echterdingen, Germany	100.00	-	-	
car2go Group GmbH	Leinfelden-Echterdingen, Germany	100.00	8	-20	
car2go Iberia S.L.U.	Madrid, Spain	100.00	-	-	
car2go Italia S.R.L.	Milan, Italy	100.00	5	-10	
car2go N.A. Holding Inc.	Wilmington, USA	100.00	-	-	
car2go N.A. LLC	Wilmington, USA	100.00	24	-32	
car2go Nederland B.V.	Utrecht, Netherlands	100.00	-	-	
car2go Österreich GmbH	Vienna, Austria	100.00	-	-	
CARS Technik & Logistik GmbH	Wiedemar, Germany	100.00	-	-	3
CLIDET NO 1048 (Proprietary) Limited	Centurion, South Africa	100.00	-	-	
Conemaugh Hydroelectric Projects, Inc.	Wilmington, USA	100.00	-	-	
DA Investments Co. LLC	Wilmington, USA	100.00	233	.	

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
DAF Investments, Ltd.	Wilmington, USA	100.00	-	-	
Daimler Australia/Pacific Pty. Ltd.	Melbourne, Australia	100.00	138	169	
Daimler Brand & IP Management GmbH & Co. KG	Stuttgart, Germany	100.00	-	-	
Daimler Brand & IP Management Verwaltung GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Buses North America Inc.	Oriskany, USA	100.00	7	-74	5
Daimler Canada Finance Inc.	Montreal, Canada	100.00	239	3	
Daimler Canada Investments Company	Halifax, Canada	100.00	-	-	
Daimler Capital Services LLC	Wilmington, USA	100.00	59	18	5
Daimler Česká republika Holding s.r.o.	Prague, Czech Republic	100.00	-	-	
Daimler Colombia S. A.	Bogota D.C., Colombia	100.00	35	19	
Daimler Commercial Vehicles South East Asia Pte. Ltd.	Singapore, Singapore	100.00	-	-	
Daimler Compra y Manufactura Mexico S. de R.L. de C.V.	Mexico City, Mexico	100.00	266	-45	
Daimler Export and Trade Finance GmbH	Berlin, Germany	100.00	-	-	3
Daimler Finance North America LLC	Wilmington, USA	100.00	-	-	
Daimler Financial Services Africa & Asia Pacific Ltd.	Singapore, Singapore	100.00	-	-	5
Daimler Financial Services AG	Stuttgart, Germany	100.00	2,671	-	3
Daimler Financial Services India Private Limited	Chennai, India	100.00	217	10	
Daimler Financial Services Investment Company LLC	Wilmington, USA	100.00	-	-	
Daimler Financial Services México, S. de R.L. de C.V.	Mexico City, Mexico	100.00	137	28	5
Daimler Financial Services, S.A. de C.V., S.O.F.O.M., E.N.R.	Mexico City, Mexico	100.00	-	-	
Daimler Fleet Management GmbH	Stuttgart, Germany	100.00	24	-	3
Daimler Fleet Management Singapore Pte. Ltd.	Singapore, Singapore	100.00	-	-	
Daimler Fleet Management South Africa (Pty.) Ltd.	Centurion, South Africa	65.00	-	-	2
Daimler Fleet Management UK Limited	Milton Keynes, United Kingdom	100.00	-	-	
Daimler Fleet Services A.S.	Istanbul, Turkey	100.00	-	-	
Daimler FleetBoard GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Greater China Ltd.	Beijing, China	100.00	2,776	1,208	
Daimler Grund Services GmbH	Schönefeld, Germany	100.00	-	-	3
Daimler India Commercial Vehicles Private Limited	Chennai, India	100.00	118	-18	
Daimler Insurance Agency LLC	Wilmington, USA	100.00	-	-	
Daimler Insurance Services GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Insurance Services Japan Co., Ltd.	Tokyo, Japan	100.00	-	-	
Daimler Insurance Services UK Limited	Milton Keynes, United Kingdom	100.00	-	-	
Daimler International Finance B.V.	Utrecht, Netherlands	100.00	538	6	
Daimler International Nederland B.V.	Utrecht, Netherlands	100.00	14,949	2,202	
Daimler Investments US Corporation	Wilmington, USA	100.00	-	-	
Daimler Manufactura, S. de R.L. de C.V.	Mexico City, Mexico	100.00	-	-	
Daimler Mexico, S.A. de C.V.	Mexico City, Mexico	100.00	447	49	
Daimler Mobility Services GmbH	Leinfelden-Echterdingen, Germany	100.00	113	-	3
Daimler Motors Investments LLC	Wilmington, USA	100.00	-	-	
Daimler Nederland B.V.	Utrecht, Netherlands	100.00	968	248	
Daimler Nederland Holding B.V.	Utrecht, Netherlands	100.00	460	53	
Daimler North America Corporation	Wilmington, USA	100.00	7,581	1,129	5
Daimler North America Finance Corporation	Newark, USA	100.00	-	-	
Daimler Northeast Asia Parts Trading and Services Co., Ltd.	Beijing, China	100.00	100	71	
Daimler Parts Brand GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Re Brokers GmbH	Bremen, Germany	74.90	-	-	3
Daimler Re Insurance S.A. Luxembourg	Luxembourg, Luxembourg	100.00	74	11	
Daimler Real Estate GmbH	Berlin, Germany	100.00	-	-	3
Daimler Retail Receivables LLC	Farmington Hills, USA	100.00	-	-	
DAIMLER SERVICIOS CORPORATIVOS MEXICO S. DE R.L. DE C.V.	Mexico City, Mexico	100.00	-	-	
Daimler South East Asia Pte. Ltd.	Singapore, Singapore	100.00	99	56	
Daimler Truck AG	Stuttgart, Germany	100.00	-	-	3
Daimler Truck and Bus Australia Pacific Pty. Ltd.	Mulgrave, Australia	100.00	-	-	
Daimler Trucks & Buses US Holding Inc.	Wilmington, USA	100.00	2,229	8	

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
Daimler Trucks and Buses (China) Ltd.	Beijing, China	100.00	-	-	
Daimler Trucks Canada Ltd.	Mississauga, Canada	100.00	32	43	
Daimler Trucks Korea Ltd.	Seoul, South Korea	100.00	-	-	
Daimler Trucks North America LLC	Wilmington, USA	100.00	3,262	1,176	
Daimler Trucks Remarketing Corporation	Portland, USA	100.00	77	22	
Daimler Trust Holdings LLC	Farmington Hills, USA	100.00	-	-	
Daimler Trust Leasing Conduit LLC	Wilmington, USA	100.00	-	-	
Daimler Trust Leasing LLC	Farmington Hills, USA	100.00	-	-	
Daimler UK Limited	Milton Keynes, United Kingdom	100.00	589	181	
Daimler Vans Hong Kong Limited	Hong Kong, China	67.55	-	-	
Daimler Vans USA, LLC	Wilmington, USA	100.00	-	-	
Daimler Vehículos Comerciales Mexico S. de R.L. de C.V.	Mexico City, Mexico	100.00	197	21	
Daimler Verwaltungsgesellschaft für Grundbesitz mbH	Schönefeld, Germany	100.00	3,861	-	3
Daimler Vorsorge und Versicherungsdienst GmbH	Berlin, Germany	100.00	-	-	3
Daiprodo Mexico S. de R.L. de C.V.	Mexico City, Mexico	100.00	-	-	
Detroit Diesel Corporation	Detroit, USA	100.00	128	385	5
Detroit Diesel Remanufacturing LLC	Detroit, USA	100.00	15	25	
Detroit Diesel Remanufacturing Mexicana, S. de R.L. de C.V.	Toluca, Mexico	100.00	-	-	
Detroit Diesel-Allison de Mexico, S. de R.L. de C.V.	San Juan Ixtacala, Mexico	100.00	17	17	
Deutsche Accumotive GmbH & Co. KG	Kirchheim unter Teck, Germany	100.00	110	33	
EHG Elektroholding GmbH	Stuttgart, Germany	100.00	1,148	-	3
EvoBus (Schweiz) AG	Kloten, Switzerland	100.00	-	-	
EvoBus (U.K.) Ltd.	Coventry, United Kingdom	100.00	-	-	
EvoBus Austria GmbH	Wiener Neudorf, Austria	100.00	-	-	
EvoBus Belgium N.V.	Kobbegem-Asse, Belgium	100.00	-	-	
EvoBus Česká republika s.r.o.	Prague, Czech Republic	100.00	-	-	
EvoBus Danmark A/S	Koege, Denmark	100.00	-	-	
EvoBus France S.A.S.U.	Sarcelles, France	100.00	26	10	
EvoBus GmbH	Stuttgart, Germany	100.00	103	-	3
EvoBus Ibérica, S.A.U.	Sámano, Spain	100.00	-	-	
EvoBus Italia S.p.A.	Bomporto, Italy	100.00	-	-	
EvoBus Nederland B.V.	Nijkerk, Netherlands	100.00	-	-	
EvoBus Polska Sp. z o.o.	Wolica, Poland	100.00	-	-	
EvoBus Portugal, S.A.	Mem Martins, Portugal	100.00	-	-	
EvoBus Sverige AB	Vetlanda, Sweden	100.00	-	-	
Freightliner Custom Chassis Corporation	Gaffney, USA	100.00	38	72	
Friesland Lease B.V.	Drachten, Netherlands	51.11	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 1 OHG	Schönefeld, Germany	100.00	2,916	349	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 2 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 3 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 4 OHG	Schönefeld, Germany	100.00	534	55	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 5 OHG	Schönefeld, Germany	100.00	576	29	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 6 OHG	Schönefeld, Germany	100.00	189	13	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Alpha 7 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Beta OHG	Schönefeld, Germany	100.00	77	25	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Delta OHG	Schönefeld, Germany	100.00	205	24	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Epsilon OHG	Schönefeld, Germany	100.00	220	17	

