

**Supplement No. 4 dated February 27, 2020  
to the Prospectus dated May 15, 2019**

# DAIMLER

Daimler AG

Stuttgart, Federal Republic of Germany

Mercedes-Benz Australia/Pacific Pty Ltd

(ABN 23 004 411 410)

Mulgrave, Victoria, Australia

Daimler International Finance B.V.

Nieuwegein, The Netherlands

Daimler Canada Finance Inc.

Montréal, Quebec, Canada

Daimler Finance North America LLC

Delaware, USA

Mercedes-Benz Finance Co., Ltd.

Tokyo, Japan

EUR 70,000,000,000

Euro Medium Term Note Programme (the "**Programme**")

unconditionally and irrevocably guaranteed by

Daimler AG

Stuttgart, Federal Republic of Germany

This supplement No. 4 (the "**Supplement**") constitutes a supplement for the purposes of Article 16.1 of Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003, as amended, (the "**Prospectus Directive**") and Articles 13 and 39, respectively, of the Luxembourg Law on Prospectuses for Securities (*loi relative aux prospectus pour valeurs mobilières*) dated July 10, 2005, as amended, (the "**Prospectus Act**"), each in connection with Article 46.3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, to the prospectus (which constitutes six base prospectuses within the meaning of Article 8(4) of the Prospectus Act and six simplified base prospectuses within the meaning of Article 32(4) of the Prospectus Act) of Daimler AG ("**DAG**"), Mercedes-Benz Australia/Pacific Pty Ltd (ABN 23 004 411 410) ("**MBAP**"), Daimler International Finance B.V. ("**DIF**"), Daimler Canada Finance Inc. ("**DCFI**"), Daimler Finance North America LLC ("**DFNA**") and Mercedes-Benz Finance Co., Ltd. ("**MBFJ**") dated May 15, 2019 (together, the "**Prospectus**"), which has been prepared in connection with the Programme established by DAG, MBAP, DIF, DCFI, DFNA and MBFJ (each an "**Issuer**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus (as supplemented by supplement no. 1 to the Prospectus dated July 31, 2019 (the "**Supplement No. 1**"), supplement no. 2 to the Prospectus dated October 28, 2019 (the "**Supplement No. 2**"), supplement no. 3 to the Prospectus dated December 23, 2019 (the "**Supplement No. 3**") and all documents incorporated by reference in the Prospectus.

Copies of the Prospectus, all documents incorporated by reference in the Prospectus, Supplement No. 1, Supplement No. 2, Supplement No. 3 and this Supplement will be obtainable free of charge during normal business hours from the Issuing Agent (Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom), the Paying Agent in Germany (Citibank Europe plc, Germany Branch, Reuterweg 16, 60323 Frankfurt am Main, Germany) and the Paying Agent in Luxembourg (BNP Paribas Securities Services, Luxembourg Branch, 60, avenue J.F. Kennedy, L-2085 Luxembourg). Copies of the Prospectus, all documents incorporated by reference in the Prospectus, Supplement No. 1, Supplement No. 2, Supplement No. 3 and this Supplement will also be viewable on, and obtainable free of charge from, the website of the Luxembourg Stock Exchange (www.bourse.lu). Copies of the Prospectus, Supplement No. 1, Supplement No. 2, Supplement No. 3 and this Supplement will also be obtainable free of charge during normal business hours from DAG (Daimler AG, Mercedesstraße 120, 70372 Stuttgart, Germany), MBAP (Mercedes-Benz Australia/Pacific Pty Ltd, 44 Lexia Place, Mulgrave, Victoria, 3170, Australia), DIF (Daimler International Finance B.V., Ravenswade 4, 3439 LD Nieuwegein, The Netherlands), DCFI (Daimler Canada Finance Inc., 1 Place Ville Marie, 37 Floor, Montréal, Québec H3B 3P4, Canada), DFNA (Daimler Finance North America LLC, c/o Corporation Trust Corporation, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA) and MBFJ (Mercedes-Benz Finance Co., Ltd., 12-4, Higashi Shinagawa 4-chome, Shinagawa-ku, Tokyo 140-0002, Japan). Copies of all documents incorporated by reference in the Prospectus will also be available from the Issuers as more fully described on pages 346 to 348 of the Prospectus.

