



Interim Report Q1 2024

Mercedes-Benz Group



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Key Figures

Financial key figures of the Mercedes-Benz Group in the first quarter

	Q1 2024	Q1 2023	Change
In millions of euros			in %
Revenue	35,873	37,516	-4
EBIT	3,863	5,504	-30
Adjusted EBIT	3,598	5,422	-34
Net profit	3,025	4,011	-25
Earnings per share (in euros) ¹	2.86	3.69	-22
Free cash flow of the industrial business	2,233	2,164	+3
Adjusted free cash flow of the industrial business	2,323	2,245	+3
Net liquidity of the industrial business (31 March)	33,635	28,889	+16
Investments in property, plant and equipment	659	789	-16
Research and development expenditure ²	2,197	2,458	-11
thereof capitalized development costs	729	775	-6

1 Based on net profit attributable to shareholders of Mercedes-Benz Group AG.

2 Adjustment in first quarter 2023 carried out: reduction of € 12 million. Further information can be found in the table "Condensed Consolidated Statement of Income/Loss for the three-month period ended 31 March" in the chapter Profitability.

Financial key figures of the segments in the first quarter

	Mercedes-Benz Cars			Mercedes-Benz Vans		
	Q1 2024	Q1 2023	Change in %	Q1 2024	Q1 2023	Change in %
In millions of euros						
Revenue	25,713	27,812	-8	4,893	4,615	+6
EBIT	2,456	4,148	-41	933	762	+22
Adjusted EBIT	2,323	4,113	-44	800	719	+11
Return on sales (in %)	9.6	14.9	.	19.1	16.5	.
Adjusted return on sales (in %)	9.0	14.8	.	16.3	15.6	.
CFBIT	2,297	2,981	-23	643	410	+57
Adjusted CFBIT	2,341	3,020	-22	688	450	+53
Adjusted cash conversion rate	1.0	0.7	.	0.9	0.6	.
Investments in property, plant and equipment	601	732	-18	46	51	-10
Research and development expenditure	1,933	2,254	-14	241	191	+26
thereof capitalized development costs	601	685	-12	127	90	+41
	Mercedes-Benz Mobility					
	Q1 2024	Q1 2023	Change in %			
In millions of euros						
Revenue	6,855	6,639	+3			
EBIT	279	539	-48			
Adjusted EBIT	279	539	-48			
Return on equity (in %)	8.5	15.6	.			
Adjusted return on equity (in %)	8.5	15.6	.			
New business	14,750	14,701	+0			

1 The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

Non-financial key figures in the first quarter

	Mercedes-Benz Cars			Mercedes-Benz Vans		
	Q1 2024	Q1 2023	Change in %	Q1 2024	Q1 2023	Change in %
In units						
Total unit sales	462,978	503,483	-8	105,425	98,885	+7
thereof						
Electrified vehicles (xEVs)	90,177	91,698	-2	2,980	3,570	-17
All-electric vehicles (BEVs)	47,521	51,639	-8	2,980	3,570	-17
Plug-in hybrid vehicles (PHEVs)	42,656	40,059	+6	-	-	.
Share of electrified vehicles in % of unit sales	19.5	18.2	.	2.8	3.6	.
Share of all-electric vehicles (BEVs) in % of unit sales	10.3	10.3	.	2.8	3.6	.

Reporting principles

The Interim Report of Mercedes-Benz Group AG as of 31 March 2024 comprises an Interim Group Management Report (Interim Management Report) and condensed Interim Consolidated Financial Statements (Interim Financial Statements). In keeping with IAS 34 (Interim Financial Reporting), the Interim Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and their interpretations as endorsed by the European Union (EU) and effective at the reporting date. This Interim Group Management Report and the Interim Financial Statements also comply with the requirements of the German Securities Trading Act (WpHG).

This Interim Report should be read in conjunction with the Annual Report for financial year 2023 and the additional information contained therein.

The Group comprises the segments Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Mobility. The reconciliation of the segments to the Group (reconciliation) presents the functions and services provided by the Group's headquarters. In addition, it includes equity investments that are not allocated to the segments, effects at the corporate level and the impact on earnings of eliminating intercompany transactions between the segments.

The Interim Report is presented in euros (€). Unless otherwise stated, all amounts are stated in millions of euros. All figures shown are commercially rounded.

The Board of Management authorized the Interim Report for publication on 29 April 2024. It is published in German and English. The German version is binding.

The Interim Management Report and the Interim Financial Statements have been reviewed by the Mercedes-Benz Group's auditors.

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 negative change in market conditions in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, 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, customs and foreign trade provisions; changes in laws, regulations and government policies (or changes in their interpretation), particularly those relating to vehicle emissions, fuel economy and safety or to ESG reporting (environmental, social or governance topics); price increases for fuel, raw materials or energy; disruption of production due to shortages of materials or energy, labour strikes or supplier insolvencies; a shift in consumer preferences towards smaller, lower-margin vehicles; a limited demand for all-electric vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; 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; the resolution of pending governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading "Risk and Opportunity Report" in the current Annual Report or in this Interim 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.

Interim Group Management Report

Important events

Review of future structure of Own Retail in Germany

On 19 January 2024, the Mercedes-Benz Group announced a comprehensive review of the structures of the Group's Own Retail in Germany. The review is open-ended as regards its outcome and will be conducted individually and step-by-step at each retail location. The Group expects the transformation process to take several years. Contract negotiations with potential buyers had not yet taken place as of the balance sheet date. At the present time, it is not possible to reliably estimate the effects on the profitability, cash flows and financial position.

Share buyback policy and further share buyback programme

On 21 February 2024, Mercedes-Benz Group AG resolved to implement a share buyback policy. Based on such policy, the future Free Cash Flow of the industrial business (as available post potential small-scale M&A transactions) generated beyond the approximately 40% dividend payout ratio of Mercedes-Benz Group net profit shall be used to fund share buybacks with the purpose of redeeming shares.

In this context, Mercedes-Benz Group AG has also resolved to conduct a further share buyback programme, through which it is intended to acquire treasury shares worth up to €3 billion (not including incidental costs) on the stock exchange and to then cancel them. The further share buyback programme will be based on the authorization by the Annual General Meeting of Mercedes-Benz Group AG on 8 July 2020, authorizing the Board of Management to acquire, with the approval of the Supervisory Board, treasury shares up to a maximum of 10% of the share capital until 7 July 2025.

The additional share buyback programme is now scheduled to commence in May 2024 in parallel with the share buyback programme in the volume of up to €4 billion (not including incidental costs) which was started in March 2023. Both share buyback programmes are expected to be completed in the first quarter of 2025.

Future share buyback programmes are subject to the necessary resolutions of the company's corporate bodies required in each individual case.

Mercedes-Benz Group ESG Conference 2024

At the ESG conference on 20 March 2024, the Mercedes-Benz Group presented the progress it has made in achieving the sustainability targets. The Group continues to pursue the goal of making the entire new vehicle fleet net carbon-neutral¹ across all stages of the value chain by 2039. As part of the global expansion of the electric vehicle portfolio, the goal is to achieve an electrified vehicle share of up to 50% of new vehicle car fleet sales in the second half of the decade. An 80% reduction in CO₂ emissions is planned in production by the end of the decade². By 2039, 100% of the plants' energy requirements are to be covered by renewable sources of energy. In addition, social aspects and good corporate governance contribute to a holistic sustainability approach. Strategically focused and tactically flexible, the company remains environmentally and economically on the path towards a sustainable future.

¹ Net carbon-neutral means that no CO₂ emissions are caused or that any CO₂ emissions arising are compensated for by certified offset projects.

² Scope 1 (direct CO₂ emissions from sources for which the company is directly responsible or which it controls) and Scope 2 emissions (indirect CO₂ emissions from purchased energy such as electricity and district heating that are generated externally but consumed by the company) in comparison to 2018.

Business development

Automotive markets

The development of the **world economy** continued to be rather subdued in the first quarter of 2024, even though a number of leading indicators improved somewhat near the end of the period. The European economy continued to stagnate, while the US economy remained robust and was stronger than expected. The Chinese economy continued to face considerable structural challenges, especially in the property sector; however, short-term economic development stabilized further in the first quarter. The decrease in inflation rates has slowed recently in many places. Accordingly, major central banks left their key interest rates at the previously high levels.

In the **automotive markets**, weaker demand from customers became increasingly noticeable after the high order backlogs caused by the pandemic had largely been eliminated. Nevertheless, the global **car market** saw a slight increase in the first quarter of the year thanks to strong growth in China. In Europe, the market volume was also slightly above the previous year's level. The US light vehicle market also recorded slight growth in the past quarter. The Chinese market, on the other hand, was up significantly; however, in the prior-year period, unit sales there were still impacted by the partial elimination of tax concessions on car

purchases. Recently, the development of the premium and luxury segment of the market in China was weaker than that of the car market as a whole.

The results in key **van markets** were mixed in the past quarter. In the Europe region, the total market for mid-size and large vans was significantly above the previous year's level. The small van segment, on the other hand, was slightly down. The US market for large vans was significantly below the level of the previous year. The Chinese market for mid-size vans recorded a slight increase.

Unit sales

Mercedes-Benz Cars

Mercedes-Benz Cars sold 463,000 units in the first quarter of 2024 (Q1 2023: 503,500). The 8% decline in unit sales compared to the previous year's quarter was primarily attributable to the Chinese market. Developments in China were affected in particular by model changes and bottlenecks in the supply chain. Unit sales in Europe and the USA were recorded at previous year's level.

Unit sales in the **Top-End**¹ category accounted for 14% of total unit sales in the first three months of 2024. The availability of Top-End products was mainly restricted by the model changeover of the G-Class and the Mercedes-AMG derivatives of the E-Class and GLC as well as bottlenecks in the supply chain. Mercedes-AMG sold 29,000 units (Q1 2023: 40,300). The S-Class² maintained its market leadership in the major sales markets, at 16,900 (Q1 2023: 26,700) vehicles. Sales of the GLS² amounted to 18,400 units (Q1 2023: 21,400) and of the G-Class² to 9,200 units (Q1 2023: 10,200). Mercedes-Maybach sold 5,200 vehicles (Q1 2023: 6,700).

¹ The Top-End category comprises all AMG models, including the AMG models of the various "Class" model ranges and their derivatives in the Core and Entry segments.

² Including Mercedes-Maybach and Mercedes AMG derivatives.

The **Core** category accounted for 58% of the overall portfolio's unit sales in the first quarter of 2024. The 8% increase in this category was mainly due to the improved availability of the GLC. Sales of the GLC¹ increased to 87,100 units (Q1 2023: 54,200). Sales of the E-Class¹ fell to 52,700 units (Q1 2023: 82,700) due to the market launch in China and the associated temporarily limited availability. Unit sales of the C-Class¹ rose to 81,500 saloons, estates, coupés and cabriolets (Q1 2023: 80,800). Sales of the GLE¹ reached 59,100 units (Q1 2023: 49,000).