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 1 OHG	Schönefeld, Germany	100.00	381	69	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 2 OHG	Schönefeld, Germany	100.00	201	24	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 3 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft Daimler AG & Co. Gamma 4 OHG	Schönefeld, Germany	100.00	-	-	
Grundstücksverwaltungsgesellschaft EvoBus GmbH & Co. OHG	Schönefeld, Germany	100.00	109	19	
Hailo Network Iberia S.L.	Madrid, Spain	100.00	-	-	
Hailo Network IP Limited	London, United Kingdom	100.00	-	-	
Intelligent Apps GmbH	Hamburg, Germany	79.35	261	-35	
Interleasing Luxembourg S.A.	Windhof, Luxembourg	100.00	-	-	
Invena Assessoria Empresarial Eireli	São Bernardo do Campo, Brazil	100.00	-	-	5
Koppieview Property (Pty) Ltd	Zwartkop, South Africa	100.00	-	-	
LEONIE CORP DVB GmbH	Stuttgart, Germany	100.00	1,186	-	3
LEONIE FS DVB GmbH	Stuttgart, Germany	100.00	-	-	3
LEONIE FSM DVB GmbH	Stuttgart, Germany	100.00	-	-	3
LEONIE PV DVB GmbH	Stuttgart, Germany	100.00	-	-	3
LEONIE TB DVB GmbH	Stuttgart, Germany	100.00	-	-	3
Li-Tec Battery GmbH	Kamenz, Germany	100.00	-	-	3
Mascot Truck Parts Canada Ltd (2017)	Mississauga, Canada	100.00	-	-	
Mascot Truck Parts USA LLC	Wilmington, USA	100.00	-	-	
MBarc Credit Canada Inc.	Mississauga, Canada	100.00	-	-	
MDC Power GmbH	Kölleda, Germany	100.00	-	-	3
MDC Technology GmbH	Arnstadt, Germany	100.00	26	-	3
Mercedes AMG High Performance Powertrains Ltd	Brixworth, United Kingdom	100.00	-	-	
Mercedes pay AG	Zug, Switzerland	100.00	-	-	
Mercedes pay S.A.	Luxembourg, Luxembourg	100.00	18	-20	
Mercedes-AMG GmbH	Affalterbach, Germany	100.00	713	-	3
Mercedes-Benz - Aluguer de Veículos, Unipessoal Lda.	Mem Martins, Portugal	100.00	-	-	
Mercedes-Benz (China) Ltd.	Beijing, China	75.00	1,138	739	5
Mercedes-Benz (Thailand) Limited	Bangkok, Thailand	100.00	249	120	5
Mercedes-Benz (Yangzhou) Parts Distribution Co., Ltd.	Yangzhou, China	100.00	-	-	
Mercedes-Benz Accessories GmbH	Stuttgart, Germany	100.00	6	-	3
Mercedes-Benz AG	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Antwerpen N.V.	Antwerp, Belgium	100.00	-	-	
Mercedes-Benz Argentina S.A.	Buenos Aires, Argentina	100.00	85	-35	
Mercedes-Benz Asia GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Assuradeuren B.V.	Utrecht, Netherlands	100.00	-	-	
Mercedes-Benz Australia/Pacific Pty Ltd	Melbourne, Australia	100.00	456	24	
Mercedes-Benz Auto Finance Ltd.	Beijing, China	100.00	1,829	226	5
Mercedes-Benz Bank AG	Stuttgart, Germany	100.00	2,565	-	3
Mercedes-Benz Bank GmbH	Salzburg, Austria	100.00	-	-	
Mercedes-Benz Bank Polska S.A.	Warsaw, Poland	100.00	-	-	
Mercedes-Benz Bank Rus OOO	Moscow, Russian Federation	100.00	63	12	
Mercedes-Benz Bank Service Center GmbH	Berlin, Germany	100.00	-	-	3
Mercedes-Benz Banking Service GmbH	Saarbrücken, Germany	100.00	-	-	3
Mercedes-Benz Belgium Luxembourg S.A.	Brussels, Belgium	100.00	118	17	5
Mercedes-Benz Bordeaux S.A.S.	Begles, France	100.00	-	-	
Mercedes-Benz Broker Biztosítási Alkusz Hungary Kft.	Budapest, Hungary	100.00	-	-	
Mercedes-Benz Brooklands Limited	Milton Keynes, United Kingdom	100.00	-	-	
Mercedes-Benz Canada Inc.	Toronto, Canada	100.00	50	139	
Mercedes-Benz Capital Rus OOO	Moscow, Russian Federation	100.00	31	10	
Mercedes-Benz Cars Ceska republika s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Cars Nederland B.V.	Utrecht, Netherlands	100.00	-	-	



Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
Mercedes-Benz Cars UK Limited	Milton Keynes, United Kingdom	100.00	154	62	5
Mercedes-Benz CharterWay S.A.S.	Montigny-le-Bretonneux, France	100.00	-	-	
Mercedes-Benz CharterWay S.r.l.	Trent, Italy	100.00	-	-	
Mercedes-Benz Compañía Financiera Argentina S.A.	Buenos Aires, Argentina	100.00	-	-	
Mercedes-Benz Connectivity Services GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Corretora de Seguros Ltda	São Paulo, Brazil	99.98	-	-	
Mercedes-Benz CPH A/S	Horsholm, Denmark	100.00	-	-	
Mercedes-Benz Credit Pénzügyi Szolgáltató Hungary Zrt.	Budapest, Hungary	100.00	-	-	
Mercedes-Benz Danmark A/S	Copenhagen, Denmark	100.00	197	30	5
Mercedes-Benz Dealer Bedrijven B.V.	The Hague, Netherlands	100.00	-	-	
Mercedes-Benz do Brasil Assessoria Comercial Ltda.	São Paulo, Brazil	100.00	-	-	
Mercedes-Benz do Brasil Ltda.	São Bernardo do Campo, Brazil	100.00	305	-333	
Mercedes-Benz Drogenbos N.V.	Drogenbos, Belgium	100.00	-	-	
Mercedes-Benz Espana, S.A.U.	Alcobendas, Spain	100.00	344	125	
Mercedes-Benz Finance Co., Ltd.	Tokyo, Japan	95.01	458	65	5
Mercedes-Benz Financial Services Australia Pty. Ltd.	Melbourne, Australia	100.00	200	33	5
Mercedes-Benz Financial Services Austria GmbH	Salzburg, Austria	100.00	-	-	
Mercedes-Benz Financial Services BeLux NV	Brussels, Belgium	100.00	79	13	
Mercedes-Benz Financial Services Canada Corporation	Mississauga, Canada	100.00	268	92	5
Mercedes-Benz Financial Services Česká republika s.r.o.	Prague, Czech Republic	100.00	158	18	
Mercedes-Benz Financial Services España, E.F.C., S.A.	Alcobendas, Spain	100.00	144	30	5
Mercedes-Benz Financial Services France S.A.	Montigny-le-Bretonneux, France	100.00	455	48	
Mercedes-Benz Financial Services Hong Kong Ltd.	Hong Kong, China	80.00	-	-	
Mercedes-Benz Financial Services Italia SpA	Rome, Italy	100.00	348	54	
Mercedes-Benz Financial Services Korea Ltd.	Seoul, South Korea	80.00	413	51	
Mercedes-Benz Financial Services Nederland B.V.	Utrecht, Netherlands	100.00	170	26	5
Mercedes-Benz Financial Services New Zealand Ltd	Auckland, New Zealand	100.00	-	-	
Mercedes-Benz Financial Services Portugal - Sociedade Financeira de Crédito S.A.	Mem Martins, Portugal	100.00	-	-	5
Mercedes-Benz Financial Services Rus OOO	Moscow, Russian Federation	100.00	67	13	
Mercedes-Benz Financial Services Schweiz AG	Schlieren, Switzerland	100.00	133	26	
Mercedes-Benz Financial Services Slovakia s.r.o.	Bratislava, Slovakia	75.00	-	-	
Mercedes-Benz Financial Services South Africa (Pty) Ltd	Centurion, South Africa	100.00	102	11	5
Mercedes-Benz Financial Services Taiwan Ltd.	Taipei, Taiwan	100.00	-	-	5
Mercedes-Benz Financial Services UK Limited	Milton Keynes, United Kingdom	100.00	637	90	5
Mercedes-Benz Financial Services USA LLC	Wilmington, USA	100.00	2,541	448	5
Mercedes-Benz Finans Danmark A/S	Copenhagen, Denmark	100.00	-	-	
Mercedes-Benz Finans Sverige AB	Malmö, Sweden	100.00	72	10	
Mercedes-Benz Finansal Kiralama Türk A.S.	Istanbul, Turkey	100.00	-	-	
Mercedes-Benz Finansman Türk A.S.	Istanbul, Turkey	100.00	-	-	5
Mercedes-Benz Försäljnings AB	Malmö, Sweden	100.00	-	-	
Mercedes-Benz France S.A.S.	Montigny-le-Bretonneux, France	100.00	370	33	5
Mercedes-Benz Fuel Cell GmbH	Kirchheim unter Teck, Germany	100.00	-	-	
Mercedes-Benz Grand Prix Ltd.	Brackley, United Kingdom	60.00	-	-	
Mercedes-Benz Hellas S.A.	Kifissia, Greece	100.00	-	-	
Mercedes-Benz Hong Kong Limited	Hong Kong, China	100.00	32	12	
Mercedes-Benz India Private Limited	Pune, India	100.00	130	38	
Mercedes-Benz Insurance Broker S.R.L.	Voluntari, Romania	100.00	-	-	
Mercedes-Benz Insurance Services Nederland B.V.	Utrecht, Netherlands	100.00	-	-	
Mercedes-Benz Insurance Services Taiwan Ltd.	Taipei, Taiwan	100.00	-	-	
Mercedes-Benz Investment Company LLC	Wilmington, USA	100.00	-	-	
Mercedes-Benz Italia S.p.A.	Rome, Italy	100.00	363	58	5
Mercedes-Benz Japan Co., Ltd.	Tokyo, Japan	100.00	327	91	
Mercedes-Benz Korea Limited	Seoul, South Korea	51.00	290	92	
Mercedes-Benz Leasing (Thailand) Co., Ltd.	Bangkok, Thailand	100.00	110	16	
Mercedes-Benz Leasing Co., Ltd.	Beijing, China	65.00	508	58	

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
Mercedes-Benz Leasing do Brasil Arrendamento Mercantil S.A.	Barueri, Brazil	100.00	-	-	
Mercedes-Benz Leasing GmbH	Stuttgart, Germany	100.00	49	-	3, 5
Mercedes-Benz Leasing Hrvatska d.o.o.	Zagreb, Croatia	100.00	-	-	
Mercedes-Benz Leasing IFN S.A.	Bucharest, Romania	100.00	-	-	5
Mercedes-Benz Leasing Kft.	Budapest, Hungary	100.00	-	-	5
Mercedes-Benz Leasing Polska Sp. z o.o.	Warsaw, Poland	100.00	85	10	5
Mercedes-Benz Leasing Taiwan Ltd.	Taipei, Taiwan	100.00	-	-	
Mercedes-Benz Leasing Treuhand GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Ludwigsfelde GmbH	Ludwigsfelde, Germany	100.00	41	-	3
Mercedes-Benz Malaysia Sdn. Bhd.	Puchong, Malaysia	51.00	106	67	
Mercedes-Benz Manhattan, Inc.	Wilmington, USA	100.00	-	-	
Mercedes-Benz Manufacturing (Thailand) Limited	Bangkok, Thailand	100.00	-	-	
Mercedes-Benz Manufacturing Hungary Kft.	Kecskemét, Hungary	100.00	452	66	
Mercedes-Benz Manufacturing Poland Sp. z o.o.	Liegnitz, Poland	100.00	-	-	
Mercedes-Benz Mechelen N.V.	Mechelen, Belgium	100.00	-	-	
Mercedes-Benz Mexico, S. de R.L. de C.V.	Mexico City, Mexico	100.00	34	22	
Mercedes-Benz Minibus GmbH	Dortmund, Germany	100.00	-	-	3
Mercedes-Benz Mitarbeiter-Fahrzeuge Leasing GmbH	Stuttgart, Germany	100.00	5	-	3
Mercedes-Benz New Zealand Ltd	Auckland, New Zealand	100.00	-	-	
Mercedes-Benz Österreich GmbH	Salzburg, Austria	100.00	-	-	
Mercedes-Benz Paris SAS	Port-Marly, France	100.00	-	-	
Mercedes-Benz Parts Logistics Eastern Europe s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Parts Logistics Ibérica, S.L.U.	Azuqueca de Henares, Spain	100.00	-	-	
Mercedes-Benz Parts Logistics UK Limited	Milton Keynes, United Kingdom	100.00	13	12	
Mercedes-Benz Parts Manufacturing & Services Ltd.	Shanghai, China	100.00	3	-11	
Mercedes-Benz Polska Sp. z o.o.	Warsaw, Poland	100.00	84	26	5
Mercedes-Benz Portugal, S.A.	Mem Martins, Portugal	100.00	25	12	5
Mercedes-Benz PRAHA s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Renting, S.A.	Alcobendas, Spain	100.00	-	-	
Mercedes-Benz Research & Development North America, Inc.	Wilmington, USA	100.00	21	11	
Mercedes-Benz Retail Group UK Limited	Milton Keynes, United Kingdom	100.00	83	-12	
Mercedes-Benz Retail, S.A.	Madrid, Spain	100.00	-	-	
Mercedes-Benz Retail, Unipessoal Lda.	Mem Martins, Portugal	100.00	-	-	
Mercedes-Benz Risk Solutions South Africa (Pty.) Ltd.	Centurion, South Africa	100.00	-	-	
Mercedes-Benz Roma S.p.A.	Rome, Italy	100.00	-	-	
Mercedes-Benz Romania S.R.L.	Bucharest, Romania	100.00	-	-	
Mercedes-Benz Russia AO	Moscow, Russian Federation	100.00	273	36	
Mercedes-Benz Schweiz AG	Schlieren, Switzerland	100.00	101	44	
Mercedes-Benz Service Leasing S.R.L.	Bucharest, Romania	100.00	-	-	
Mercedes-Benz Services Correduria de Seguros, S.A.	Alcobendas, Spain	100.00	-	-	
Mercedes-Benz Services Malaysia Sdn Bhd	Petaling Jaya, Malaysia	100.00	-	-	
Mercedes-Benz Sigorta Aracilik Hizmetleri A.S.	Istanbul, Turkey	100.00	-	-	
Mercedes-Benz Sosnowiec Sp. z o.o.	Sosnowiec, Poland	100.00	-	-	
Mercedes-Benz South Africa Ltd	Pretoria, South Africa	100.00	722	46	
Mercedes-Benz Sverige AB	Malmö, Sweden	100.00	68	16	5
Mercedes-Benz Taiwan Ltd.	Taipei, Taiwan	51.00	125	48	
Mercedes-Benz Trucks Česká republika s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Trucks España S.L.U.	Alcobendas, Spain	100.00	-	-	
Mercedes-Benz Trucks Molsheim	Molsheim, France	100.00	-	-	
Mercedes-Benz Trucks Nederland B.V.	Utrecht, Netherlands	100.00	-	-	
Mercedes-Benz Trucks UK Limited	Milton Keynes, United Kingdom	100.00	31	12	
Mercedes-Benz Türk A.S.	Istanbul, Turkey	66.91	813	5	5
Mercedes-Benz U.S. International, Inc.	Vance, USA	100.00	275	96	
Mercedes-Benz Ubezpieczenia Sp. z o.o.	Warsaw, Poland	100.00	-	-	
Mercedes-Benz USA, LLC	Wilmington, USA	100.00	-186	164	5