To the extent that there is any inconsistency between (a) any statements in this Supplement or any statements incorporated by reference in the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

DAG and each of the other Issuers accept responsibility for the information contained in this Supplement (including any information incorporated by reference in the Prospectus by this Supplement) except that each Issuer other than DAG accepts responsibility only for information which exclusively refers to it. Each Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement (including any information incorporated by reference in the Prospectus by this Supplement) for which it is responsible is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

- A. Amendments to the section commencing on page 9 of the Prospectus which is entitled "Summary"**
- 1. Amendments to the subsection commencing on page 11 of the Prospectus which is entitled "Section B – [Issuer][Guarantor]: Daimler AG"**
- a. The following subsection entitled "E. Selected historical key financial information relating to the financial years 2018 and 2019" shall be added to the end of the subsection commencing on page 11 of the Prospectus which is entitled "B.12 – Selected historical key financial information." (as amended by Supplement No. 1 and Supplement No. 2) as follows:**

<b>B.12</b>	<b>Selected historical key financial information.</b>	<p><b>E. Selected historical key financial information relating to the financial years 2018 and 2019</b></p> <p>The following tables present selected financial information, which has been extracted from the audited consolidated financial statements of DAG as of, and for the financial year 2019 of DAG ended on, December 31, 2019:</p>
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<b>Consolidated</b>		
	<b>January 1, 2019 to December 31, 2019</b>	<b>January 1, 2018 to December 31, 2018</b>
<b>(in millions of €)</b>		
Profit before income taxes	3,830	10,595
Net Profit	2,709	7,582

  

<b>Consolidated</b>		
	<b>As of December 31, 2019</b>	<b>As of December 31, 2018</b>
<b>(in millions of €)</b>		
Equity attributable to shareholders of Daimler AG	61,344	64,667
Non-controlling interests	1,497	1,386
Total non-current liabilities	133,795	117,614
Total current liabilities	105,802	97,952
Total equity and liabilities	302,438	281,619

- b. The subsection on page 13 of the Prospectus which is entitled "*B.12 – No material adverse change.*" shall be replaced in its entirety as follows:

<b>B.12</b>	<b>No material adverse change.</b>	There has been no material adverse change in the prospects of DAG since the date of DAG's last published audited financial statements as of December 31, 2019.
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- c. The subsection on page 13 of the Prospectus which is entitled "*B.12 – Significant changes in the financial or trading position.*" (as replaced by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:

<b>B.12</b>	<b>Significant changes in the financial or trading position.</b>	Not applicable. There has been no significant change in DAG's financial or trading position which has occurred since December 31, 2019, the end of the last financial period for which financial information has been published.
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2. Amendments to the subsection commencing on page 35 of the Prospectus which is entitled "Section D – Risks"

The subsection commencing on page 35 of the Prospectus which is entitled "D.2 – Key risks that are specific to the Issuer [in case of Notes to be issued by MBAP, DIF, DCFI or DFNA insert: and the Guarantor]." (as amended by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:

<p>D.2</p>	<p><b>Key risks that are specific to the Issuer [in case of Notes to be issued by MBAP, DIF, DCFI or DFNA insert: and the Guarantor].</b></p>	<p><b>[in case of Notes to be issued by MBAP, DIF, DCFI or DFNA insert:</b></p> <p>The Issuer is [a direct] [an indirect] subsidiary of DAG. The Notes are unconditionally and irrevocably guaranteed by DAG in respect of principal and interest payments. Accordingly, the Issuer is affected, substantially, by the same risks as those that affect the business and operations of DAG and/or its consolidated subsidiaries. Therefore, references in the following section to DAG and/or its consolidated subsidiaries shall include references to the Issuer (if applicable).]</p> <p>DAG is subject to various risks resulting from changing economic, political, social, industry, business and financial conditions. The principal risks which could affect DAG's business, financial condition, profitability, cash flows, results of operations and future business results are described below. DAG's overall risk situation is the sum of the individual risks of all risk categories for the divisions, the corporate functions and legal entities. In general, the reporting of risks takes place in relation to the individual segments. If no segment is explicitly mentioned, the risks described relate to all divisions.</p> <p>In addition, risks that are not yet known or assessed as not material can influence profitability, cash flows and financial position.</p> <p><b>Industry and Business Risks</b></p> <p><i>Economic risks</i></p> <ul style="list-style-type: none"> <li>• The trade conflict between the United States and China continues to be a significant risk for the further development of the world economy. Furthermore, the threat by the United States to impose additional tariffs on imported vehicles and parts, including from the European Union, still exists. These two factors could significantly affect the development of unit sales and earnings, especially at Mercedes-Benz Cars &amp; Vans. In addition, there is a danger that countries will implement increasingly protectionist measures such as specific market-access barriers or industry-political concepts. This would have significant impacts on the global value chains at Mercedes-Benz Cars &amp; Vans and Daimler Trucks and Buses, leading to higher costs and adversely affecting business developments and sales possibilities.</li> <li>• The European market will continue to be of great importance for all segments of the Daimler Group in the future, so changes in investment and consumer behavior will affect the development of unit sales in all segments. The risk of a disorderly withdrawal of the United Kingdom from the European Union due to the Brexit of January 31, 2020 and the related exit agreement no longer exists. However, uncertainty is now likely to shift to the negotiations on a</li> </ul>
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		<p>future agreement between the UK and the EU, which according to the transitional agreement would have to be concluded by the end of 2020 in order to prevent customs duties as of January 2021. These negotiations are likely to be very difficult and connected with a high degree of political uncertainty. In extreme cases, renewed distortions in the European financial markets and corresponding decreases in economic growth are to be expected. This would significantly impact growth above all in the United Kingdom, with an adverse effect on the development of the Group's unit sales across all segments. In the euro zone, the risk of political conflicts also remains increased. Phases of political uncertainty could have a negative impact on consumption and investment decisions by households and companies.</p> <ul style="list-style-type: none"> <li>• From an economic perspective, the high indebtedness of Chinese companies, especially state-owned enterprises, also represents a considerable risk. If the government's efforts to restrict credit growth in combination with the negative impact of US tariffs on imports from China lead to a more significant growth slowdown than currently expected, this could result in an excessive increase in credit defaults, which would then lead to turbulences in the banking sector and the financial markets. In particular, at the Mercedes-Benz Cars &amp; Vans segment, for which China is now one of the biggest sales markets, the aforementioned risks could result in significant negative effects on unit sales.</li> <li>• The outbreak of the coronavirus may result in macroeconomic risks that could lead to significant reductions in economic growth in China, other Asian economies and also worldwide. Risks for the Daimler Group may not only affect the development of unit sales, but may also lead to significant adverse effects on production, the procurement market and the supply chain.</li> <li>• Another risk is that the pressure on the emerging markets could intensify further if underlying sentiment in the financial markets deteriorates significantly. In such a case, even more capital would flow out of the emerging markets. Growth in the emerging markets would then be significantly weaker and put pressure on global growth. Furthermore, changes in central-bank policy in the developed and emerging markets to support economic development (such as currency devaluation) entail a high risk. Although the risk of a debt crisis in the emerging markets – triggered by US interest-rate rises and the resulting higher interest burden due to the predominance of US dollar debt – has recently been reduced by the US Federal Reserve's shift to a looser monetary policy, it has not been fully resolved. Possible crises in individual countries would have a noticeable negative impact on sales prospects in those markets and possible also on conditions for the Group's local operations.</li> </ul> <p><i>Location and country-specific risks</i></p> <ul style="list-style-type: none"> <li>• In conducting business around the world, Daimler is subject to risks that are inherent in operating in other countries and is therefore exposed to material location and country-specific risks.</li> </ul>
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		<ul style="list-style-type: none"> <li>• In general, business operations in emerging markets involve a greater risk resulting from economic and political systems that typically are less developed, and likely to be less stable, than those of more advanced countries. Daimler is therefore exposed to a number of factors, over which the Group has little to no control and which may adversely affect the Group's business activities. These factors include, but are not limited to, the following: political, social, economic, financial or market-related instability or volatility; foreign currency control regulations and other regulations or the negative impacts related to foreign exchange rate volatility; restrictions on capital transfers; absence of independent and experienced judiciary and inability to enforce contracts; reimbursement rates and services covered by government reimbursement programs; trade restrictions and restrictions on repatriation of earnings.</li> </ul> <p><i>General market risks</i></p> <ul style="list-style-type: none"> <li>• The risks for the economic development of automotive markets are strongly affected by the cyclical situation of the global economy. The possibility of markets developing worse than assumed in the planning, or of changing market conditions, generally exists for all segments of the Daimler Group.