The **Entry** category represented 28% of the entire portfolio in the first quarter of 2024. Sales of the A-Class¹ totalled 53,200 units (Q1 2023: 68,600). Sales of the B-Class amounted to 4,300 vehicles (Q1 2023: 5,400). The GLA¹ reached 39,100 units sold (Q1 2023: 45,300), and the GLB¹ 34,600 units (Q1 2023: 48,700). A total of 3,800 smart vehicles were sold in the European market (Q1 2023: 5,400).

Overall, the **share of electrified vehicles** in Mercedes-Benz Cars' total unit sales reached 19.5% in the first three months of 2024 (Q1 2023: 18.2%). This corresponds to 90,200 units (Q1 2023: 91,700). Unit sales of all-electric vehicles were down 8% on the same quarter of the previous year. The decline was mainly due to the end of the product life cycle of the smart EQ fortwo (previously produced in Europe) in the first quarter of 2024. In addition, demand for all-electric vehicles slowed following the discontinuation of the environ-

mental bonus for electric vehicles in Germany in December 2023. Demand for plug-in hybrid vehicles led to a 6% increase in unit sales in the first quarter of 2024 compared to the same quarter of the previous year.

Mercedes-Benz Cars unit sales

	Q1 2024	Q1 2023	Change
In units			in %
Total unit sales	462,978	503,483	-8
Top-End	66,554	91,772	-27
% share of unit sales	14	18	
Core	267,662	248,383	+8
% share of unit sales	58	49	
Entry	128,762	163,328	-21
% share of unit sales	28	33	
thereof			
Electrified vehicles (xEVs)	90,177	91,698	-2
All-electric vehicles (BEVs)	47,521	51,639	-8
Plug-in hybrid vehicles (PHEVs)	42,656	40,059	+6
Share of electrified vehicles in % of unit sales	19.5	18.2	

Mercedes-Benz Vans

Mercedes-Benz Vans increased unit sales in the first quarter of 2024 by 7% to 105,400 vehicles (Q1 2023: 98,900), thus setting a new record for a first quarter. The increase in unit sales is primarily attributable to the US market and the growth in sales in China.

The large vans (Sprinter/eSprinter) recorded a significant increase in sales to 56,700 units (Q1 2023: 51,300). Sales of mid-size vans (Vito/eVito, V-Class/EQV) totalled 42,500 units (Q1 2023: 39,400). Sales of small vans (Citan/eCitan, T-Class/EQT²) amounted to 6,300 units (Q1 2023: 8,200).

Sales of electrified vans amounted to 3,000 units in the first quarter of 2024 (Q1 2023: 3,600). These were exclusively all-electric models. The **share of electrified vehicles** reached 3% of total unit sales (Q1 2023: 4%). The decrease was partially due to the discontinuation of the environmental bonus for electric vehicles in Germany.

¹ Including Mercedes AMG derivatives.

² WLTP: combined energy consumption: 20.7–19.3 kWh/100 km; combined CO₂ emissions: 0 g/km; CO₂ class: A.

Mercedes-Benz Mobility

In the period ended 31 March 2024, the Mercedes-Benz Mobility division recorded a contract volume of €134.7 billion, on a par with 31 December 2023 (€135.0 billion).

Influenced by developments in unit sales, the number of new financing and leasing contracts of 318,300 was 7% below the level of the same quarter of the previous year (Q1 2023: 341,300). At €14.8 billion (Q1 2023: €14.7 billion), new business remained at the same level as in the prior-year period due to a higher average financing and leasing volume per contract.

Investment and research activities

Investments in property, plant and equipment

The investments in property, plant and equipment of the Mercedes-Benz Group amounted to €0.7 billion in the first quarter of 2024 (Q1 2023: €0.8 billion). Key drivers were investments in new vehicle architectures, the electrification of the product portfolio and the expansion of digitalization.

Investments in property, plant and equipment¹

	Q1 2024	Q1 2023	Change
In millions of euros			in %
Mercedes-Benz Group	659	789	-16
thereof Mercedes-Benz Cars	601	732	-18
thereof Mercedes-Benz Vans	46	51	-10

¹ The investments in property, plant and equipment correspond to additions to property, plant and equipment in the Consolidated Statement of Cash Flows.

Research and development expenditure

The research and development expenditure of the Mercedes-Benz Group amounted to €2.2 billion in the first quarter of 2024 (Q1 2023: €2.5 billion), of which €0.7 billion (Q1 2023: €0.8 billion) was capitalized. Research and development services focus on the transformation towards a sustainable business strategy.

Research and development

	Q1 2024	Q1 2023	Change
In millions of euros			in %
Research and development expenditure ¹	2,197	2,458	-11
thereof Mercedes-Benz Cars	1,933	2,254	-14
thereof Mercedes-Benz Vans	241	191	+26
Research and non-capitalized development costs ¹	1,468	1,683	-13
Capitalized development costs	729	775	-6
Capitalization rate in %	33	32	

¹ Adjustment in first quarter 2023 carried out: reduction of €12 million. Further information can be found in the table Condensed Consolidated Statement of Income/Loss for the three-month period ended 31 March in the chapter Profitability.

Profitability, cash flows and financial position

The profitability, cash flows and financial position shows, in addition to the figures for the Mercedes-Benz Group, figures for the industrial business and the segment Mercedes-Benz Mobility. The industrial business comprises the automotive segments Mercedes-Benz Cars and Mercedes-Benz Vans. The effects from intra-Group eliminations between the industrial business and Mercedes-Benz Mobility, as well as items at the corporate level, are generally allocated to the industrial business.

Profitability

Consolidated Statement of Income/Loss of the Mercedes-Benz Group for the three-month period ended 31 March 2024

Revenue of €35,873 million in the first quarter of 2024 was slightly below the prior-year quarter of €37,516 million. This was due to a slight decrease in unit sales, an unfavourable product and market mix and a negative development of the exchange rates.

Cost of sales amounted to €28,767 million in the first quarter of 2024 (Q1 2023: €28,066 million). Lower raw material prices were offset by negative effects resulting from the adjustment of the production volume and higher expenses for measures in connection with product lifecycles.

As a result, **gross profit in relation to revenue** in the first quarter of 2024 was significantly below the level of the same quarter of the previous year.

The total **selling and general administrative expenses** were at the same level as in the prior-year quarter.

Research and non-capitalized development costs were significantly below the prior-year level. The decrease in the first three months is mostly due to reduced expenses in connection with existing vehicle models and conventional drive systems.

The **other operating income/expense** in the first quarter of 2024 was significantly above the level of the same quarter of the previous year. This was primarily due to income from the measurement of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles.

In particular, the higher proportional contribution of the investment in Daimler Truck Holding AG led to an increase in the **gains/losses on equity-method investments**. This was opposed by the decrease in the result of the Chinese investments.

The **other financial income/expense** in the first quarter of 2024 showed an expense of €10 million (Q1 2023: expense of €39 million).

EBIT amounted to €3,863 million in the first quarter of 2024 and was thus significantly below the prior-year level of €5,504 million of the prior-year quarter. Exchange-rate effects had a slightly negative net impact.

Net **interest income/expense** improved in the first quarter of 2024, in particular as a result of higher interest income in connection with the global increase in interest rates, to €166 million (Q1 2023: €65 million).

The **income tax expense** recognized in the first quarter of 2024 amounted to €1,004 million (Q1 2023: €1,558 million). The tax rate was 24.9% (Q1 2023: 28.0%). The slight decrease of the effective tax rate is mainly due to the new assessment of tax risks.

Net profit amounted to €3,025 million in the first quarter of 2024 (Q1 2023: €4,011 million). **Non-controlling interests** accounted for a profit of €51 million (Q1 2023: €66 million). The **share of net profit attributable to shareholders of Mercedes-Benz Group AG** amounted to €2,974 million (Q1 2023: €3,945 million). This led to a decrease in **earnings per share** to €2.86 (Q1 2023: €3.69).

The calculation of earnings per share (basic) is based on an average number of outstanding shares of 1,038.4 million (Q1 2023: 1,069.8 million).

Further information on the items in the Consolidated Statement of Income/Loss can be found in the respective notes in the Notes to the Interim Consolidated Financial Statements.

Condensed Consolidated Statement of Income/Loss for the three-month period ended 31 March

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	Q1 2024	Q1 2023 ¹	Q1 2024	Q1 2023 ¹	Q1 2024	Q1 2023
In millions of euros						
Revenue	35,873	37,516	29,018	30,877	6,855	6,639
Cost of sales	-28,767	-28,066	-22,538	-22,351	-6,229	-5,715
Gross profit in relation to revenue	7,106	9,450	6,480	8,526	626	924
Selling expenses	-2,345	-2,354	-2,182	-2,176	-163	-178
General administrative expenses	-716	-712	-512	-513	-204	-199
Research and non-capitalized development costs	-1,468	-1,683	-1,468	-1,683	-	-
Other operating income/expense	706	330	670	316	36	14
Gains/losses on equity-method investments, net	590	512	605	535	-15	-23
Other financial income/expense, net	-10	-39	-9	-40	-1	1
EBIT	3,863	5,504	3,584	4,965	279	539
Interest income/expense	166	65	167	65	-1	-
Profit before income taxes	4,029	5,569	3,751	5,030	278	539
Income taxes	-1,004	-1,558	-918	-1,402	-86	-156
Net profit	3,025	4,011	2,833	3,628	192	383
thereof profit attributable to non-controlling interests	51	66				
thereof profit attributable to shareholders of Mercedes-Benz Group AG	2,974	3,945				
Earnings per share (in euros)						
for profit attributable to shareholders of Mercedes-Benz Group AG						
Basic	2.86	3.69				
Diluted	2.86	3.69				

1 Increase in the general administrative expenses in the first quarter of 2023 of €63 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation. Reclassification of €43 million from the cost of sales, €12 million from the re-search and non-capitalized development costs and €8 million from the selling expenses.

EBIT of the segments for the three-month period ended 31 March 2024

In the first quarter of 2024, the **Mercedes-Benz Cars** segment reported a significant decrease in adjusted EBIT, which was influenced by the following material factors:

- Lower raw material prices
- Lower research and non-capitalized development costs for existing vehicle models and conventional drive trains
- Decreasing unit sales
- Unfavourable product and market mix
- Higher expenses for measures in connection with product lifecycles
- Negative development of exchange rates

In the first quarter of 2024, EBIT includes the following position to be adjusted:

- Income from the measurement of provisions in connection with ongoing governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles

The **Mercedes-Benz Vans** segment was able to achieve an adjusted EBIT slightly above the level of the prior-year period. The development of earnings showed the following main influencing factors:

- Increased unit sales with positive product structure
- Healthy net pricing supported by strong product substance
- Higher inflation-related costs and supplier costs

In the first quarter of 2024, EBIT includes the following position to be adjusted:

- Income from the measurement of provisions in connection with ongoing governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles

In the first quarter of 2024, the **Mercedes-Benz Mobility** segment reported a significant decrease in adjusted EBIT. The segment's earnings were primarily influenced by the following factors:

- Lower interest margin due to higher interest rates and increased competition in the financial services sector
- Increased cost of credit risk, primarily in the United States
- Reduced remarketing result at Athlon
- Positive development of the contract volume

EBIT was also negatively impacted by expenses for the continuing ramp-up of the charging business.