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
Mercedes-Benz V.I. Lyon SAS	Genas, France	100.00	-	-	
Mercedes-Benz V.I. Paris Ile de France SAS	Wissous, France	100.00	-	-	
Mercedes-Benz Vans Australia Pacific Pty. Ltd.	Mulgrave, Australia	100.00	-	-	
Mercedes-Benz Vans Česká republika s.r.o.	Prague, Czech Republic	100.00	-	-	
Mercedes-Benz Vans España, S.L.U.	Madrid, Spain	100.00	-	-	
Mercedes-Benz Vans Mobility GmbH	Berlin, Germany	100.00	-	-	3
Mercedes-Benz Vans Nederland B.V.	Utrecht, Netherlands	100.00	22	10	
Mercedes-Benz Vans UK Limited	Milton Keynes, United Kingdom	100.00	56	23	
Mercedes-Benz Vans, LLC	Wilmington, USA	100.00	52	21	
Mercedes-Benz Versicherung AG	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Vertrieb NFZ GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Vertrieb PKW GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Vietnam Ltd.	Ho Chi Minh City, Vietnam	70.00	108	30	
Mercedes-Benz Warszawa Sp. z o.o.	Warsaw, Poland	100.00	-	-	
Mercedes-Benz Waterloo S.A.	Braine-L'Alleud, Belgium	100.00	-	-	
Mercedes-Benz Wavre S.A.	Wavre, Belgium	100.00	-	-	
Mercedes-Benz Wemmel N.V.	Wemmel, Belgium	100.00	-	-	
Mercedes-Benz Wholesale Receivables LLC	Wilmington, USA	100.00	-	-	
MFTA Canada, Inc.	Toronto, Canada	100.00	-	-	
Mitsubishi Fuso Truck and Bus Corporation	Kawasaki, Japan	89.29	2,322	300	
MITSUBISHI FUSO TRUCK EUROPE - Sociedade Europeia de Automóveis, S.A.	Tramagal, Portugal	100.00	-	-	
Mitsubishi Fuso Truck of America, Inc.	Logan Township, USA	100.00	-	-	5
moovel Group GmbH	Stuttgart, Germany	100.00	23	-22	
moovel North America Inc.	Wilmington, USA	100.00	-	-	
moovel North America, LLC	Wilmington, USA	100.00	17	-21	
Multifleet G.I.E	Le Bourget, France	50.10	-	-	
myTaxi Iberia SL	Barcelona, Spain	100.00	-	-	
mytaxi Network Ireland Ltd.	Dublin, Ireland	100.00	-	-	
mytaxi Network Ltd.	London, United Kingdom	100.00	10	-10	
P.T. Mercedes-Benz Indonesia	Bogor, Indonesia	100.00	-	-	5
PT Daimler Commercial Vehicles Indonesia	Jakarta, Indonesia	100.00	-	-	
PT Mercedes-Benz Distribution Indonesia	Jakarta, Indonesia	100.00	27	13	
Renting del Pacífico S.A.C.	Lima, Peru	100.00	-	-	
Sandown Motor Holdings (Pty) Ltd	Bryanston, South Africa	62.62	-	-	
SelectTrucks of America LLC	Portland, USA	100.00	-	-	
SelectTrucks of Toronto, Inc.	Mississauga, Canada	100.00	-	-	
Setra of North America, Inc.	Oriskany, USA	100.00	-	-	
Silver Arrow Canada GP Inc.	Mississauga, Canada	100.00	-	-	
Silver Arrow Canada LP	Mississauga, Canada	100.00	-	-	
smart France S.A.S.	Hambach, France	100.00	-	-	
smart Vertriebs gmbh	Berlin, Germany	100.00	-	-	3
Special Lease Systems (SLS) B.V	Almere, Netherlands	100.00	-	-	
Star Assembly SRL	Sebes, Romania	100.00	225	66	
Starexport Trading S.A.	São Bernardo do Campo, Brazil	100.00	211	8	
Sterling Truck Corporation	Portland, USA	100.00	-	-	
Sumperská správa majetku k.s.	Prague, Czech Republic	100.00	-	-	
Thomas Built Buses of Canada Limited	Calgary, Canada	100.00	-	-	
Thomas Built Buses, Inc.	High Point, USA	100.00	100	24	
Transcovo SAS	Paris, France	66.84	176	-14	5
Transopco France SAS	Paris, France	100.00	-	-	
Trona Cogeneration Corporation	Wilmington, USA	100.00	-	-	
Ucafleet S.A.S	Le Bourget, France	65.00	-	-	
Vierzehnte Vermögensverwaltungsgesellschaft DVB mbH	Stuttgart, Germany	100.00	-	-	3
Western Star Trucks Sales, Inc	Portland, USA	100.00	-	-	
Zuidlease B.V.	Sittard, Netherlands	51.00	-	-	

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
<b>II. Unconsolidated subsidiaries</b>					
Achtzehnte Vermögensverwaltungsgesellschaft DVB mbH	Stuttgart, Germany	100.00	-	-	
AEG Olympia Office GmbH	Stuttgart, Germany	100.00	-	-	3
Anota Fahrzeug Service- und Vertriebsgesellschaft mbH	Berlin, Germany	100.00	-	-	3
Beat Chile SpA	Santiago, Chile	100.00	-	-	
Beat Ride App Colombia Ltda.	Bogota D. C., Colombia	100.00	-	-	
Beat Ride App S.A.	Mexico City, Mexico	100.00	-	-	
car2go Belgium SPRL	Brussels, Belgium	100.00	-	-	
car2go Danmark A/S	Copenhagen, Denmark	100.00	-	-	
car2go Sverige AB	Stockholm, Sweden	100.00	-	-	
Circulo Cerrado S.A. de Ahorro para Fines Determinados	Buenos Aires, Argentina	72.85	-	-	
Clever Tech S.R.L.	Bucharest, Romania	100.00	-	-	
Clever Tech Sud S.R.L.	Bucharest, Romania	100.00	-	-	
Cúspide GmbH	Stuttgart, Germany	100.00	-	-	
Daimler AG & Co. Anlagenverwaltung OHG	Schönefeld, Germany	100.00	-	-	4
Daimler Automotive de Venezuela C.A.	Valencia, Venezuela	100.00	-	-	
Daimler Commercial Vehicles (Thailand) Ltd.	Bangkok, Thailand	100.00	-	-	
Daimler Commercial Vehicles Africa Ltd.	Nairobi, Kenya	100.00	-	-	
Daimler Commercial Vehicles MENA FZE	Dubai, United Arab Emirates	100.00	-	-	
DAIMLER FINANCIAL SERVICES AUSTRALIA PTY LTD	Melbourne, Australia	100.00	-	-	
Daimler Financial Services UK Trustees Ltd.	Milton Keynes, United Kingdom	100.00	-	-	
Daimler Gastronomie GmbH	Esslingen am Neckar, Germany	100.00	-	-	3
Daimler Group Services Berlin GmbH	Berlin, Germany	100.00	-	-	3
Daimler Group Services Madrid, S.A.U.	San Sebastián de los Reyes, Spain	100.00	-	-	
Daimler Innovation Technology (China) Co., Ltd.	Beijing, China	100.00	-	-	
Daimler International Assignment Services USA, LLC	Wilmington, USA	100.00	-	-	
Daimler Ladungsträger GmbH	Sindelfingen, Germany	100.00	-	-	3
Daimler Mitarbeiter Wohnfinanz GmbH	Stuttgart, Germany	100.00	-	-	3
Daimler Parts Logistics Australia Pty. Ltd.	Mulgrave, Australia	100.00	-	-	
Daimler Pensionsfonds AG	Stuttgart, Germany	100.00	-	-	10
Daimler Protics GmbH	Leinfelden-Echterdingen, Germany	100.00	-	-	3
Daimler Purchasing Coordination Corp.	Wilmington, USA	100.00	-	-	
DAIMLER TRUCK AND BUS HOLDING AUSTRALIA PACIFIC PTY LTD	Melbourne, Australia	100.00	-	-	
Daimler Trucks and Buses Southern Africa (Pty) Ltd	Zwartkop, South Africa	100.00	-	-	
Daimler Trucks Asia Taiwan Ltd.	Taipei, Taiwan	51.00	38	21	9
Daimler TSS GmbH	Ulm, Germany	100.00	2	-	3, 8
Daimler UK Share Trustee Ltd.	Milton Keynes, United Kingdom	100.00	-	-	
Daimler UK Trustees Limited	Milton Keynes, United Kingdom	100.00	-	-	
Daimler Unterstützungskasse GmbH	Stuttgart, Germany	100.00	-	-	
Deutsche Accumotive Verwaltungs-GmbH	Kirchheim unter Teck, Germany	100.00	-	-	
Dreizehnte Vermögensverwaltungsgesellschaft DVB mbH	Stuttgart, Germany	100.00	-	-	3
DTB Tech & Data Hub, Unipessoal Lda	Tramagal, Portugal	100.00	-	-	
EvoBus Reunion S. A.	Le Port, France	96.00	-	-	
EvoBus Russland OOO	Moscow, Russian Federation	100.00	-	-	
Familonet GmbH	Hamburg, Germany	100.00	-	-	
FLINC GmbH	Darmstadt, Germany	100.00	-	-	3
Fünfte Vermögensverwaltungsgesellschaft Zeus mbH	Stuttgart, Germany	100.00	-	-	
LAB1886 GmbH	Stuttgart, Germany	100.00	-	-	3
Lab1886 USA LLC	Wilmington, USA	100.00	-	-	
Lapland Car Test Aktiebolag	Arvidsjaur, Sweden	100.00	-	-	
Legend Investments Ltd.	Milton Keynes, United Kingdom	100.00	-	-	
LEONIE DMS DVB GmbH	Stuttgart, Germany	100.00	-	-	3
MB GTC GmbH Mercedes-Benz Gebrauchtteile Center	Neuhausen auf den Fildern, Germany	100.00	-	-	3
MBition GmbH	Berlin, Germany	100.00	-	-	3
Mercedes-Benz Adm. Consorcios Ltda.	São Bernardo do Campo, Brazil	100.00	-	-	