</li> <li>• Due to the partly difficult financial situation of some dealerships and vehicle importers, support actions might become necessary to ensure the performance of the business partners. Further risks result from the dependency on certain dealerships, so in certain circumstances, relationships with new business partners may have to be developed. The loss of important dealerships and vehicle importers can lead to customer demand not being fully served and lower unit sales.</li> </ul> <p><i>Risks relating to the leasing and sales-financing business</i></p> <ul style="list-style-type: none"> <li>• In connection with the sale of vehicles, Daimler offers its customers a wide range of financing and leasing options. The resulting risks for the Daimler Mobility segment are mainly due to borrowers' worsening creditworthiness, so receivables might not be recoverable in whole or in part because of customers' insolvency (default or credit risk).</li> <li>• In connection with leasing agreements, risks arise if the market value of a leased vehicle at the end of the agreement term differs from the residual value originally calculated and forecasted at the time the agreement was concluded and used as a basis for the leasing installments. A residual-value risk arises if the expected market value of a vehicle at the end of the contract term is lower than the residual value calculated and forecasted when the contract was concluded.</li> </ul> <p><i>Procurement market risks</i></p> <ul style="list-style-type: none"> <li>• Procurement market risks arise for the automotive divisions in particular from fluctuations in prices of raw materials and energy. There are also risks of financial bottlenecks of suppliers and of</li> </ul>
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		<p>capacity bottlenecks caused by supplier delivery failures or by insufficient utilization of production capacities at suppliers.</p> <ul style="list-style-type: none"> <li>• The automotive segments of the Daimler Group require certain raw materials for the manufacture of vehicle components and vehicles, which are purchased on the world market. The level of costs depends on the price development of raw materials. Due to largely unchanged macroeconomic conditions, price fluctuations are expected with uncertain and inconsistent trends.</li> <li>• Due to the planned electrification of new model series and a shift in customer demand from diesel to gasoline engines, the Mercedes-Benz Cars segment in particular is faced with the risk that Daimler will require changed volumes of components from suppliers. This could result in over- or underutilization of production capacities for certain suppliers. If suppliers cannot cover their fixed costs, there is the risk that suppliers could demand compensation payments. Necessary capacity expansion at suppliers' plants could also require cost-effective participation.</li> </ul> <p><i>Risks relating to the legal and political framework</i></p> <ul style="list-style-type: none"> <li>• The automotive industry is subject to extensive governmental regulation worldwide. Risks from the legal and political framework have a considerable impact on Daimler's future business success. Regulations concerning vehicles' emissions, fuel consumption, safety and certification as well as tariff aspects play a particularly important role. Complying with these varied and often diverging regulations all over the world requires strenuous efforts on the part of the automotive industry. In the future, Daimler expects to spend an even larger proportion of its research and development budget to ensure compliance with these regulations.</li> <li>• Many countries and regions have already implemented stricter regulations to reduce vehicles' emissions and fuel consumption or are currently preparing such laws. They relate for example to the environmental impact of vehicles, including emission levels, fuel economy and noise, as well as pollutants from the emissions caused by the production facilities. Non-compliance with regulations applicable in the various regions might result in significant penalties and reputational risks and might even mean that vehicles could not be or could no longer be registered in the relevant markets. The cost of compliance with these regulations is significant, especially for conventional engines, and Daimler expects a further increase in costs in this context.</li> <li>• Mercedes-Benz Cars &amp; Vans faces risks with respect to regulations on mandatory targets for the average fleet fuel consumption and CO<sub>2</sub> emissions of new vehicles. The ambitious statutory requirements will be difficult to fulfill in some countries.</li> <li>• As the negative headlines on diesel engines and the implementation of driving bans on diesel vehicles unsettle customers, this can result in lasting shifts in the drive-system portfolio (fewer diesel and more gasoline engines). This would require additional cost-intensive development and production measures in order to meet</li> </ul>
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		<p>the CO<sub>2</sub> fleet limits applicable as of 2020.</p> <ul style="list-style-type: none"> <li>• Strict regulations for the reduction of vehicles' emissions and fuel consumption also create potential risks for Daimler Trucks &amp; Buses, because it will be difficult to fulfill the statutory requirements in some countries. Above all this applies to the markets of Japan, the United States, China and Europe.</li> <li>• The position of the Daimler Group in key foreign markets could also be affected by an increase in or changes in free-trade agreements. If free-trade agreements are concluded without the participation of countries in which Daimler has production facilities, this could result in a competitive disadvantage for Daimler compared with competitors that produce in those countries that participate in the free-trade agreements.</li> <li>• In addition to the described emission and fuel-consumption regulations, traffic-policy restrictions for the reduction of traffic jams, noise and emissions are becoming increasingly important in cities and urban areas worldwide. This development can have a dampening effect on the development of unit sales, especially in growth markets. The great challenge of the coming years will be to offer an appropriate range of drive systems and the right product portfolio in each market.</li> </ul> <p><b>Company-specific Risks</b></p> <p><i>Production and technology risks</i></p> <ul style="list-style-type: none"> <li>• Due to increasing technical complexity, the continually rising extent of requirements in terms of emissions, fuel consumption and safety, as well as meeting and steadily raising the Daimler Group's quality standards, product launches and manufacturing in the automotive divisions are also subject to production and technology risks.</li> <li>• The execution of modernization activities and the launch of new products are generally connected with high investments.</li> <li>• In principle, there is a danger that reduced plant availability or the failure of production equipment or production plants may cause internal bottlenecks that would consequently generate costs.</li> <li>• Capacity restrictions in the production of batteries, interruptions in the supply chain and possible interruptions in supply by energy providers can lead to bottlenecks.</li> <li>• Warranty and goodwill cases could arise in the Daimler Group if the quality of the products does not meet the requirements, regulations are not fully complied with, or support cannot be provided in the required form in connection with product problems and product care. Quality problems both with components in vehicles from external suppliers and in connection with technical innovations in vehicles may require adjustments that can lead to considerable expenses.</li> </ul>