In the first quarter of 2024, the EBIT of the **reconciliation** in particular includes the positive earnings contribution of the equity-method investment in Daimler Truck Holding AG.

EBIT for the three-month period ended 31 March

	Mercedes-Benz Group		Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Reconciliation	
	Q1 2024	Q1 2023 ²	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023 ²
In millions of euros										
Revenue	35,873	37,516	25,713	27,812	4,893	4,615	6,855	6,639	-1,588	-1,550
Cost of sales	-28,767	-28,066	-20,371	-20,460	-3,714	-3,407	-6,229	-5,715	1,547	1,516
Gross profit in relation to revenue	7,106	9,450	5,342	7,352	1,179	1,208	626	924	-41	-34
Selling expenses	-2,345	-2,354	-1,826	-1,860	-356	-329	-163	-178	-	13
General administrative expenses	-716	-712	-389	-410	-64	-54	-204	-199	-59	-49
Research and non-capitalized development costs	-1,468	-1,683	-1,332	-1,569	-114	-101	-	-	-22	-13
Other income/expense	1,286	803	661	635	288	38	20	-8	317	138
EBIT	3,863	5,504	2,456	4,148	933	762	279	539	195	55
Legal proceedings (and related measures)	-265	-82	-133	-35	-133	-43	-	-	1	-4
Restructuring measures	-	-	-	-	-	-	-	-	-	-
M&A transactions	-	-	-	-	-	-	-	-	-	-
Adjusted EBIT	3,598	5,422	2,323	4,113	800	719	279	539	196	51
Return on sales/return on equity (in %)			9.6	14.9	19.1	16.5	8.5	15.6		
Adjusted return on sales/return on equity (in %)¹			9.0	14.8	16.3	15.6	8.5	15.6		

1 Adjusted return on sales is calculated as the ratio of adjusted EBIT to revenue. The adjusted return on equity is determined as the ratio of adjusted EBIT to the average equity of each quarter.

2 Increase in the general administrative expenses in the first quarter of 2023 of €63 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation. Reclassification of €43 million from the cost of sales, €12 million from the research and non-capitalized development costs and €8 million from the selling expenses.

Cash flows

Condensed Consolidated Statement of Cash flows

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
In millions of euros						
Cash and cash equivalents at beginning of period	15,972	17,679	13,117	14,094	2,855	3,585
thereof cash and cash equivalents classified as assets held for sale at beginning of period	10	-	10	-	-	-
Profit before income taxes	4,029	5,569	3,751	5,030	278	539
Depreciation and amortization/impairments	1,643	1,651	1,617	1,623	26	28
Other non-cash expenses and income and gains/losses from disposals of assets	-617	-632	-633	-679	16	47
Change in operating assets and liabilities						
Inventories	-1,876	-3,438	-1,836	-3,443	-40	5
Trade receivables and trade payables	1,924	2,346	2,152	2,498	-228	-152
Receivables from financial services	1,153	-1,041	35	27	1,118	-1,068
Vehicles on operating leases	-302	572	-27	-135	-275	707
Other operating assets and liabilities	-676	-225	-777	-311	101	86
Dividends received from equity-method investments	35	28	35	28	-	-
Income taxes paid	-749	-1,100	-665	-989	-84	-111
Cash flow from operating activities	4,564	3,730	3,652	3,649	912	81

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
In millions of euros						
Additions to property, plant and equipment and intangible assets	-1,446	-1,912	-1,426	-1,900	-20	-12
Investments in and net cash inflows from disposals of shareholdings and other business operations	139	342	266	348	-127	-6
Acquisitions and sales of marketable debt securities and similar investments	-481	-1,449	-394	-1,504	-87	55
Other cash flows	-23	75	-48	55	25	20
Cash flow from investing activities	-1,811	-2,944	-1,602	-3,001	-209	57
Change in financing liabilities	-1,220	-655	-866	-306	-354	-349
Dividends paid	-1	-71	-	-70	-1	-1
Acquisition of treasury shares	-370	-86	-370	-86	-	-
Other cash inflows	18	14	18	14	-	-
Internal equity and financing transactions	-	-	444	869	-444	-869
Cash flow from financing activities	-1,573	-798	-774	421	-799	-1,219
Effect of foreign exchange-rate changes on cash and cash equivalents	56	-177	55	-154	1	-23
Cash and cash equivalents at end of period	17,208	17,490	14,448	15,009	2,760	2,481
thereof cash and cash equivalents classified as assets held for sale at end of period	19	97	19	2	-	95

Free cash flow of the industrial business

The free cash flow of the industrial business is regarded as a key performance indicator for the Mercedes-Benz Group. The free cash flow of the industrial business is derived from the reported cash flows from the operating and investing activities in the following table. The cash flow from purchases and sales of marketable debt securities and similar investments included in cash flow from investing activities are deducted, as those securities are allocated to liquidity and changes in them are thus not a part of the free cash flow. On the other hand, effects in connection with the recognition and measurement of right-of-use assets, which result from lessee accounting and are largely non-cash items, are included in the free cash flow of the industrial business. Other adjustments relate to effects from the financing of the Group's own dealerships and effects from internal deposits within the Group. In addition, the calculation of the free cash flow includes the cash flows to be shown under cash flow from financing activities in connection with the acquisition or disposal of interests in subsidiaries without loss of control.

Free cash flow of the industrial business

	Q1 2024	Q1 2023	Change
In millions of euros			
Cash flow from operating activities	3,652	3,649	+3
Cash flow from investing activities	-1,602	-3,001	+1,399
Change in marketable debt securities and similar investments	394	1,504	-1,110
Right-of-use assets	-150	-59	-91
Other adjustments	-61	71	-132
Free cash flow of the industrial business	2,233	2,164	+69
Legal proceedings (and related measures)	90	105	-15
Restructuring measures	-	101	-101
M&A transactions	-	-125	+125
Adjusted free cash flow of the industrial business	2,323	2,245	+78

The free cash flow of the industrial business amounted to €2.2 billion (Q1 2023: €2.2 billion) and was thus at the level as in the prior-year period. The development compared to the same period of the previous year was influenced by the following, partly opposing factors:

- Lower profit before income taxes adjusted for non-cash items; partly offset by lower income taxes paid

- Positive development of working capital mainly due to lower inventory build-up compared to the previous year, as well as a stronger decrease in trade receivables; partly offset by a lower increase in trade payables compared to the previous year

In the interest of greater transparency in reporting on the ongoing business, we additionally calculate and report an **adjusted free cash flow of the industrial business** of €2.3 billion (Q1 2023: €2.2 billion). The following adjustments were taken into account in the first quarters of 2024 and 2023:

- The legal proceedings include payments by the industrial business in connection with ongoing governmental and legal proceedings and related measures taken with regard to Mercedes-Benz diesel vehicles
- In the first quarter of 2023, the restructuring measures included payments made in connection with the programmes for the optimization of personnel costs
- Adjustments from M&A transactions included cash inflows from the purchase price payment for the sale of shares in Mercedes-Benz Grand Prix Ltd. in the first quarter of 2023

As well as being calculated on the basis of the disclosed cash flows from operating and investing activities, the free cash flow of the industrial business can also be calculated on the basis of the cash flows before interest and taxes (CFBIT) of the automotive segments. The reconciliation from the CFBIT of Mercedes-Benz Cars and Mercedes-Benz Vans to the free cash flow of the industrial business also includes the payments for taxes and interest. The other reconciling items primarily comprise eliminations between the segments and items that are allocated to the industrial business but for which the automotive segments are not responsible.

The following table shows the reconciliation of the CFBIT of the automotive segments to the free cash flow of the industrial business.

Reconciliation from CFBIT to the free cash flow of the industrial business

	Q1 2024	Q1 2023
In millions of euros		
CFBIT Mercedes-Benz Cars	2,297	2,981
CFBIT Mercedes-Benz Vans	643	410
Income taxes paid/refunded	-665	-989
Interest paid/received	147	-45
Other reconciling items	-189	-193
Free cash flow of the industrial business	2,233	2,164

Free cash flow of the Mercedes-Benz Group

In the first quarter of 2024, the free cash flow of the Mercedes-Benz Group resulted in a cash inflow of €3.3 billion (Q1 2023: €2.2 billion). The increase in the free cash flow of the Mercedes-Benz Group is mainly caused by the increase of the free cash flow of Mercedes-Benz Mobility compared to the prior-year period.

Cash flow from financing activities of the Mercedes-Benz Group

In the reporting period, the cash flow from financing activities of the Mercedes-Benz Group resulted in a cash outflow of €1.6 billion (Q1 2023: €0.8 billion). The higher cash outflow relative to the same period of the prior year is primarily due to the lower net refinancing in the reporting year. In addition, the first quarter of 2024 was affected by higher payments made in connection with the share buyback programme.

CFBIT and cash conversion rate of the automotive segments

The CFBIT of the automotive segments is derived from EBIT and the change in net assets, and also includes additions to right-of-use assets. The following table shows the composition of CFBIT for Mercedes-Benz Cars and Mercedes-Benz Vans compared with the prior-year period. In addition, the reconciliation from CFBIT to adjusted CFBIT and the adjusted cash conversion rate for Mercedes-Benz Cars and Mercedes-Benz Vans are shown.

The line Other was impacted, among other things, by dividend payments from equity-method investments, payments for the settlement of payables and provisions recognized in previous years through profit or loss, and by the elimination of non-cash income and expenses included in EBIT.

Reconciliation to adjusted CFBIT for the three-month period ended 31 March

	Mercedes-Benz Cars		Mercedes-Benz Vans	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023
In millions of euros				
EBIT	2,456	4,148	933	762
Change in working capital	308	-835	40	-102
Net financial investments	-25	350	9	19
Net investments in property, plant and equipment and intangible assets	-1,379	-1,722	-176	-142
Depreciation and amortization/impairments	1,491	1,521	126	103
Other	-554	-481	-289	-230
CFBIT	2,297	2,981	643	410
Legal proceedings (and related measures)	44	72	45	37
Restructuring measures	-	92	-	3
M&A transactions	-	-125	-	-
Adjusted CFBIT	2,341	3,020	688	450
Adjusted EBIT	2,323	4,113	800	719
Adjusted cash conversion rate¹	1.0	0.7	0.9	0.6

1 The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

Net liquidity and net debt

The **net liquidity of the industrial business**, which is shown in the following table, increased by €2.0 billion to €33.6 billion since 31 December 2023. The increase is mainly due to the positive free cash flow of the industrial business.