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
Mercedes-Benz CarMesh GmbH	Berlin, Germany	100.00	-	-	
Mercedes-Benz Cars & Vans Brasil - Indústria e Comércio De Veículos Ltda.	São Bernardo do Campo, Brazil	100.00	-	-	
Mercedes-Benz Cars Middle East FZE	Dubai, United Arab Emirates	100.00	-	-	
Mercedes-Benz Consulting GmbH	Leinfelden-Echterdingen, Germany	100.00	-	-	3
Mercedes-Benz Customer Assistance Center Maastricht N.V.	Maastricht, Netherlands	100.00	-	-	
Mercedes-Benz Egypt S.A.E.	New Cairo, Egypt	100.00	-	-	
Mercedes-Benz Energy Americas LLC	Wilmington, USA	100.00	-	-	
Mercedes-Benz Energy GmbH	Kamenz, Germany	100.00	5	-	3, 8
Mercedes-Benz Europa NV/SA	Woluwe-Saint-Lambert, Belgium	100.00	-	-	
Mercedes-Benz ExTra LLC	Wilmington, USA	100.00	-	-	
Mercedes-Benz Formula E Limited	Brackley, United Kingdom	100.00	-	-	
Mercedes-Benz G GmbH	Raaba, Austria	100.00	-	-	
Mercedes-Benz Group Services Phils., Inc.	Cebu City, Philippines	100.00	-	-	
Mercedes-Benz Hungária Kft.	Budapest, Hungary	100.00	-	-	
Mercedes-Benz IDC Europe S.A.S.	Valbonne, France	100.00	-	-	
Mercedes-Benz Manufacturing Rus Ltd	Moscow, Russian Federation	80.00	-	-	
Mercedes-Benz Museum GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Project Consult GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz Research & Development Tel Aviv Ltd.	Tel Aviv, Israel	100.00	-	-	
Mercedes-Benz Research and Development India Private Limited	Bangalore, India	100.00	111	32	8
Mercedes-Benz Retail Belgium NV/SA	Woluwe-Saint-Lambert, Belgium	100.00	-	-	
Mercedes-Benz Slovakia s.r.o.	Bratislava, Slovakia	100.00	-	-	
Mercedes-Benz Solihull Ltd.	Milton Keynes, United Kingdom	100.00	-	-	
Mercedes-Benz Srbija i Crna Gora d.o.o.u likvidaciji	Novi Beograd, Serbia	100.00	-	-	2
Mercedes-Benz Subscription Services USA LLC	Wilmington, USA	100.00	-	-	
Mercedes-Benz Trucks Belgium Luxembourg NV/SA	Brussels, Belgium	100.00	-	-	
Mercedes-Benz Trucks Center Sint-Pieters-Leeuw NV/SA	Sint-Peters-Leeuw, Belgium	100.00	-	-	
Mercedes-Benz Trucks France S.A.S.U	Montigny-le-Bretonneux, France	100.00	-	-	
Mercedes-Benz Trucks Italia S.r.l.	Rome, Italy	100.00	-	-	
Mercedes-Benz Trucks MENA Holding GmbH	Stuttgart, Germany	100.00	-	-	
MERCEDES-BENZ TRUCKS POLSKA SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Warsaw, Poland	100.00	-	-	
Mercedes-Benz Trucks Schweiz AG	Schlieren, Switzerland	100.00	-	-	
Mercedes-Benz Vans Mobility S.L.	Alcobendas, Spain	100.00	-	-	
Mercedes-Benz Vehículos Comerciales Argentina SAU	Buenos Aires, Argentina	100.00	-	-	
Mercedes-Benz Venezuela S.A.	Valencia, Venezuela	100.00	-	-	
Mercedes-Benz.io GmbH	Stuttgart, Germany	100.00	-	-	3
Mercedes-Benz.io Portugal Unipessoal Lda.	Lisbon, Portugal	100.00	-	-	
MercedesService Card Beteiligungsgesellschaft mbH	Kleinostheim, Germany	51.00	-	-	
Mitsubishi Fuso Bus Manufacturing Co., Ltd.	Toyama, Japan	100.00	51	-44	9
Monarch Cars (Tamworth) Ltd.	Milton Keynes, United Kingdom	100.00	-	-	
Montajes y Estampaciones Metálicas, S.L.	Esparraguera, Spain	51.00	-	-	
mytaxi Austria GmbH	Vienna, Austria	100.00	-	-	
MYTAXI ITALIA S.R.L.	Milan, Italy	100.00	-	-	
MYTAXI POLSKA SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	Warsaw, Poland	100.00	-	-	
mytaxi Portugal Unipessoal LDA	Lisbon, Portugal	100.00	-	-	
mytaxi Sweden AB	Stockholm, Sweden	100.00	-	-	
myTaxi UG	Hamburg, Germany	100.00	-	-	
myTaxi UK Ltd.	London, United Kingdom	100.00	-	-	
myTaxi USA Inc.	New York, USA	100.00	-	-	
NAG Nationale Automobil-Gesellschaft Aktiengesellschaft	Stuttgart, Germany	100.00	-	-	
ogotrac S.A.S.	Paris, France	100.00	-	-	
PABCO Co., Ltd.	Ebina, Japan	100.00	25	18	9

Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
Porcher & Meffert Grundstücksgesellschaft mbH & Co. Stuttgart OHG	Schönefeld, Germany	100.00	-	-	
R.T.C. Management Company Limited	Banbury, United Kingdom	88.89	-	-	
RepairSmith, Inc.	Manhattan Beach, USA	100.00	.	- 14	6
Reva SAS	Cunac, France	100.00	-	-	
Ring Garage AG Chur	Chur, Switzerland	100.00	-	-	
Sechste Vermögensverwaltungsgesellschaft Zeus mbH	Stuttgart, Germany	100.00	-	-	
SelecTrucks Comércio de Veículos Ltda	Mauá, Brazil	100.00	-	-	
Star Egypt For Import LLC	New Cairo, Egypt	99.50	-	-	
Star Transmission srl	Cugir, Romania	100.00	-	-	
STARKOM d.o.o.	Maribor, Slovenia	100.00	-	-	
T.O.C (Schweiz) AG	Schlieren, Switzerland	51.00	-	-	
Taxibeat Ltd. UK	London, United Kingdom	100.00	-	-	
Taxibeat Peru S.A.	Lima, Peru	100.00	-	-	
Taxibeat Teknoloji Hizmetleri A.S.	Istanbul, Turkey	100.00	-	-	
Transopco GmbH	Zug, Switzerland	100.00	-	-	
Transopco Portugal Unipessoal Lda.	Lisbon, Portugal	100.00	-	-	
Transopco UK Ltd.	London, United Kingdom	100.00	-	-	
trapoFit GmbH	Chemnitz, Germany	100.00	-	-	
Zweite Vermögensverwaltungsgesellschaft Zeus mbH	Stuttgart, Germany	100.00	-	-	3

### III. Joint operations accounted for using proportionate consolidation

Cooperation Manufacturing Plant Aguascalientes, S.A.P.I de C.V.	Aguascalientes, Mexico	54,01	639	12	6
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### IV. Joint operations accounted for using the equity method

AFCC Automotive Fuel Cell Cooperation Corp.	Burnaby, Canada	50.10	-	-	
EM-motive GmbH	Hildesheim, Germany	50.00	-	-	
North America Fuel Systems Remanufacturing LLC	Kentwood, USA	50.00	37	14	6

### V. Joint ventures accounted for using the equity method

Beijing Foton Daimler Automotive Co., Ltd	Beijing, China	50.00	699	54	9
Daimler Kamaz Trucks Holding GmbH	Vienna, Austria	50.00	-	-	
Enbase Power GmbH	Munich, Germany	25.10	-	-	
Fujian Benz Automotive Co., Ltd.	Fuzhou, China	50.00	450	149	6
IONITY Holding GmbH & Co. KG	Munich, Germany	25.00	-	-	
MB Service Japan Co., Ltd.	Hitachi, Japan	33.40	-	-	
Polomex, S.A. de C.V.	Garcia, Mexico	26.00	-	-	
SelecTrucks of Atlanta LLC	McDonough, USA	50.00	-	-	
SelecTrucks of Houston LLC	Houston, USA	50.00	-	-	
SelecTrucks of Houston Wholesale LLC	Houston, USA	50.00	-	-	
SelecTrucks of Omaha LLC	Council Bluffs, USA	50.00	-	-	
Shenzhen DENZA New Energy Automotive Co. Ltd.	Shenzhen, China	50.00	71	-63	9
TASIAP GmbH	Stuttgart, Germany	60.00	-	-	
Toll Collect GbR	Berlin, Germany	45.00	1	-1,100	9
ViaVan Technologies B.V.	Amsterdam, Netherlands	50.00	-	-	
Wagenplan B.V.	Almere, Netherlands	50.00	-	-	

### VI. Associated companies accounted for using the equity method

BAIC Motor Corporation Ltd.	Beijing, China	9.55	4,886	944	9
Beijing Benz Automotive Co., Ltd.	Beijing, China	49.00	5,022	2,570	6
BlackLane GmbH	Berlin, Germany	29.64	1	-10	9
FlixMobility GmbH	Munich, Germany	5.62	232	-19	7
FUSO LAND TRANSPORT & Co. Ltd.	Kawasaki, Japan	21.67	-	-	
KAMAZ PAO	Naberezhnye Chelny, Russian Federation	15.00	558	52	7



Name of the Company	Domicile, Country	Capital share in % <sup>1</sup>	Equity in millions of €	Net income (loss) in millions of €	Footnote
Kanagawa Mitsubishi Fuso Truck & Bus Sales Co., Ltd.	Yokohama, Japan	43.83	-	-	
LSH Auto International Limited	Hong Kong, China	15.00	-	-	
Okayama Mitsubishi Fuso Truck & Bus Sales Co., Ltd.	Okayamashi, Japan	50.00	-	-	
P.T. Krama Yudha Tiga Berlian Motors	Jakarta, Indonesia	30.00	144	20	9
P.T. Mitsubishi Krama Yudha Motors and Manufacturing	Jakarta, Indonesia	32.28	-	-	
Taxify OÜ	Tallinn, Estonia	9.69	19	-11	7
There Holding B.V.	Rijswijk, Netherlands	29.56	1,764	-337	6
Toll4Europe GmbH	Berlin, Germany	15.00	65	-12	6
Verimi GmbH	Frankfurt am Main, Germany	15.15	-	-	
Via Transportation Inc.	New York, USA	12.28	178	-81	7

**VII. Joint operations, joint ventures, associated companies and substantial other investments accounted for at (amortized) cost**

Abgaszentrum der Automobilindustrie GbR	Weissach, Germany	25.00	-	-	2, 4
BDF IP Holdings Ltd.	Burnaby, Canada	33.00	-	-	
Beijing Mercedes-Benz Sales Service Co., Ltd.	Beijing, China	51.00	49	11	9
ChargePoint Inc.	Campbell, USA	5.55	-	-	
COBUS Industries GmbH	Wiesbaden, Germany	40.82	-	-	
Esslinger Wohnungsbau GmbH	Esslingen am Neckar, Germany	26.57	-	-	
European Center for Information and Communication Technologies - EICT GmbH	Berlin, Germany	25.00	-	-	
EvoBus Hungária Kereskedelmi Kft.	Budapest, Hungary	33.33	-	-	
Gottapark, Inc.	San Francisco, USA	18.09	-	-	
Grundstücksgesellschaft Schlossplatz 1 mbH & Co. KG	Berlin, Germany	18.37	-	-	4
H2 Mobility Deutschland GmbH & Co. KG	Berlin, Germany	2.90	-	-	
hap2U SAS	Pontcharra, France	34.59	-	-	
inpro Innovationsgesellschaft für fortgeschrittene Produktionssysteme in der Fahrzeugindustrie mbH	Berlin, Germany	20.00	-	-	
Laureus World Sports Awards Limited	London, United Kingdom	50.00	-	-	
MercedesService Card GmbH & Co. KG	Kleinstheim, Germany	51.00	-	-	
MFTB Taiwan Co., Ltd.	Taipei, Taiwan	33.40	-	-	
Momenta Global Limited	Grand Cayman, Cayman Islands	5.10	-	-	
National Automobile Industry Company Ltd.	Jeddah, Saudi Arabia	26.00	-	-	
Omuta Unso Co., Ltd.	Ohmuta, Japan	33.51	-	-	
PDB - Partnership for Dummy Technology and Biomechanics GbR	Ingolstadt, Germany	20.00	-	-	4
Proterra Inc.	Burlingame, USA	5.12	-	-	
Rally Bus Corp.	New York, USA	12.33	-	-	
REV Coach LLC	Wilmington, USA	20.00	-	-	
smart-BRABUS GmbH	Bottrop, Germany	50.00	-	-	
STARCAM s.r.o.	Most, Czech Republic	51.00	-	-	
tiramizoo GmbH	Munich, Germany	20.84	-	-	
Toyo Kotsu Co., Ltd.	Sannoseki, Japan	28.20	-	-	
Turo Inc.	San Francisco, USA	5.17	-	-	
VfB Stuttgart 1893 AG	Stuttgart, Germany	11.75	53	-14	9
Volocopter GmbH	Bruchsal, Germany	10.17	-	-	
what3words Ltd.	Hinxworth, United Kingdom	12.23	-	-	
Zonar Systems, Inc.	Seattle, USA	19.42	-	-	

1 Shareholding pursuant to Section 16 of the German Stock Corporation Act (AktG)

2 In liquidation

3 Profit-and-loss transfer agreement with Daimler AG (direct or indirect)

4 Daimler AG is the partner with unlimited liability.

Furthermore, Daimler AG is the partner with unlimited liability in MOST Cooperation GbR, Karlsruhe (Germany).