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		<p><i>Information technology risks</i></p> <ul style="list-style-type: none"> <li>• The high penetration of information technology (IT) in all segments of the Group also brings risks for their business and production processes, as well as for their services and products.</li> <li>• The ever-growing threat from cybercrime and the spread of aggressive malicious code brings risks that can affect the availability, integrity and confidentiality of information and IT-supported operating resources.</li> </ul> <p><i>Personnel risks</i></p> <ul style="list-style-type: none"> <li>• The success of the Daimler Group is highly dependent on its employees and their expertise.</li> <li>• Competition for highly qualified staff and management is still very intense in the industry and the regions in which Daimler operates. Future success also depends on the extent to which the Daimler Group succeeds over the long term in recruiting, integrating and retaining specialist employees.</li> <li>• Due to demographic developments, the Group has to cope with changes relating to an aging workforce and has to secure a sufficient number of qualified young persons with the potential to become the next generation of highly skilled specialists and executives.</li> </ul> <p><i>Risks related to equity investments and cooperations</i></p> <ul style="list-style-type: none"> <li>• The Daimler Group generally participates in the risks of associated companies and joint ventures in line with its equity interest.</li> <li>• The remeasurement of an associated company or joint venture in relation to its carrying value can lead to risks for the segment to which it is allocated. Furthermore, the business activities of an associated company, joint venture or joint operation, or the disposal or acquisition of an interest in such an entity, can result in financial obligations or an additional financing requirement.</li> </ul> <p><b>Financial Risks</b></p> <ul style="list-style-type: none"> <li>• Daimler is generally exposed to risks from changes in market prices such as currency exchange rates, interest rates, commodity prices and share prices. Market price changes can have a negative influence on the Group's profitability, cash flows and financial position.</li> <li>• The Group is exposed to credit-, country- and liquidity-related risks, risks of restricted access to capital markets and risks of early credit repayment requirements and risks from changes in credit ratings.</li> </ul> <p><i>Exchange rate risks</i></p> <ul style="list-style-type: none"> <li>• The Daimler Group's global orientation means that its business</li> </ul>
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		<p>operations and financial transactions are connected with risks related to fluctuations in currency exchange rates. This applies in particular to the Mercedes-Benz Cars &amp; Vans, as a major portion of its revenue is generated in foreign currencies while most of its production costs are denominated in euros. Daimler Trucks &amp; Buses is also exposed to such transaction risks.</p> <p><i>Interest rate risks</i></p> <ul style="list-style-type: none"> <li>• Changes in interest rates can create risks for business operations as well as for financial transactions.</li> </ul> <p><i>Commodity price risks</i></p> <ul style="list-style-type: none"> <li>• The Group's business operations are exposed to changes in the market prices of purchased parts and raw materials.</li> </ul> <p><i>Credit risks</i></p> <ul style="list-style-type: none"> <li>• The Group is exposed to credit risks which result primarily from its financial services activities and from the operations of its vehicle business.</li> </ul> <p><i>Country risks</i></p> <ul style="list-style-type: none"> <li>• Daimler is exposed to country risks that primarily result from cross-border financing or collateralization for Group companies or customers, from investments in subsidiaries, joint ventures, and from cross-border trade receivables.</li> </ul> <p><i>Risks of restricted access to capital markets</i></p> <ul style="list-style-type: none"> <li>• Liquidity risks arise when a company is unable to fully meet its financial obligations. An increase in the cost of refinancing would have a negative impact on the competitiveness and profitability of Daimler's financial services business to the extent that the higher refinancing costs cannot be passed on to customers; a limitation of the financial services business would also have negative consequences for the vehicle business.</li> </ul> <p><i>Risks of early credit repayment obligations</i></p> <ul style="list-style-type: none"> <li>• Daimler may be required to make premature repayment of special-purpose loans in the case of adverse results of ongoing legal proceedings. It is to be expected that the resulting refinancing requirement will have to be concluded at a higher cost.</li> </ul> <p><i>Risks related to pension plans</i></p> <ul style="list-style-type: none"> <li>• Daimler has pension benefit obligations and to a lesser degree obligations relating to healthcare benefits, which are largely covered by plan assets. The fair value of plan assets is determined to a large degree by developments in the capital markets. Unfavorable developments, especially relating to equity prices and fixed-interest securities, reduce the carrying value of plan assets.</li> </ul>
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		<p><i>Risks from changes in credit ratings</i></p> <ul style="list-style-type: none"> <li>• Daimler's creditworthiness is assessed by the rating agencies DBRS Limited, Fitch Ratings España S.A.U., Moody's Deutschland GmbH, Scope Ratings AG and S&amp;P Global Ratings Europe Limited. Risks exist in connection with potential downgrades to credit ratings by these rating agencies, and thus to Daimler's creditworthiness. Downgrades could have a negative impact on the Group's financing if such a downgrade leads to an increase in the costs for external financing or restricts the Group's ability to obtain financing.</li> </ul> <p><b>Legal and Tax Risks</b></p> <p><i>Legal risks</i></p> <p><i>Regulatory risks</i></p> <ul style="list-style-type: none"> <li>• The automotive industry is subject to extensive governmental regulations worldwide. The cost of compliance with these regulations is significant, and in this context, Daimler expects a significant increase in such costs.</li> </ul> <p><i>Risks from legal proceedings in general</i></p> <ul style="list-style-type: none"> <li>• DAG and its subsidiaries are confronted with various legal proceedings, claims as well as government investigations and orders (legal proceedings) on a large number of topics, including vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights, warranty claims, environmental matters, antitrust matters (including actions for damages) as well as shareholder litigation. If the outcome of such legal proceedings is detrimental to Daimler, the Group may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions. Some of these proceedings may have an impact on the Group's reputation.</li> </ul> <p><i>Risks from legal proceedings in connection with diesel exhaust gas emissions – Governmental proceedings</i></p> <ul style="list-style-type: none"> <li>• Daimler is continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to environmental, criminal, antitrust and other laws and regulations in connection with diesel exhaust emissions.</li> <li>• Several federal and state authorities and other institutions worldwide have inquired about and/or are/have been conducting investigations and/or administrative proceedings, and/or have issued administrative orders or in the case of the Stuttgart district attorney's office a fine notice. These particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant federal and state authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal and antitrust laws. These authorities and institutions</li> </ul>