Net liquidity of the industrial business

	31 Mar. 2024	31 Dec. 2023	Change
In millions of euros			
Cash and cash equivalents	14,448	13,117	+1,331
Marketable debt securities and similar investments	6,406	5,948	+458
Liquidity	20,854	19,065	+1,789
Financing liabilities ¹	13,473	13,320	+153
Market valuation and currency hedges for financing liabilities	-692	-726	+34
Financing liabilities (nominal)	12,781	12,594	+187
Net liquidity	33,635	31,659	+1,976

1 Including liabilities from refinancing of internal dealerships.

As can be seen in the following table, after taking exchange-rate effects into account, the cash and cash equivalents of the Mercedes-Benz Group have increased to €17.2 billion since 31 December 2023. Total liquidity, which also includes marketable debt securities and similar investments, increased by €1.8 billion to €24.6 billion, as shown in the following table. **Net debt** at the Group level, which primarily results from refinancing the leasing and sales-financing business, slightly decreased by €2.5 billion to €84.1 billion compared with 31 December 2023.

Net debt of the Mercedes-Benz Group

	31 Mar. 2024	31 Dec. 2023	Change
In millions of euros			
Cash and cash equivalents	17,208	15,972	+1,236
Marketable debt securities and similar investments	7,403	6,858	+545
Liquidity	24,611	22,830	+1,781
Financing liabilities	-108,065	-108,724	+659
Market valuation and currency hedges for financing liabilities	-682	-720	+38
Financing liabilities (nominal)	-108,747	-109,444	+697
Net debt	-84,136	-86,614	+2,478

Refinancing

The Mercedes-Benz Group once again successfully utilized the international money and capital markets for **refinancing** in the first quarter of 2024.

During this period, the Mercedes-Benz Group had a cash inflow of €5.5 billion from the **issuance of bonds** (2023: €2.9 billion). The redemption of bonds resulted in cash outflows of €4.7 billion (2023: €5.1 billion).

Furthermore, in the first quarter of 2024, **asset-backed securities (ABS) transactions** were conducted in the United States generating a volume of USD1.1 billion (2023: USD1.4 billion) and in China with a volume of CNY8.0 billion (2023: CNY6.4 billion).

The syndicated **credit line** in the amount of €11.0 billion in existence since July 2018 had not been utilized as of the balance sheet date.

Financial position

As of 31 March 2024, the **balance sheet total** of the Group was slightly above the level of 31 December 2023. Adjusted for exchange-rate effects, there was an increase of €3.5 billion.

Condensed Consolidated Statement of Financial Position

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
In millions of euros						
Assets						
Intangible assets	17,796	17,593	17,232	17,022	564	571
Property, plant and equipment	26,030	26,090	25,731	25,797	299	293
Equipment on operating leases	42,177	41,712	14,405	14,445	27,772	27,267
Receivables from financial services	87,442	88,211	-98	-81	87,540	88,292
Equity-method investments	13,824	13,104	13,627	12,896	197	208
Inventories	29,087	27,294	28,047	26,126	1,040	1,168
Trade receivables	6,882	7,281	5,894	6,585	988	696
Cash and cash equivalents	17,189	15,962	14,429	13,107	2,760	2,855
Marketable debt securities and similar investments	7,403	6,858	6,406	5,948	997	910
thereof current	6,698	6,159	6,336	5,879	362	280
thereof non-current	705	699	70	69	635	630
Other financial assets	7,967	7,939	-5,904	-5,680	13,871	13,619
Other assets	10,762	10,183	1,912	1,005	8,850	9,178
Assets held for sale	590	795	590	795	-	-
Total assets	267,149	263,022	122,271	117,965	144,878	145,057

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Mobility	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
In millions of euros						
Equity and liabilities						
Equity	96,828	92,816	83,674	79,802	13,154	13,014
Provisions	15,715	16,390	14,896	15,565	819	825
Financing liabilities	108,022	108,638	-13,643	-13,575	121,665	122,213
thereof current	39,651	44,914	-27,602	-23,343	67,253	68,257
thereof non-current	68,371	63,724	13,959	9,768	54,412	53,956
Trade payables ¹	14,288	12,705	13,021	11,502	1,267	1,203
Other financial liabilities ¹	6,902	6,792	3,749	3,820	3,153	2,972
Contract and refund liabilities	9,905	10,391	9,604	10,084	301	307
Other liabilities ¹	15,299	15,066	10,780	10,543	4,519	4,523
Liabilities held for sale	190	224	190	224	-	-
Total equity and liabilities	267,149	263,022	122,271	117,965	144,878	145,057

¹ From 1 January 2024, liabilities from customs and excise duties are reported uniformly under other liabilities. The previous year's figures were adjusted accordingly: €326 million and €123 million were reclassified from other current financial liabilities and trade payables respectively to other current liabilities.

Mercedes-Benz Mobility accounts for 54% of the Mercedes-Benz Group's balance sheet total, almost unchanged from 31 December 2023. Current assets account for 40% of the balance sheet total and are at the prior-year level. Current liabilities amount to 30% of the balance sheet total and are slightly below the prior-year level of 31%.

Assets

Inventories increased compared to 31 December 2023 mainly due to increased inventories of finished products partially caused by high levels of vehicles in the process of delivery.

Receivables from financial services fell as a result of the decrease in sales financing with customers. At 49%, the leasing and sales-financing business as a proportion of the balance sheet total was at the prior-year level.

The **other assets** increased as a result of the rise in the assets from defined benefit pension plans.

Liabilities and equity

The Group's **equity** increased, in particular as a result of the positive earnings development in the first quarter. The Group's **equity ratio** increased to 36.2% (31 December 2023: 35.3%); the equity ratio for the industrial business was 68.4% (31 December 2023: 67.6%).

Provisions of €15.7 billion were below the level of €16.4 billion as of 31 December 2023. This was due in particular to the decrease in provisions for other risks.

Financing liabilities of €108.0 billion were at the level of 31 December 2023. Current bonds and commercial paper matured in the first quarter of 2024 and non-current bonds were acquired in the same amount.

Trade payables were higher than the figures for 31 December 2023, partly due to the higher production level.

Further information on the assets presented in the Statement of Financial Position and on the Group's equity and liabilities is provided in the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity and the related notes in the Notes to the Interim Consolidated Financial Statements.

The following table shows the derivation of net assets of the automotive segments. They relate to the operating assets and liabilities for which the segments are responsible.

Derivation of net assets of the automotive segments

	Mercedes-Benz Cars		Mercedes-Benz Vans	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
In millions of euros				
Intangible assets	15,679	15,537	1,545	1,476
Property, plant and equipment	23,786	23,894	1,949	1,907
Inventories	24,900	23,226	3,235	3,011
Trade receivables	4,845	5,504	1,049	1,080
Other segment assets	25,240	25,274	3,159	3,012
Segment assets	94,450	93,435	10,937	10,486
thereof assets held for sale	474	657	79	98
Trade payables	11,453	10,247	1,601	1,379
Other segment liabilities	40,833	41,421	7,726	7,853
Segment liabilities	52,286	51,668	9,327	9,232
thereof liabilities held for sale	110	102	24	18
Net assets	42,164	41,767	1,610	1,254

Outlook

The assumptions regarding the economic situation and the development of automotive markets continue to be characterized by a degree of uncertainty. In addition to unexpected macroeconomic developments, uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical events and trade policy.

Automotive markets

The outlook regarding the growth of the **world economy** has recently improved somewhat. This is primarily due to the US economy, which is expected to grow more strongly this year than assumed at the beginning of the year. On the other hand, the still rather restrictive monetary policy of central banks in many places is likely to continue to dampen global growth. Overall, the growth of the global gross domestic product is therefore expected to be rather modest at around 2.5%.

Under these conditions, demand from customers on the global automotive markets is expected to be weaker this year, especially as the high order backlogs from the pandemic have now largely been processed. Against this backdrop, only slight growth is expected for the global **car market** compared to the previous year. The picture is similar across the regions. A slight increase in market volume is expected for Europe. Unit sales for the US light vehicle market are also likely to slightly exceed the level recorded in the previous year. A slight increase in market volume is also expected for China.

Growth in key **van markets** is expected to slow noticeably in 2024. In Europe, the market segment for mid-size and large vans is likely to remain at the previous year's level. The market volume for Europe's small van segment is now also expected to remain at the prior-year level. The US market for large vans is also expected to reach the same level as in the previous year. On the other hand, significant growth can be expected for the mid-size van segment in China.

Overview of forecast key figures

The forecasts are forward-looking statements based on current expectations. The actual development may differ from the outlook described.

The following table shows the forward-looking statements in the chapter Outlook in the Annual Report 2023. Based on the expected development of the automotive markets, the table shows the updated forward-looking statements for the Interim Report as of 31 March 2024.

Forward-looking statements for the year 2024

	Annual Report 31 December 2023	Interim Report 31 March 2024
Mercedes-Benz Group		
Revenue	At the prior-year level	-
EBIT	Slightly below the prior-year level	-
Free cash flow of the industrial business	Slightly below the prior-year level	-
Mercedes-Benz Cars		
Unit sales	At the prior-year level	-
Share of electrified vehicles (xEV)	19-21%	-
Revenue	At the prior-year level	-
Adjusted return on sales	10-12%	-
Adjusted cash conversion rate	0.8-1.0	-
Investments in property, plant and equipment	Significantly above the prior-year level	-
Research and development expenditure	At the prior-year level	-
Mercedes-Benz Vans		
Unit sales	Slightly below the prior-year level	-
Share of electrified vehicles (xEV)	6-8%	-
Revenue	At the prior-year level	-
Adjusted return on sales	12-14%	-
Adjusted cash conversion rate	0.6-0.8	-
Investments in property, plant and equipment	Significantly above the prior-year level	-
Research and development expenditure	Significantly above the prior-year level	-
Mercedes-Benz Mobility		
New business	Slightly above the prior-year level	At the prior-year level
Contract volume	At the prior-year level	-
Revenue	At the prior-year level	-
Adjusted return on equity	10-12%	-

Risk and Opportunity Report

The Mercedes-Benz Group is exposed to a large number of risks that are directly linked with the business activities of Mercedes-Benz Group AG and its subsidiaries or that result from external influences. At the same time, it is important to identify opportunities in order to safeguard and enhance the competitiveness of the Mercedes-Benz Group.

At the Mercedes-Benz Group, the risk and opportunity management system is integrated into the value-based management and planning system and is a fixed component of the overall planning, management and reporting process. Changes in risks and opportunities are continuously monitored, assessed and, if necessary, incorporated into the planning during the year.