5 Pre-consolidating company

6 Financial statements according to IFRS 2018

7 Financial statements according to IFRS 2017

8 Financial statements according to local GAAP 2018

9 Financial statements according to local GAAP 2017

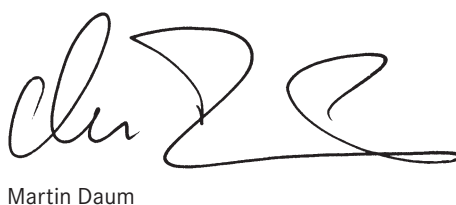
10 Control over the investment of the assets. No consolidation of the assets due to the contractual situation

# Board of Management

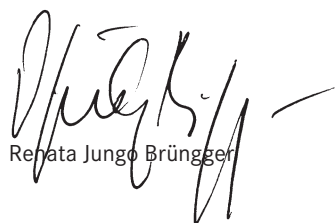
Stuttgart, February 13, 2019



Dieter Zetsche



Martin Daum



Renata Jungo Brüngger



Ola Källenius



Wilfried Porth



Britta Seeger



Hubertus Troska

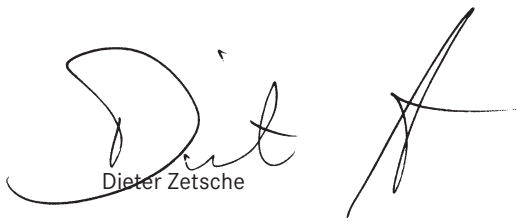


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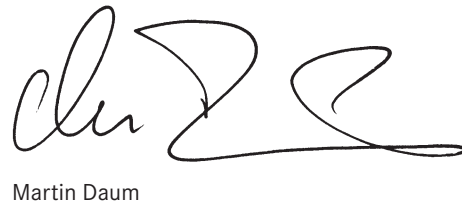
# Responsibility Statement

To the best of our knowledge, and in accordance with applicable reporting principles, the financial statements give a true and fair view of the financial position, cash flows and profit or loss of Daimler AG, and the management report, which has been combined with the Group management report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of Daimler AG.

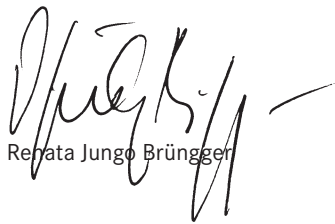
Stuttgart, February 13, 2019



Dieter Zetsche



Martin Daum



Renata Jungo Brünnger



Ola Källenius



Wilfried Porth



Britta Seeger



Hubertus Troska



Bodo Uebber

# Independent Auditor's Report

To Daimler AG, Stuttgart

## Report on the Audit of the Annual Financial Statements and of the Combined Management Report

### Opinions

We have audited the financial statements of Daimler AG, Stuttgart (the Company), which comprise the balance sheet as of December 31, 2018 and the income statement for the financial year from January 1 to December 31, 2018, as well as the notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of Daimler AG, Stuttgart, for the financial year from January 1 to December 31, 2018.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2018, and of its financial performance for the financial year from January 1 to December 31, 2018, in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, the combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 paragraph 3 sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

### Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as the "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 paragraph 2 letter f) of the EU Audit Regulation, we declare that we have not provided any non-audit services prohibited under Article 5 paragraph 1 of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and the combined management report.

### Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2018. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

### Impairment of Financial Assets

Please refer with regard to the accounting policies and methods applied to the notes to the financial statements in the section entitled "Accounting policies and methods". Further information on the financial assets can be found in the notes to the financial statements in Note 3 "Financial assets" in the section entitled "Notes to the Balance Sheet" and in the comments in the combined management report in the section entitled "Company-specific risks and opportunities – risks and opportunities related to associated companies, joint ventures and joint operations".

## THE RISK FOR THE ANNUAL FINANCIAL STATEMENTS

Daimler AG holds shares in subsidiaries and associated companies with a book value of € 42 billion.

Financial assets are measured at cost of acquisition or, if there is an indication of permanent impairment, at the lower fair values.

In the absence of market values, the lower fair value as the benchmark for impairment of the financial assets is primarily determined as the discretionary future earnings value. If the fair value is lower than the book value, it is investigated on the basis of qualitative and quantitative criteria whether the impairment is expected to be permanent. The assessment of impairment including the calculation of the fair value via the future earnings value is complex and, as regards the assumptions made, dependent to a high degree on estimations and assessments by the Company. This applies in particular to the estimation of the future cashflows and long-term growth rates and the determination of the interest rates applied for capitalization purposes. On account to the complexity and the discretion in connection with the determination of the fair value, the main risk is that impairment will not be identified in time or that the impairment loss recognized is inadequate.

In the light of updated assessments of the market and unit sales developments in newly industrialized countries, write-downs of altogether € 254 million were recorded in the financial year on interests in subsidiaries and associated companies.

### OUR AUDIT APPROACH

We performed a risk-oriented audit. We first of all evaluated the process for determining the need to recognize impairment and assessed, on the basis of the information obtained in the course of our audit, the subsidiaries and associated companies where there are indications of the need to recognize impairment. To this end, we appraised in particular the impairment test documentation and reviewed the forecasts on the future development of the revenue and earnings of the individual companies.

Our audit procedures on the valuation of the, in our opinion, main financial investments that are at risk, which were not transferred within the Group in conjunction with the bundling of the Mercedes-Benz Cars and Mercedes-Benz Vans divisions and the Daimler Trucks and Daimler Buses divisions of the Daimler Group in each case into legally independent business entities ("Project Future"), consisted in particular of the assessment of whether the underlying cashflow forecasts are based on accurate and acceptable assumptions. Hereby we first of all compared the unit sales expected by the companies with the external market assessments. At the same time, we evaluated the explanations of the Company's legal representatives regarding the main assumptions, the strategic considerations and the operative measures reflected in the budgets with regard to their impact on the cashflow forecasts. We used our own valuation specialists in order to assess the valuation methods and the interest rates applied for capitalization purposes with regard to the determination of the lower fair value and to audit the mathematical correctness of the discounted cashflows. In

order to evaluate the acceptability of the Company's assumptions, we evolved a range of acceptable carrying amounts for the lower fair values with the help of our valuation model.

In order to audit the valuation of significant shares in affiliated companies, which were transferred within the Group at fair value in conjunction with the "Project Future", we used as a basis the valuation reports of the external appraiser instructed by Daimler AG. For this we assessed the competence, capabilities and objectivity of the external appraiser. We then evaluated the appropriateness of the main assumptions and the measurement model for the company valuations that were performed, using our own valuation specialists. To this end, we discussed the expected cashflows and the assumed long-term growth rates with those responsible for the planning and the independent appraiser. In addition, we evaluated the consistency of the assumptions with external market assessments. We compared the assumptions and parameters supporting the capitalization interest rate with our own assumptions and publicly available data. In order to take account of the prevailing forecast uncertainty, we calculated and evaluated alternative scenarios (sensitivity analyses) with regard to the main assumptions impacting the cashflow forecasts. In order to ensure the arithmetical correctness of the valuation model that was applied, we checked the calculations on the basis of selected risk-oriented elements.

### OUR OBSERVATIONS

The approach providing the basis for the impairment tests on the financial assets is appropriate and is consistent with the accounting principles. The Company's assumptions and parameters are appropriate.

## Measurement of the Provision for Product Warranties

Please refer with regard to the accounting policies and methods applied to the notes to the financial statements in the section entitled "Accounting policies and methods". Further information on the product warranties can be found in the notes to the financial statements in Note 11 "Other provisions" in the section entitled "Notes to the Balance Sheet" and in the comments in the combined management report in the section entitled "Company-specific risks and opportunities - warranty and goodwill cases".

## THE RISK FOR THE ANNUAL FINANCIAL STATEMENTS

Daimler AG has set up provisions for product warranties, which are included in the other provisions of € 14,372 million.

Daimler AG faces various claims under product guarantees, or grants various kinds of product warranties, which are entered into for the error-free functioning of a Daimler product sold or service rendered over a defined period of time. In order to confirm or reassess future guarantee, warranty and goodwill expenses, continuously updated information on the nature and volume and the remedying of faults that have occurred is recorded and analyzed at the level of the business unit, model series, damage key and sales year.

Significant uncertainty for the calculation of the provision arises with regard to the future loss event. The risk for the annual financial statements is that the provision is not properly measured.