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		<p>include, amongst others, the US Department of Justice (DOJ), which has requested that Daimler conducts an internal investigation, the US Environmental Protection Agency (EPA), the California Air Resources Board (CARB) and other US state authorities, the European Commission, the German Federal Cartel Office (<i>Bundeskartellamt</i>) as well as national antitrust authorities and other authorities of various foreign states as well as the German Federal Ministry of Transport and Digital Infrastructure (BMVI) and the German Federal Motor Transport Authority ("<b>KBA</b>"). In the course of its formal investigation into possible collusion on clean emission technology, the European Commission sent a statement of objections to Daimler and other automobile manufacturers in April 2019. In this context, Daimler filed an application for immunity (leniency application) with the European Commission some time ago. The Stuttgart district attorney's office is conducting criminal investigation proceedings against Daimler employees on the suspicion of fraud and criminal advertising, and, in May 2017, searched the premises of Daimler at several locations in Germany. In February 2019, the Stuttgart district attorney's office also initiated a formal investigation proceeding against DAG with respect to an administrative offense. In September 2019, the Stuttgart district attorney's office issued a fine notice against Daimler based on a negligent violation of supervisory duties in the amount of €870 million which has become legally binding, thereby concluding the administrative offense proceedings against Daimler. Daimler continues to fully cooperate with the authorities and institutions. Irrespective of such cooperation, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Daimler and/or its employees will be taken or administrative orders will be issued. Such actions, measures and orders may include subpoenas, that is legal instructions issued under penalty of law in the process of taking evidence, or other requests for documentation, testimony or other information, or orders to recall vehicles, further search warrants, a notice of violation or an increased formalization of the governmental investigations, coordination or proceedings, including the resolution of proceedings by way of a settlement. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur.</p> <ul style="list-style-type: none"> <li>• In the years 2018 and 2019, the KBA issued various administrative orders holding that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices and ordered subsequent auxiliary provisions for the respective EC type approvals in this respect, including stops of the first registration and mandatory recalls. Daimler filed timely objections against such administrative orders in order to have the open legal issues resolved, if necessary by a court of law. In the course of its regular market supervision, KBA is routinely conducting further reviews of Mercedes-Benz vehicles and is asking questions about technical elements of the vehicles. In light of the aforementioned administrative orders issued by KBA, it is likely that in the course of the ongoing and/or further investigations, KBA will issue additional administrative orders holding that other Mercedes-Benz diesel vehicles are also equipped</li> </ul>
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		<p>with impermissible defeat devices. Daimler has (in view of KBA's interpretation of the law as a precaution) implemented a temporary delivery and registration stop with respect to certain models, also covering the used car, leasing and financing businesses, and is constantly reviewing whether it can lift this delivery and registration stop in whole or in part. The new calibrations requested by KBA are being processed, and for a certain proportion of the vehicles, the relevant software has already been approved by KBA; the related recalls have insofar been initiated. It cannot be ruled out that under certain circumstances, software updates may have to be reworked or further delivery and registration stops may be ordered or resolved by Daimler as a precautionary measure, also with regard to the used car, leasing and financing businesses. Daimler has initiated further investigations and otherwise continues to fully cooperate with the authorities and institutions.</p> <ul style="list-style-type: none"> <li>• In January 2019, another vehicle manufacturer reached civil settlements with US federal and state authorities, as well as with vehicle customers. Although the manufacturer did not admit liability, the authorities maintain the position that the manufacturer included undisclosed Auxiliary Emission Control Devices ("AECDs") in its diesel vehicles, apparently including functionalities that are common in diesel vehicles, and that certain of these AECDs are illegal defeat devices. As part of these settlements, the manufacturer has agreed to, among other things, pay civil penalties, undertake a recall of affected vehicles, provide extended warranties, undertake a nationwide mitigation project and make other payments. The manufacturer has furthermore agreed to provide payments to current and former diesel vehicle owners as part of a class action settlement.</li> <li>• In light of these matters and in light of the ongoing governmental information requests, inquiries, investigations, administrative orders and proceedings, as well as Daimler's own internal investigations, it is possible that, besides KBA, one or more regulatory and/or investigative authorities worldwide will reach the conclusion that other passenger cars and/or commercial vehicles with the brand name Mercedes-Benz or other brand names of the Group are equipped with impermissible defeat devices and/or that certain functionalities and/or calibrations were not properly disclosed. Furthermore, the authorities have increased scrutiny of Daimler's processes regarding running-change, field-fix and defect reporting as well as other compliance issues. Except for, in particular, the Stuttgart district attorney's office's administrative offense proceedings, the other inquiries, investigations, legal actions and proceedings as well as the replies to the governmental information requests, the objection proceedings against KBA's administrative orders and Daimler's internal investigations are still ongoing and open; hence, Daimler cannot predict the outcome at this time. Due to the outcome of the administrative offense proceedings by the Stuttgart district attorney's office against Daimler and the above as well as any potential other information requests, inquiries, investigations, administrative orders and proceedings, it is possible that Daimler will become subject to significant additional monetary penalties, fines, disgorgements of profits, remediation requirements, further vehicle recalls, further</li> </ul>