A detailed presentation of the risk and opportunity management system and the risk and opportunity situation is included in the chapter Risk and Opportunity Report in the Combined Management Report with Non-Financial Declaration of the Annual Report 2023.

Business risks, company-specific risks and financial risks and opportunities

Compared to the presentation therein, the following business, company-specific and financial risks and opportunities did not give rise to significant changes in the reporting period.

Legal and tax risks and opportunities

Apart from the following statements, there were no significant changes to the legal and tax risks and opportunities.

Legal risks

As already reported, in April 2016, the U.S. Department of Justice (DOJ) requested that the Mercedes-Benz Group conduct an internal investigation. The Mercedes-Benz Group conducted such an internal investigation in cooperation with the DOJ's investigation. In March 2024, the DOJ informed Mercedes-Benz Group that based on the information available to it, it has closed its investigation; thus, the DOJ will not bring any criminal charges against the Mercedes-Benz Group.

As also previously reported, in July 2021 the Federation of German Consumer Organizations (Verbraucherzentrale Bundesverband e. V.) filed a model declaratory action (Musterfeststellungsklage) against Mercedes-Benz Group AG with the Stuttgart Higher Regional Court related to allegedly inadmissible defeat devices in vehicles. In March 2024, the Stuttgart Higher Regional Court largely granted the model declaratory action. Mercedes-Benz Group AG has appealed against the decision to the Federal Court of Justice. The plaintiff has the option of lodging an appeal in respect of the dismissed claims. Mercedes-Benz Group AG continues to regard the lawsuit as being without merit and will continue to defend itself against it.

Condensed Interim Consolidated Financial Statements



Consolidated Statement of Income/Loss

	Note	Q1 2024	Q1 2023 ¹
In millions of euros			
Revenue	3	35,873	37,516
Cost of sales	4	-28,767	-28,066
Gross profit in relation to revenue		7,106	9,450
Selling expenses	4	-2,345	-2,354
General administrative expenses	4	-716	-712
Research and non-capitalized development costs	4	-1,468	-1,683
Other operating income	5	792	448
Other operating expense	5	-86	-118
Gains/losses on equity-method investments, net	12	590	512
Other financial income/expense, net	6	-10	-39
Earnings before interest and taxes (EBIT)	21	3,863	5,504
Interest income	7	210	153
Interest expense	7	-44	-88
Profit before income taxes		4,029	5,569
Income taxes	8	-1,004	-1,558
Net profit		3,025	4,011
thereof profit attributable to non-controlling interests		51	66
thereof profit attributable to shareholders of Mercedes-Benz Group AG		2,974	3,945
Earnings per share (in euros) for profit attributable to shareholders of Mercedes-Benz Group AG			
Basic		2.86	3.69
Diluted		2.86	3.69

1 Increase in the general administrative expenses in the first quarter of 2023 of €63 million from the adjustment of the elimination of intra-Group transactions between the segments in the reconciliation. Reclassification of €43 million from the cost of sales, €12 million from the research and non-capitalized development costs and €8 million from the selling expenses.

Consolidated Statement of Comprehensive Income/Loss

	Q1 2024	Q1 2023
In millions of euros		
Net profit	3,025	4,011
Gains/losses from currency translation	312	-389
Gains/losses on debt instruments	-	1
Gains/losses on derivative financial instruments	-66	452
Gains/losses on equity-method investments, net	4	-73
Items that may be reclassified to profit/loss in the Statement of Income in the future	250	-9
Actuarial gains/losses from pensions and similar obligations	1,177	378
Gains/losses on equity instruments	9	90
Gains/losses on equity-method investments, net	43	-2
Items that will not be reclassified to profit/loss in the Statement of Income	1,229	466
Other comprehensive income/loss after taxes	1,479	457
thereof income/loss attributable to non-controlling interests after taxes	-4	-29
thereof income/loss attributable to shareholders of Mercedes-Benz Group AG after taxes	1,483	486
Total comprehensive income/loss	4,504	4,468
thereof income/loss attributable to non-controlling interests	47	37
thereof income/loss attributable to shareholders of Mercedes-Benz Group AG	4,457	4,431

Consolidated Statement of Financial Position

	Note	31 March 2024	31 December 2023
In millions of euros			
Assets			
Intangible assets	9	17,796	17,593
Property, plant and equipment	10	26,030	26,090
Equipment on operating leases	11	42,177	41,712
Equity-method investments	12	13,824	13,104
Receivables from financial services	13	49,480	49,742
Marketable debt securities and similar investments		705	699
Other financial assets		4,000	4,340
Deferred tax assets	8	3,948	4,127
Other assets		2,631	1,583
Total non-current assets		160,591	158,990
Inventories	14	29,087	27,294
Trade receivables		6,882	7,281
Receivables from financial services	13	37,962	38,469
Cash and cash equivalents		17,189	15,962
Marketable debt securities and similar investments		6,698	6,159
Other financial assets		3,967	3,599
Other assets		4,183	4,473
Assets held for sale		590	795
Total current assets		106,558	104,032
Balance sheet total		267,149	263,022

	Note	31 March 2024	31 December 2023
Equity and liabilities			
Share capital		3,070	3,070
Capital reserves		11,718	11,718
Retained earnings		80,743	76,670
Other reserves		2,924	2,571
Treasury shares		-2,684	-2,256
Equity attributable to shareholders of Mercedes-Benz Group AG		95,771	91,773
Non-controlling interests		1,057	1,043
Total equity	15	96,828	92,816
Provisions for pensions and similar obligations	16	1,019	1,090
Provisions for other risks	17	7,079	7,345
Financing liabilities	18	68,371	63,724
Other financial liabilities		1,630	1,642
Deferred tax liabilities	8	7,785	7,714
Deferred income		1,232	1,223
Contract and refund liabilities		3,111	3,514
Other liabilities		1,183	1,520
Total non-current liabilities		91,410	87,772
Trade payables ¹		14,288	12,705
Provisions for other risks	17	7,617	7,955
Financing liabilities	18	39,651	44,914
Other financial liabilities ¹		5,272	5,150
Deferred income		1,466	1,478
Contract and refund liabilities		6,794	6,877
Other liabilities ¹		3,633	3,131
Liabilities held for sale		190	224
Total current liabilities		78,911	82,434
Total equity and liabilities		267,149	263,022

1 From January 1, 2024, VAT from customs duties and excise taxes will be shown uniformly in the other liabilities. The previous year's figures were adjusted accordingly: €326 million and €123 million, respectively, of the current other financial liabilities and of the trade payables were reclassified to the current other liabilities.

Consolidated Statement of Cash Flows

	Q1 2024	Q1 2023
In millions of euros		
Profit before income taxes	4,029	5,569
Depreciation and amortization/impairments	1,643	1,651
Other non-cash expense and income	-599	-525
Gains (-)/losses (+) from disposals of assets	-18	-107
Change in operating assets and liabilities		
Inventories	-1,876	-3,438
Trade receivables and trade payables	1,924	2,346
Receivables from financial services	1,153	-1,041
Vehicles on operating leases	-302	572
Other operating assets and liabilities	-676	-225
Dividends received from equity-method investments	35	28
Income taxes paid	-749	-1,100
Cash flow from operating activities	4,564	3,730
Additions to property, plant and equipment	-659	-789
Additions to intangible assets	-787	-1,123
Net cash inflows from disposals of property, plant and equipment and intangible assets	25	104
Investments in shareholdings	-120	-68
Net cash inflows from disposals of shareholdings and other business operations	259	410
Acquisition of marketable debt securities and similar investments	-869	-2,923
Net cash inflows from sales of marketable debt securities and similar investments	388	1,474
Other cash flows	-48	-29
Cash flow from investing activities	-1,811	-2,944

	Q1 2024	Q1 2023
In millions of euros		
Change in short-term financing liabilities	-3,181	1,372
Additions to long-term financing liabilities	12,689	10,028
Repayment of long-term financing liabilities	-10,728	-12,055
Dividends paid to non-controlling interests	-1	-71
Acquisition of treasury shares	-370	-86
Other cash inflows	18	14
Cash flow from financing activities	-1,573	-798
Effect of foreign exchange-rate changes on cash and cash equivalents	56	-177
Change in cash and cash equivalents	1,236	-189
Cash and cash equivalents at beginning of period	15,972	17,679
Less cash and cash equivalents classified as assets held for sale at beginning of period	10	-
Cash and cash equivalents at beginning of period (Consolidated Statement of Financial Position)	15,962	17,679
Cash and cash equivalents at end of period	17,208	17,490
Less cash and cash equivalents classified as assets held for sale at end of period	19	97
Cash and cash equivalents at end of period (Consolidated Statement of Financial Position)	17,189	17,393

Consolidated Statement of Changes in Equity

	Share capital	Capital reserves	Retained earnings	Other reserves			Treasury shares	Equity attributable to shareholders of Mercedes-Benz Group AG	Non-controlling interests	Total equity
				Difference of currency translation	Equity/debt instruments	Derivative financial instruments				
In millions of euros										
Balance at 1 January 2023	3,070	11,718	67,695	2,161	-241	1,012	-	85,415	1,125	86,540
Net profit	-	-	3,945	-	-	-	-	3,945	66	4,011
Other comprehensive income/loss after taxes	-	-	371	-471	97	489	-	486	-29	457
Total comprehensive income/loss	-	-	4,316	-471	97	489	-	4,431	37	4,468
Dividends	-	-	-	-	-	-	-	-	-71	-71
Acquisition of treasury shares	-	-	-	-	-	-	-96	-96	-	-96
Issue and disposal of treasury shares	-	-	-	-	-	-	66	66	-	66
Other	-	-	1	-	-1	4	-	4	-	4
Balance at 31 March 2023	3,070	11,718	72,012	1,690	-145	1,505	-30	89,820	1,091	90,911

	Share capital	Capital reserves	Retained earnings	Other reserves			Treasury shares	Equity attributable to shareholders of Mercedes-Benz Group AG	Non-controlling interests	Total equity
				Difference of currency translation	Equity/debt instruments	Derivative financial instruments				
In millions of euros										
Balance at 1 January 2024	3,070	11,718	76,670	1,199	-142	1,514	-2,256	91,773	1,043	92,816
Net profit	-	-	2,974	-	-	-	-	2,974	51	3,025
Other comprehensive income/loss after taxes	-	-	1,214	359	16	-106	-	1,483	-4	1,479
Total comprehensive income/loss	-	-	4,188	359	16	-106	-	4,457	47	4,504
Dividends	-	-	-	-	-	-	-	-	-33	-33
Changes in the consolidated group	-	-	-10	-	-	-	-	-10	-	-10
Acquisition of treasury shares	-	-	-	-	-	-	-501	-501	-	-501
Issue and disposal of treasury shares	-	-	-	-	-	-	73	73	-	73
Other	-	-	-105	-	77	7	-	-21	-	-21
Balance at 31 March 2024	3,070	11,718	80,743	1,558	-49	1,415	-2,684	95,771	1,057	96,828

Notes to the Interim Consolidated Financial Statements

1. Basis of preparation

General information

These condensed Interim Consolidated Financial Statements (Interim Financial Statements) of Mercedes-Benz Group AG and its subsidiaries (“Mercedes-Benz Group” or “the Group”) have been prepared in accordance with Section 115 of the German Securities Trading Act (WpHG) and in conformity with the International Accounting Standard (IAS) 34 Interim Financial Reporting.