#### OUR AUDIT APPROACH

Our audit procedures included among other things the evaluation of the process to calculate the provision for product warranties and the evaluation of the relevant assumptions and their derivation for the measurement of the provisions. These include primarily assumptions on expected susceptibility to and the course of damage, and in addition the monetary value of the damage per vehicle based on actual warranty, guarantee and goodwill losses. Based on historical analyses, we assessed the accuracy of the forecasts of past warranty, guarantee and goodwill costs. We also checked that updated assessments of the future repair costs and procedures were taken into account. We obtained an understanding for the underlying numbers of vehicles through the actual unit sales.

#### OUR OBSERVATIONS

The calculation methods and the assumptions made are appropriate.

### Measurement of the Provision for Risks on Buyback Commitments or Residual Value Guarantees

Please refer with regard to the accounting policies and methods applied to the notes to the financial statements in the section entitled "Accounting policies and methods". Further information on the risks on buyback commitments or residual value guarantees can be found in the notes to the financial statements in Note 11 "Other provisions" in the section entitled "Notes to the Balance Sheet" and in the comments in the combined management report in the section entitled "Industry and business risks and opportunities".

#### THE RISK FOR THE ANNUAL FINANCIAL STATEMENTS

Daimler AG has set up provisions for risks on buyback commitments and residual value guarantees, which are included in the other provisions of € 14,372 million.

Daimler AG grants customers or dealers on leasing or financing agreements residual value guarantees or enters into buyback commitments. Daimler AG sets up provisions for risks resulting from buyback commitments or residual value guarantees if the forecast market value of the vehicle at the return date is lower than the guaranteed buyback price.

In view of the ongoing discussion on diesel as a driving technology and the first legally prescribed and threatened or already implemented traffic bans in cities with high levels of air pollution, uncertainty exists with regard to the further marketability of used vehicles with diesel technology and accordingly the development of the market values achievable in the future.

The assessment of these future market values is subject to discretionary judgment.

There is a risk for the annual financial statements that inadequate account will be taken in the measurement of the provisions for buyback commitments and residual value guarantees of the marketing opportunities with regard to vehicles with diesel technology in the estimation of the future market values.

#### OUR AUDIT APPROACH

Our main focus in our risk-oriented audit approach was on the market value forecasts for used cars with diesel technology. We first of all evaluated the process implemented by the Company to identify risks resulting from the buyback commitments or residual value guarantees entered into. We checked whether Daimler AG regularly updates the market price forecasts, taking into account the assessments of third parties. At the same time, we evaluated the accuracy of previous market value forecasts, based on a historical analysis, in that the continuously reviewed and, where necessary, adjusted forecasted market values of returns from leasing are compared with the realized sales proceeds of the vehicles at the time of buyback on expiry of the lease term, and thereby assessed the quality of the process for arriving at future market values.

#### OUR OBSERVATIONS

The future-oriented estimation of the market values is as a whole balanced and appropriate.

### Accounting Treatment of Legal Proceedings

Please refer with regard to the accounting policies and methods applied to the notes to the financial statements in the section entitled "Accounting policies and methods". Further information on the legal proceedings can be found in the notes to the financial statements in the section entitled "Legal Proceedings" and in the comments in the combined management report in the section entitled "legal and tax risks – legal risks".

#### THE RISK FOR THE ANNUAL FINANCIAL STATEMENTS

Daimler is confronted by various legal proceedings, claims and governmental investigations and orders (legal proceedings) on a wide range of topics, including for example vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights, product warranties, environmental matters, antitrust matters (including actions for damages) and shareholder matters. Legal proceedings relating to products deal with claims on account of alleged vehicle defects. Some of these claims are asserted by way of class action suits. If the outcome of such legal proceedings is detrimental to Daimler AG, the Company may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions.

Whether the recognition of a provision and, if so, in what amount it is necessary on account of legal proceedings is dependent to a high degree on discretionary estimates and assumptions by the legal representatives. In view of this and the monetary amounts involved with regard to the risks, the following legal proceedings of Daimler AG are in our opinion of particular importance.



## a) Diesel emission behavior – administrative proceedings

Several state and federal authorities and further institutions worldwide have made inquiries and/or have carried out investigations and/or proceedings and/or have issued directives. The inquiries and investigations cover test results, the emission control systems in Mercedes-Benz diesel vehicles and/or the interaction of the Company with the relevant state and federal authorities as well as related legal issues and implications, including, but not limited to, those under applicable environmental, securities and criminal and antitrust laws.

## b) Diesel emission behavior – class action and other suits in USA and Canada

In class action suits pending in the USA, Canada and State of Arizona the use of devices that impermissibly impair the effectiveness of emission control systems in reducing nitrogen-oxide (NO<sub>x</sub>) emissions and which are supposed to cause excessive emissions from vehicles with diesel engines is accused. In addition, the plaintiffs claim that consumers were deliberately misled in connection with the advertising for Mercedes-Benz diesel vehicles. In addition, it is alleged in one of these class action suits that Daimler had conspired with a component supplier in order to deceive U.S. supervisory authorities and consumers.

## c) Antitrust proceedings (including damage suits)

- Following the imposition of a fine by the European Commission against Daimler AG and other truck manufacturers in July 2016, truck customers have raised damage claims against Daimler AG.
- Since July 25, 2017, several class action suits have been filed in the USA and in Canada against Daimler AG and other automobile manufacturers and several of their North American subsidiaries. The plaintiffs claim to have suffered losses because it is alleged that the defendants have engaged since the nineteen-nineties in anticompetitive behavior with regard to motor vehicle technology, costs, suppliers, markets and other anticompetitive matters, including diesel emission control technology. On October 4, 2017, all pending U.S. class actions were centralized in one proceeding. On March 15, 2018, the plaintiffs in the U.S. class action suits expanded and consolidated their claims in two briefs, one of which was in the name of the consumers and the other in the name of the dealers.
- Daimler AG already filed an application for immunity (“leniency application”) some time ago with the European Commission in this connection. In the third quarter of 2018, the European Commission instituted a formal investigation into possible collusion regarding emission reduction systems.

The recognition and measurement of the provisions set up for the legal proceedings are based on discretionary assessments and assumptions by the legal representatives.

The risk for the annual financial statements is that provisions for legal proceedings are not set up or are inadequate.

## OUR AUDIT APPROACH

Our audit procedures comprised firstly an evaluation of the process established by the Company to ensure the recording, the estimation of the outcome of the proceedings and the reflection in the annual financial statements of the legal proceedings. Secondly, we held discussions with the internal legal department and with further departments familiar with the matters under dispute and the Company’s external advisors and attorneys, in order to obtain explanations on the developments and the reasons that had led to the respective estimations. In addition, we reviewed the underlying documents and minutes. We were provided by the Company with the legal representatives’ written assessment in the aforementioned areas. As of the reporting date, assessments were available from external attorneys, which support the assessment of the risks by the legal representatives.

Finally, we evaluated the appropriateness of the description of the aforementioned legal proceedings in the notes to the financial statements.

## OUR OBSERVATIONS

The discretionary assessments and assumptions are appropriate.

**Responsibilities of the Legal Representatives and the Supervisory Board for the Annual Financial Statements and the Combined Management Report**

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the legal representatives are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Company’s ability to continue as a going concern. They are also responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith. Furthermore, the legal representatives are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and for providing sufficient appropriate evidence for the assertions in the combined management report.



The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the combined management report.

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Combined Management Report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements, and of arrangements and measures (systems) relevant to the audit of the combined management report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.

- evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.

- conclude on the appropriateness of the use by the legal representatives of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

- evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- perform audit procedures on the prospective information presented by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or other legal regulations preclude public disclosure of the matter.

## Other Legal and Regulatory Requirements

### **Further Information pursuant to Article 10 of the EU Audit Regulation**

We were elected as auditor by the annual general meeting on April 5, 2018. We were engaged by the supervisory board on April 26, 2018. We have been the auditor of Daimler AG without interruption since the financial year 1998.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

### **German Public Auditor Responsible for the Engagement**

The German Public Auditor responsible for the engagement is Dr. Axel Thümmler.

Stuttgart, February 13, 2019

KPMG AG  
Wirtschaftsprüfungsgesellschaft

[Original German version signed by]

gez. Becker  
Wirtschaftsprüfer  
[German Public Auditor]

gez. Dr. Thümmler  
Wirtschaftsprüfer  
[German Public Auditor]

**Forward-looking statements:**

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates and tariff regulations; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.

**These documents represent the English translation of the German “Jahresabschluss” which is the sole authoritative version.**