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		<p>registration and delivery stops, process and compliance improvements, mitigation measures and the early termination of promotional loans, and/or other sanctions, measures and actions (such as the exclusion from public tenders), including further investigations and/or administrative orders by these or other authorities and additional proceedings. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative determinations or findings with respect to technical or legal issues by one of the various governmental agencies, other agencies – or also plaintiffs – could also adopt such determinations or findings, even if such determinations or findings are not within the scope of such authority's responsibility or jurisdiction. Thus, a negative determination or finding in one proceeding, such as the fine notice issued by the Stuttgart district attorney's office, carries the risk of being able to have an adverse effect on other proceedings, also potentially leading to new or expanded investigations or proceedings, including lawsuits.</p> <ul style="list-style-type: none"> <li>• In addition, Daimler's ability to defend itself in proceedings could be impaired by the fine notice issued by the Stuttgart district attorney's office as well as other unfavorable findings, results or developments in any of the information requests, inquiries, investigations, administrative orders, legal actions and/or proceedings discussed above.</li> </ul> <p><i>Risks from legal proceedings in connection with diesel exhaust gas emissions – Court proceedings</i></p> <ul style="list-style-type: none"> <li>• A consumer class-action lawsuit is pending in the United States in which it is alleged that DAG and MBUSA conspired with Robert Bosch LLC and Robert Bosch GmbH to deceive US regulators and consumers. A separate lawsuit was filed in January 2019 by the State of Arizona alleging that DAG and MBUSA deliberately deceived consumers in connection with the advertising of Mercedes-Benz diesel vehicles. Consumer class-action lawsuits containing similar allegations were filed against DAG and other companies of the Group in Canada in April 2016, and against DAG in Israel in February 2019. A similar class action was filed in the United States in July 2017, but in December 2017, the parties stipulated to dismiss that lawsuit without prejudice. It may be filed again under specific conditions. Furthermore, class actions have been filed in the United States and Canada alleging anticompetitive behavior relating to vehicle technology, costs, suppliers, markets, and other competitive attributes, including diesel emissions control technology. A securities class action lawsuit is pending in the United States on behalf of investors in DAG American Depositary Receipts which alleges that the defendants made materially false and misleading statements about diesel emissions in Mercedes-Benz vehicles.</li> <li>• In Germany, a multitude of lawsuits by customers alleging claims under warranty and tort laws as well as lawsuits by investors alleging the violation of disclosure requirements are pending. In this context, motions to initiate a model proceeding in accordance with the Act on Model Proceedings in Capital Markets Disputes</li> </ul>
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		<p>(<i>KapMuG</i>) have been filed by investors as well as by DAG. Currently, no model proceeding is pending.</p> <ul style="list-style-type: none"> <li>• If court proceedings have an unfavorable outcome for Daimler, this could result in significant damages and punitive damages payments, remedial works or other cost-intensive measures. Court proceedings can in part also have an adverse effect on the reputation of the Group.</li> <li>• Furthermore, Daimler's ability to defend itself in the court proceedings could be impaired by unfavorable findings, results or developments in any of the governmental or other court proceedings discussed above, in particular the fine notice issued by the Stuttgart district attorney's office.</li> </ul> <p><i>Risks from other legal proceedings</i></p> <ul style="list-style-type: none"> <li>• Following the settlement decision by the European Commission adopted on July 19, 2016 concluding the trucks antitrust proceedings, DAG and Daimler Truck AG are facing customers' claims for damages to a considerable degree. Respective legal actions, class actions and other forms of legal redress have been initiated in various states in and outside of Europe and should further be expected.</li> <li>• As legal proceedings are fraught with a large degree of uncertainty, it is possible that after their final resolution, some of the provisions Daimler has recognized for them could prove to be insufficient. As a result, substantial additional expenditures may arise. This also applies to legal proceedings for which the Group has seen no requirement to recognize a provision.</li> <li>• It cannot be ruled out that the regulatory risks and risks from legal proceedings discussed above individually or in the aggregate may materially adversely impact Daimler's profitability and financial position.</li> </ul> <p><i>Tax risks</i></p> <ul style="list-style-type: none"> <li>• Any changes in legislation and jurisdiction, as well as different interpretations of the law by the fiscal authorities – especially in the field of cross-border transactions – may be subject to considerable uncertainty. It is therefore possible that the provisions recognized will not be sufficient, which could have negative effects on the Group's net profit and cash flows.</li> </ul> <p><b>Non-financial Risks</b></p> <ul style="list-style-type: none"> <li>• As a company with worldwide activities, DAG is at the focus of public interest. The relevant stakeholders' perception is of crucial importance and can affect the reputation of the entire Daimler Group.</li> <li>• Risks arise above all in connection with the public debate about diesel vehicles and the related fundamental reconsideration of methods for measuring emissions. Due to the replacement of the</li> </ul>
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		<p>NEDC (New European Driving Cycle) with the new measuring method WLTP (Worldwide Harmonized Light Vehicles Test Procedure), the fleet CO<sub>2</sub> average has worsened. In light of today's knowledge, this makes it more difficult to achieve the CO<sub>2</sub> targets as of 2020. The current public focus on vehicle emissions as well as possible certifications stops and recalls jeopardize the reputation of the automotive industry and in particular of the diesel engine, and could result in damage to Daimler's reputation.</p> <p><b>Other Risks</b></p> <ul style="list-style-type: none"> <li>• As well as the risk categories described above, unpredictable events such as natural disasters, political instability or terrorist attacks can disturb production and business processes.</li> <li>• In addition to the described risks, other risks can occur that adversely affect the public perception and therefore the reputation of the Daimler Group. Public interest is focused on Daimler's position with regard to individual issues in the fields of sustainability, integrity and social responsibility. Furthermore, customers, business partners and capital markets are interested in how the Group reacts to the technological challenges of the future, how it succeeds in offering up-to-date and technologically leading products in the markets, and how business operations are conducted under the given conditions.</li> <li>• New competitors in the IT sector for example and the Group's current strategy, among other things in connection with electric mobility, pose further challenges for the Daimler Group and are connected with risks.</li> <li>• Finally, there will be a negative effect from the continuing high advance expenditure for new products and technologies. In addition, there will be costs for Project Future for the implementation of the new Group structure.</li> </ul>
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**B. Amendments to the section commencing on page 57 of the Prospectus which is entitled "*German Language Translation of the Summary – Zusammenfassung*"**