The Interim Financial Statements comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The reporting period of the Interim Financial Statements is the period from 1 January 2024 to 31 March 2024.

The Interim Report is presented in euros (€). Unless otherwise stated, all amounts are stated in millions of euros.

The Board of Management authorized the Interim Report for publication on 29 April 2024.

The Interim Financial Statements should be read in conjunction with the audited and published IFRS Consolidated Financial Statements and Notes thereto of 31 December 2023. The accounting policies applied by the Group in these Interim Financial Statements fundamentally correspond with those applied for the Consolidated Financial Statements for the year 2023.

Mercedes-Benz Group AG is a public limited liability company organized under the laws of the Federal Republic of Germany. The Company is entered in the Commercial Register of the Stuttgart District Court under the number HRB 19360 and its registered office is located at Mercedesstraße 120, 70372 Stuttgart, Germany.

All significant intercompany accounts and transactions have been eliminated. In the opinion of the management, the Interim Financial Statements reflect all adjustments (i.e., normal recurring adjustments) necessary for a fair presentation of the profitability, cash flows and financial position of the Group. Earnings in the interim periods presented are not necessarily indicative of the earnings that may be expected for any future period or for the full financial year.

IFRS issued, not yet endorsed by the EU and not adopted in the reporting period

In April 2024, the IASB published the standard **IFRS 18 Presentation and Disclosures in Financial Statements**. The standard aims to improve the presentation of financial information and to increase the transparency and comparability of financial statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements in future. Subject to adoption into European law, application will be mandatory for financial years beginning on or after 1 January 2027. Earlier application is permitted, but not yet planned in the Mercedes-Benz Group.

2. Significant acquisitions and disposals of investments

Sale of shares in the Russian subsidiaries

On 2 March 2022, the Mercedes-Benz Group decided to stop exporting cars and vans to Russia and to cease local production in Russia until further notice. At the end of October 2022, the Mercedes-Benz Group signed contracts with the Russian car dealer Avtodom AO for the sale of the shares in the Russian subsidiaries. With the closing of the transaction on 19 April 2023, the shares of Russian subsidiaries were deconsolidated.

Assets of €1,036 million and liabilities of €1,119 million were therefore reported as assets and liabilities held for sale in accordance with IFRS 5 in the Consolidated Statement of Financial Position as of 31 March 2023. In the first quarter of 2023 there were no significant effects on profitability and cash flows.

The deconsolidation in the second quarter of 2023 involved the disposal of assets of €976 million, which were essentially composed of property, plant and equipment to the value of €290 million and receivables from financial services of €280 million. In addition, cash and cash equivalents of €91 million were also included. The liabilities of €1,065 million disposed of included in particular provisions of €636 million and financing liabilities of €347 million. The Group had issued a global guarantee for the financing liabilities to

financial institutions, which ended when the transaction was completed.

The sale of the Russian subsidiaries resulted in no significant cash inflow. The cash outflow in the amount of the disposed cash and cash equivalents of €91 million, was mainly attributable to the Mercedes-Benz Mobility segment.

The transaction costs amounted to €3 million. After realizing the currency reserve of €291 million, a loss on disposal of €205 million resulted in the second quarter of 2023. This was reported in other operating expenses. Expenses of €276 million were attributable to the Mercedes-Benz Mobility segment; the Mercedes-Benz Cars and Mercedes-Benz Vans segments generated income of €66 million and €5 million respectively.

Sale of retail activities and other sales companies

In 2023, the Mercedes-Benz Group decided to sell further sales companies in other European countries. The disposals are to take place successively over the course of 2024. The criteria for classification as assets and liabilities held for sale were met as of 31 December 2023. Assets of €590 million and liabilities of €190 million were therefore reported as assets and liabilities held for sale in the Consolidated Statement of Financial Position as of 31 March 2024 in accordance with IFRS 5. Of the assets, €474 million were attributable to the Mercedes-Benz Cars segment and €79 million to the Mercedes-Benz Vans segment. Assets mainly

comprised inventories of €236 million, property, plant and equipment of €96 million and trade receivables of €81 million. The liabilities, €110 million of which were entirely attributable to the Mercedes-Benz Cars segment, mainly included other financing liabilities of €85 million.

In January 2024, the Group divested its retail activities in Italy. There were no significant effects on the profitability, liquidity and capital resources, and financial position.

The sales companies in Greece and other dealers in Europe had already been sold in the course of 2023. The disposals resulted in income of €186 million in the year 2023 (Q1 2023: €76 million). The cash inflow amounted to a total of €315 million in 2023 (Q1 2023: €194 million). The effects were mainly allocated to the Mercedes-Benz Cars segment.

Sale of Indonesian sales and production entities

The Mercedes-Benz Group sold its subsidiaries in Indonesia to a local investor with effect from 29 September 2023. In 2023, the sale of both companies resulted in an income of €89 million and a cash inflow of €140 million which were allocated to the Mercedes-Benz Cars segment. Assets decreased by €141 million and liabilities by €88 million as a result of the deconsolidation of the subsidiaries.

Sale of interests in Mercedes-Benz Grand Prix Ltd.

In the fourth quarter of 2021, the Mercedes-Benz Group signed the contractual agreements with Motorsports Invest Ltd. and INEOS Industries Holdings Ltd. on the sale of shares of Mercedes-Benz Grand Prix Ltd. The purchase price payment agreed for 2023 resulted in a cash inflow of €144 million, thereof €125 million in the first quarter 2023.

3. Revenue

Revenue disclosed in the Consolidated Statement of Income/Loss includes revenue from contracts with customers in the scope of IFRS 15 (revenue according to IFRS 15) and other revenue not in the scope of IFRS 15.

Revenue according to IFRS 15 is disaggregated by the two categories – type of products and services, and geographical regions – and presented in the following table. The category type of products and services corresponds to the reported segments.

Other revenue primarily comprises revenue from the rental and leasing business and interest from the financial services business recognized using the effective-interest method.

	Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Total segments		Reconciliation ¹		Mercedes-Benz Group	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
In millions of euros												
Europe	9,576	9,733	3,135	3,110	1,573	1,409	14,284	14,252	-940	-866	13,344	13,386
North America	5,771	6,170	996	807	1,183	1,430	7,950	8,407	-54	-60	7,896	8,347
Asia	8,395	10,244	222	197	51	32	8,668	10,473	-1	0	8,667	10,473
Other markets	1,182	1,136	458	428	21	22	1,661	1,586	-	0	1,661	1,586
Revenue according to IFRS 15	24,924	27,283	4,811	4,542	2,828	2,893	32,563	34,718	-995	-926	31,568	33,792
Other revenue	789	529	82	73	4,027	3,746	4,898	4,348	-593	-624	4,305	3,724
Total revenue	25,713	27,812	4,893	4,615	6,855	6,639	37,461	39,066	-1,588	-1,550	35,873	37,516

¹ The reconciliation includes eliminations of intra-Group revenue between the segments.

4. Functional costs

The **cost of sales** in the first quarter of 2024, was positively affected by lower raw material prices. These were opposed by effects resulting from the adjustment of the production volume and higher expenses for measures in connection with product lifecycles.

The **selling expenses** were at the prior-year level in the first quarter of 2024.

The **general administrative expenses** were at the prior-year level in the first quarter of 2024.

Research and non-capitalized development costs

were significantly below the prior-year level in the first quarter of 2024. The decrease in the first three months is mostly due to reduced expenses in connection with existing vehicle models and conventional drive trains.

5. Other operating income and expense

Other operating income amounted to €792 million in the first quarter of 2024 (Q1 2023: €448 million).

The increase in other operating income mainly resulted from the measurement of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles.

Other operating expense was €86 million in the first quarter of 2024 (Q1 2023: €118 million).

6. Other financial income/expense

The composition of other financial income/expense, net is shown in the following table.

Other financial income/expense, net	Q1 2024	Q1 2023
In millions of euros		
Income and expense from compounding and effects from changes in discount rates of provisions for other risks	-42	-100
Income and expense from equity instruments	-36	30
Income and expense from marketable debt securities and similar investments	67	25
Income and expense from the foreign currency valuation of financial instruments	-122	-59
Miscellaneous other financial income/expense, net	123	65
	-10	-39

7. Interest income and interest expense

The composition of interest income and interest expense is shown in the following table.

Interest income and interest expense	Q1 2024	Q1 2023
In millions of euros		
Interest income		
Net interest income on the net assets of defined-benefit pension plans	6	7
Interest and similar income	204	146
	210	153
Interest expense		
Net interest expense on the net obligation from defined-benefit pension plans	-10	-10
Interest and similar expenses	-34	-78
	-44	-88

8. Income taxes

The following table shows profit before income taxes, income taxes and the derived effective tax rate.

Income taxes	Q1 2024	Q1 2023
In millions of euros		
Profit before income taxes	4,029	5,569
Income taxes	-1,004	-1,558
Tax rate	24.9%	28.0%

9. Intangible assets

The composition of intangible assets is shown in the following table.

Intangible assets	31 Mar. 2024	31 Dec. 2023
In millions of euros		
Goodwill	748	745
Development costs	15,391	15,149
Other intangible assets	1,657	1,699
	17,796	17,593

10. Property, plant and equipment

Property, plant and equipment as presented in the Consolidated Statement of Financial Position with a carrying amount of €26,030 million (2023: €26,090 million) also includes right-of-use assets of €2,372 million (2023: €2,318 million), that the Group received as lessee.

The following table shows the composition of property, plant and equipment.

Property, plant and equipment	31 Mar. 2024	31 Dec. 2023
In millions of euros		
Land, land rights and buildings, including buildings on land owned by others	9,485	9,429
thereof right-of-use assets from leasing	2,000	1,944
Technical equipment and machinery	7,637	7,898
thereof right-of-use assets from leasing	335	343
Other equipment, factory and office equipment	6,298	6,594
thereof right-of-use assets from leasing	37	31
Advance payments and construction in progress	2,610	2,169
	26,030	26,090

11. Equipment on operating leases

At 31 March 2024, the carrying amount of equipment on operating leases was €42,177 million (2023: €41,712 million). In the first quarter of 2024, additions amounted to €5,669 million (Q1 2023: €4,630 million) and disposals to €3,572 million (Q1 2023: €3,465 million). Depreciation for the first quarter of 2024 was €1,887 million (Q1 2023: €1,795 million).

12. Equity-method investments

Associated companies

Income from associated companies includes in particular the pro-rata earnings of **Beijing Benz Automotive Co., Ltd. (BBAC)** and of **Daimler Truck Holding AG (Daimler Truck)**.

The pro-rata earnings of **Daimler Truck** included in the Mercedes-Benz Group's Financial Statements are best possible estimates based on consensus data. The result in the first quarter of 2024 amounted to €268 million (Q1 2023: €59 million). With the approval of the Supervisory Board, the Board of Management of Daimler Truck resolved a share buyback programme on 10 July 2023.

The acquisition of the treasury shares on the stock exchange began on 2 August 2023. During the share buyback programme, the Mercedes-Benz Group did not sell any of its Daimler Truck shares. Consequently a shareholding of 30.71% is assumed for the development of the equity-method investment carrying amount as of 31 March 2024. The investment is reported in the reconciliation.

The proportional result of **BBAC** in the first quarter 2024 amounted to €340 million (Q1 2023: €426 million).

Further information regarding equity-method investments can be found in the Note Related party disclosures.

Summarized carrying amounts and gains/losses on equity-method investments¹

	Associated companies		Joint ventures		Total	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
In millions of euros						
Equity-method carrying amount on the balance sheet date	12,950	12,378	874	726	13,824	13,104
Equity-method gains/losses (Q1)	561	536	29	-24	590	512

¹ Including investor-level adjustments.

13. Receivables from financial services

Receivables from financial services are shown in the following table.

Receivables from financial services

	31 March 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Sales financing with customers	17,124	31,682	48,806	17,578	31,940	49,518
Sales financing with dealers	14,346	4,994	19,340	14,261	4,824	19,085
Finance lease contracts	6,654	12,637	19,291	6,744	12,781	19,525
Residual-value receivables	267	845	1,112	302	836	1,138
Gross carrying amount	38,391	50,158	88,549	38,885	50,381	89,266
Loss allowances	-429	-678	-1,107	-416	-639	-1,055
Net carrying amount	37,962	49,480	87,442	38,469	49,742	88,211

14. Inventories

Inventories are comprised as follows.

Inventories	31 Mar. 2024	31 Dec. 2023
In millions of euros		
Raw materials and manufacturing supplies	3,043	2,651
Work in progress	3,291	3,070
Finished goods, spare parts and products held for resale	22,510	21,216
Advance payments	243	357
	29,087	27,294

15. Equity

Approved capital

The Annual General Meeting held on 3 May 2023 authorized the Board of Management to increase the share capital by up to a total of €1 billion by 2 May 2028 with the approval of the Supervisory Board against cash and/or non-cash contributions (Approved Capital 2023). The authorization enables the exclusion of shareholders' subscription rights under certain conditions and within defined limits subject to the consent of the Supervisory Board.

No use has been made of the Approved Capital 2023 to date.

Share buyback programmes

On the basis of the authorization to acquire the Company's own shares given by the Annual General Meeting on 8 July 2020, the Board of Management, with the approval of the Supervisory Board, resolved a share buyback programme on 16 February 2023. The acquisition of treasury shares worth up to €4 billion (not including incidental costs) on the stock exchange over a period of up to two years began on 3 March 2023. The repurchased shares are to be cancelled at a later date. Mercedes-Benz Group AG has separately agreed with Beijing Automotive Group Co., Ltd. and Geely Group that they will each keep their share in all voting shares

of Mercedes-Benz Group AG below 10% by divesting their shares on a pro-rata basis concurrently with share buyback programmes.

From March 2023 to March 2024, as part of the share buyback programme, 33 million of the Company's own shares were repurchased at a purchase price of €2,313 million. The purchase price was recorded under treasury shares together with a liability of €371 million for buyback obligations.

On 21 February 2024, Mercedes-Benz Group AG resolved to implement a share buyback policy. Based on such policy, the future Free Cash Flow of the industrial business (as available post potential small-scale M&A transactions) generated beyond the approximately 40% dividend payout ratio of Mercedes-Benz Group net profit shall be used to fund share buybacks with the purpose of redeeming shares.

In this context, Mercedes-Benz Group AG moreover has resolved to conduct a further share buyback programme, through which it is intended to acquire treasury shares worth up to €3 billion (not including incidental costs) on the stock exchange and to then cancel them. The further share buyback programme will be based on the authorization by the Annual General Meeting of Mercedes-Benz Group AG on 8 July 2020, authorizing the Board of Management to acquire, with the approval of the Supervisory Board, treasury shares up to a maximum of 10% of the share capital until 7 July 2025.

The additional share buyback programme is now scheduled to commence in May 2024 in parallel with the share buyback programme in the volume of up to €4 billion (not including incidental costs) which was started in March 2023. Both share buyback programmes are expected to be completed in the first quarter of 2025.

Future share buyback programmes are subject to the necessary resolutions of the company's corporate bodies required in each individual case.

Employee share purchase plan

In the first quarter of 2024 Mercedes-Benz Group AG purchased 1.0 million (2023: 0.9 million) Mercedes-Benz shares for a purchase price of €73 million (2023: €66 million) to be reissued to employees as employee shares directly based on Section 71 Subsection 1 No. 2 of the German Stock Corporation Act (AktG). The shares were reissued to employees on 27 March 2024.

Dividend

Under the German Stock Corporation Act (AktG), the dividend is paid out of the distributable profit reported in the Annual Financial Statements of Mercedes-Benz Group AG (parent company only) in accordance with the German Commercial Code (HGB). The management will propose to the shareholders at the Annual General Meeting the payment of €5,517 million of the distributable profit of Mercedes-Benz Group AG for the 2023 financial year as a dividend to the shareholders, equivalent to €5.30 per no-par-value share entitled to a dividend and the transfer of €532 million to retained earnings. A portion of €153 million of the amount proposed for allocation to retained earnings is attributable to 28.9 million treasury shares not entitled to dividends held directly or indirectly by the Company on 31 December 2023. As the number of treasury shares held directly or indirectly by the Company will change before the Annual General Meeting due to the ongoing share buyback programme, a proposal for a correspondingly adjusted resolution will be submitted to the Annual General Meeting. With an unchanged dividend of €5.30 per no-par-value share entitled to a dividend the part of the distributable profit earmarked for allocation to retained earnings will be adjusted accordingly, as will the total amount distributed.

For the 2022 financial year, in accordance with the adjusted proposal for the appropriation of profits, the Annual General Meeting 2023 resolved that €5,556 million (€5.20 per no-par-value share entitled to a dividend) be distributed to the shareholders from the distributable profit and the portion of €7 million from the distributable profit attributable to the 1.3 million treasury shares not entitled to dividends held by Mercedes-Benz Group AG at the time of the 2023 Annual General Meeting be allocated to retained earnings.

16. Pensions and similar obligations

The provisions for pensions and similar obligations consist of provisions for pension obligations of €680 million (2023: €760 million) and provisions for post-employment healthcare benefits of €339 million (2023: €330 million).

The funded status of the pension obligations is shown in the following table. The present value of the defined benefit obligations has decreased, in particular due to the increase of the discount rate in Germany to 3.4% (31 December 2023: 3.2%). The fair value of the plan assets reflects the positive return in the reporting period.

Development of funded status

	31 Mar. 2024	31 Dec. 2023
In millions of euros		
Present value of the defined benefit obligations	21,411	21,992
Fair value of plan assets	22,546	21,890
Funded status	1,135	-102
actuarial loss due to asset ceiling	-15	-15
Net-liability / -asset	1,120	-117
thereof recognized in: Other assets	1,800	643
thereof recognized in: Provisions for pensions and similar obligations	-680	-760

17. Provisions for other risks

Provisions for other risks are comprised as shown in the following table.

Provisions for other risks

	31 March 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Product warranties	2,776	3,634	6,410	2,980	3,419	6,399
Personnel and social costs	2,182	1,953	4,135	2,580	2,092	4,672
Litigation risks and regulatory proceedings	665	1,108	1,773	675	1,429	2,104
Other	1,994	384	2,378	1,720	405	2,125
	7,617	7,079	14,696	7,955	7,345	15,300

18. Financing liabilities

Financing liabilities are comprised as follows.

Financing liabilities

	31 March 2024			31 December 2023		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Bonds	10,124	46,487	56,611	12,062	43,454	55,516
Commercial paper	1,614	17	1,631	3,452	18	3,470
Liabilities to financial institutions	14,894	10,921	25,815	15,619	9,698	25,317
Deposits in the direct banking business	4,477	62	4,539	5,625	134	5,759
Liabilities from ABS transactions	7,635	8,900	16,535	7,172	8,497	15,669
Lease liabilities	447	1,814	2,261	453	1,713	2,166
Loans, other financing liabilities	460	170	630	531	210	741
	39,651	68,371	108,022	44,914	63,724	108,638

19. Legal proceedings

As described in the Notes to the Consolidated Financial Statements as of 31 December 2023, Mercedes-Benz Group AG and its subsidiaries are confronted with various court proceedings, claims and governmental investigations and orders (legal proceedings) on a large number of topics.

Compared to the legal proceedings described therein, the following significant changes have occurred:

As already reported, in April 2016, the U.S. Department of Justice (DOJ) requested that the Mercedes-Benz Group conduct an internal investigation. The Mercedes-Benz Group conducted such an internal investigation in cooperation with the DOJ's investigation. In March 2024, the DOJ informed Mercedes-Benz Group that based on the information available to it, it has closed its investigation; thus, the DOJ will not bring any criminal charges against the Mercedes-Benz Group.

As also previously reported, in July 2021 the Federation of German Consumer Organizations (Verbraucherzentrale Bundesverband e. V.) filed a model declaratory action (Musterfeststellungsklage) against Mercedes-Benz Group AG with the Stuttgart Higher Regional Court related to allegedly inadmissible defeat devices in vehicles. In March 2024, the Stuttgart Higher Regional Court largely granted the model declaratory action. Mercedes-Benz Group AG has appealed against the

decision to the Federal Court of Justice. The plaintiff has the option of lodging an appeal in respect of the dismissed claims. Mercedes-Benz Group AG continues to regard the lawsuit as being without merit and will continue to defend itself against it.

20. Financial instruments

The following table shows the carrying amounts and fair values of the respective classes of the Group's financial instruments, including assets and liabilities held for sale.

The fair values of financial instruments were calculated on the basis of market information available on the balance sheet date. The following methods and premises were used.

Marketable debt securities and similar investments, other financial assets and liabilities

Marketable debt securities are recognized at fair value through other comprehensive income or at fair value through profit or loss. Similar investments are measured at cost and are not included in the measurement hierarchy, as their carrying amount is a reasonable approximation of fair value due to the short terms of these financial instruments and the fundamentally low credit risk.

Equity instruments are recognized at fair value through other comprehensive income or at fair value through profit or loss.

Marketable debt securities and equity instruments recognized at fair value were measured using quoted market prices at the end of the reporting period. If

quoted market prices are not available for these debt and equity instruments, fair value measurement is based on inputs that are either directly or indirectly observable in active markets. Fair values are calculated using recognized financial valuation models such as discounted cash flow models or multiples.

Other financial assets and liabilities recognized at fair value through profit or loss relate to derivative financial instruments not used in hedge accounting. These financial instruments as well as derivative financial instruments used in hedge accounting comprise:

- Derivative currency hedging contracts; the fair values of cross-currency interest rate swaps are determined on the basis of the discounted estimated future cash flows (taking account of credit premiums and default risks) using the market interest rates appropriate to the remaining terms of the financial instruments. The measurement of currency forwards is based on market quotes of forward curves. Currency options are measured with option-pricing models using market data.
- Derivative interest rate hedging contracts; the fair values of the interest rate hedging instruments (e.g. interest rate swaps) are calculated on the basis of discounted estimated future cash flows (taking account of credit premiums and default risks) using the market interest rates appropriate to the remaining terms of the financial instruments.

- Derivative commodity hedging contracts; the fair values of commodity hedging contracts (e.g. commodity forwards) are determined on the basis of current reference prices with consideration of forward premiums and discounts and default risks.

Contract and refund liabilities

Contract and refund liabilities include obligations from sales transactions that qualify as financial instruments. Obligations from sales transactions should generally be regarded as current. Due to the short maturities of these financial instruments, it is assumed that their fair values are equal to their carrying amounts.

Carrying amounts and fair values of financial instruments

	31 March 2024		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
Receivables from financial services	87,442	88,775	88,211	89,847
Trade receivables	6,963	6,963	7,419	7,419
Cash and cash equivalents	17,209	17,209	15,972	15,972
Marketable debt securities and similar investments	7,403	7,403	6,858	6,858
Recognized at fair value through profit or loss	6,241	6,241	5,611	5,611
Recognized at fair value through other comprehensive income	948	948	1,155	1,155
Measured at cost	214	214	92	92
Other financial assets				
Equity instruments and debt instruments	1,411	1,411	1,507	1,507
Recognized at fair value through profit or loss	617	617	649	649
Recognized at fair value through other comprehensive income	794	794	858	858
Other financial assets recognized at fair value through profit or loss	346	346	347	347
Derivative financial instruments used in hedge accounting	2,504	2,504	2,660	2,660
Other receivables and financial assets	3,307	3,307	3,013	3,013
Financial assets	126,585	127,918	125,987	127,623
Financing liabilities	105,781	104,973	106,517	106,007
Trade payables ¹	14,301	14,301	12,727	12,727
Other financial liabilities				
Financial liabilities recognized at fair value through profit or loss	114	114	188	188
Derivative financial instruments used in hedge accounting	1,133	1,133	1,115	1,115
Miscellaneous other financial liabilities ¹	5,726	5,726	5,526	5,526
Contract and refund liabilities				
Obligations from sales transactions	3,862	3,862	4,236	4,236
Financial liabilities	130,917	130,109	130,309	129,799

¹ The previous year's figures for trade liabilities and other financial liabilities were adjusted (ref. footnote Consolidated Statement of Financial Position).

The following table provides an overview of the classification into measurement hierarchies of financial assets and liabilities recognized at fair value (according to IFRS 13).

At the end of the reporting period, the Group reviews whether reclassifications between the fair-value hierarchies are necessary compared to 31 December of the previous year.

For the determination of the credit risk from derivative financial instruments which are allocated to the Level 2 measurement hierarchy, portfolios managed on the basis of net exposure are applied.

Measurement hierarchy of financial assets and liabilities recognized at fair value

	31 March 2024				31 December 2023			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
In millions of euros								
Marketable debt securities	7,189	7,185	4	-	6,766	6,712	54	-
Recognized at fair value through profit or loss	6,241	6,237	4	-	5,611	5,607	4	-
Recognized at fair value through other comprehensive income	948	948	-	-	1,155	1,105	50	-
Equity instruments and debt instruments	1,411	360	383	668	1,507	417	406	684
Recognized at fair value through profit or loss	617	46	168	403	649	59	214	376
Recognized at fair value through other comprehensive income	794	314	215	265	858	358	192	308
Other financial assets recognized at fair value through profit or loss	346	-	343	3	347	-	339	8
Derivative financial instruments used in hedge accounting	2,504	-	2,504	-	2,660	-	2,660	-
Financial assets recognized at fair value	11,450	7,545	3,234	671	11,280	7,129	3,459	692
Financial liabilities recognized at fair value through profit or loss	114	-	114	-	188	-	188	-
Derivative financial instruments used in hedge accounting	1,133	-	1,133	-	1,115	-	1,115	-
Financial liabilities recognized at fair value	1,247	-	1,247	-	1,303	-	1,303	-

1 Fair value measurement is based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

2 Fair value measurement is based on inputs that are observable in active markets either directly (i.e., as prices) or indirectly (i.e., derived from prices).

3 Fair value measurement is based on inputs for which no observable market data is available.

21. Segment reporting

Segment reporting is presented in accordance with the internal management and reporting system.

Segment reporting

	Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Mobility		Total segments		Reconciliation		Mercedes-Benz Group	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023
In millions of euros												
External revenue	24,477	26,679	4,787	4,418	6,609	6,419	35,873	37,516	-	-	35,873	37,516
Intra-Group revenue	1,236	1,133	106	197	246	220	1,588	1,550	-1,588	-1,550	-	-
Total revenue	25,713	27,812	4,893	4,615	6,855	6,639	37,461	39,066	-1,588	-1,550	35,873	37,516
Segment profit/loss (EBIT)	2,456	4,148	933	762	279	539	3,668	5,449	195	55	3,863	5,504

Reconciliation of EBIT to Group figures

	Q1 2024	Q1 2023
In millions of euros		
Total of segments' profit/loss (EBIT)	3,668	5,449
Gains/losses on equity-method investments, net ¹	249	69
Other reconciling items	-104	-36
Eliminations	50	22
EBIT as shown in the Consolidated Statement of Income/Loss	3,863	5,504

¹ Mainly includes the equity method gains/losses of the shares in Daimler Truck Holding AG.

The reconciliation includes functions and services provided by the Group's headquarters as well as by equity investments not allocated to the segments (e.g. Daimler Truck Holding AG). In addition, the reconciliation includes items at corporate level and the effects on earnings of eliminating intra-Group transactions between the segments. From 1 January 2024, effects of €103 million from the intra-Group refinancing of the financial services business by entities of the industrial business are shown in the segment Mercedes-Benz Cars.

22. Related party disclosures

Associated companies

A large proportion of the Group's transactions with associated companies relate to business relationships with the Daimler Truck Holding AG (Daimler Truck) and with LSH Auto International Limited (LSHAI) and Beijing Benz Automotive Co., Ltd. (BBAC).

The Mercedes-Benz Mobility segment is continuing the leasing and sales-financing business for **Daimler Truck's** commercial vehicles in some markets.

To this end, Mercedes-Benz Mobility acquires these vehicles from Daimler Truck and leases them to the end customer. Because Daimler Truck provides residual value guarantees for these vehicles, a leasing contract (head lease) between Mercedes-Benz Mobility and Daimler Truck is shown. The contract between Mercedes-Benz Mobility and the end customer constitutes a sublease in this respect. The receivables and right-of-use assets shown in the following table include demands for the repurchase of vehicles by Daimler Truck of €1,060 million (31 December 2023: €1,121 million) shown in receivables from financial services as well as right-of-use assets of €217 million (31 December 2023: €268 million) vis-à-vis Daimler Truck shown in leased assets.

Joint ventures

In connection with the investment in **Automotive Cells Company SE (ACC)**, which is included in the Consolidated Financial Statements using the equity method, the Group has committed to providing additional funds. In March 2024, ACC drew down €105 million of these funds. In addition, in January 2024, a loan of €110 million issued by the Mercedes-Benz Group was converted into equity. At 31 March 2024, up to €706 million of contractually committed funds had not been drawn down (31 December 2023: €867 million). The shares in ACC are allocated to the Mercedes-Benz Cars segment.

Related party transactions

	Income from sales of goods and services and other income		Expense from purchases of goods and services and other expense		Receivables and right-of-use assets		Liabilities ¹	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023	31 Mar. 2024	31 Dec. 2023	31 Mar. 2024	31 Dec. 2023
In millions of euros								
Associated companies	3,795	4,022	597	438	4,003	4,351	482	541
thereof Daimler Truck Group ²	256	218	366	293	1,545	1,682	266	299
thereof LSHAI	1,748	2,323	99	81	1,083	1,227	17	12
thereof BBAC	1,786	1,477	131	64	1,327	1,396	188	221
Joint ventures	101	75	8	9	115	223	-	17
Companies controlled by related persons	-	-	100	-	-	-	81	65

¹ Including liabilities from default risks from guarantees for related parties.

² Services by corporate functions (e.g. IT, Logistics and Human Resources) are temporarily included in addition to relationships in the scope of ordinary business, for example, the purchase and sale of goods and services and leasing agreements.

Further Information

Review Report

To Mercedes-Benz Group AG, Stuttgart

We have reviewed the condensed consolidated interim financial statements – comprising the Consolidated Statement of Income/Loss, the Consolidated Statement of Comprehensive Income/Loss, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and Notes to the Interim Consolidated Financial Statements – and the interim group management report of Mercedes-Benz Group AG, Stuttgart, for the period from 1 January to 31 March 2024 which are part of the quarterly financial report pursuant to § [Article] 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Management. Our responsibility is to issue a review report on the condensed consolidated

interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and supplementary compliance with the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with

our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Stuttgart, 29 April 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dietmar Prümm
Wirtschaftsprüfer
(German Public Auditor)

Thomas Tandetzki
Wirtschaftsprüfer
(German Public Auditor)

Information on the Internet

Further information about the **Mercedes-Benz Group share** can be found at

 group.mercedes-benz.com/investors

The Mercedes-Benz Group AG Annual and Interim Reports and company financial statements are also available there. In addition, you can find the latest news, the financial calendar, presentations, various overviews of key figures, information on the share price and additional services.

The reports are published in German and English. The German version is binding.

For sustainability reasons, the Annual and Interim Reports are not printed in hard copy. We make all Annual and Interim Reports available online and as PDF files to download.

 group.mercedes-benz.com/investors/reports-news

Mercedes-Benz Group AG

70546 Stuttgart

Tel.+49 711 17 0

 group.mercedes-benz.com/en