**1. Amendments to the subsection commencing on page 60 of the Prospectus which is entitled "*Abschnitt B – [Emittentin][Garantin]: Daimler AG*"**

- a. The following subsection entitled "*E. Ausgewählte wesentliche historische Finanzinformationen, die sich auf die Geschäftsjahre 2018 und 2019 beziehen*" shall be added to the end of the subsection commencing on page 60 of the Prospectus which is entitled "*B.12 – Ausgewählte wesentliche historische Finanzinformationen.*" (as amended by Supplement No. 1 and Supplement No. 2) as follows:**

B.12	Ausgewählte wesentliche historische Finanzinformationen.	<p><b>E. Ausgewählte wesentliche historische Finanzinformationen, die sich auf die Geschäftsjahre 2018 und 2019 beziehen</b></p> <p>Die folgenden Übersichten zeigen ausgewählte Finanzinformationen, die dem geprüften konsolidierten Finanzbericht der DAG zum 31. Dezember 2019 und für das am 31. Dezember 2019 zu Ende gegangene Geschäftsjahr 2019 der DAG entnommen wurden:</p> <table border="1" data-bbox="584 472 1441 882"> <thead> <tr> <th><b>Konsolidiert</b></th> <th><b>1. Januar 2019 bis 31. Dezember 2019</b></th> <th><b>1. Januar 2018 bis 31. Dezember 2018</b></th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;"><b>(in € Mio.)</b></td> </tr> <tr> <td>Ergebnis vor Ertragsteuern</td> <td style="text-align: right;">3.830</td> <td style="text-align: right;">10.595</td> </tr> <tr> <td>Konzernergebnis</td> <td style="text-align: right;">2.709</td> <td style="text-align: right;">7.582</td> </tr> </tbody> </table> <table border="1" data-bbox="584 904 1441 1565"> <thead> <tr> <th><b>Konsolidiert</b></th> <th><b>Zum 31. Dezember 2019</b></th> <th><b>Zum 31. Dezember 2018</b></th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="2" style="text-align: center;"><b>(in € Mio.)</b></td> </tr> <tr> <td>Den Aktionären der Daimler AG zustehendes Eigenkapital</td> <td style="text-align: right;">61.344</td> <td style="text-align: right;">64.667</td> </tr> <tr> <td>Nicht beherrschende Anteile</td> <td style="text-align: right;">1.497</td> <td style="text-align: right;">1.386</td> </tr> <tr> <td>Langfristige Schulden</td> <td style="text-align: right;">133.795</td> <td style="text-align: right;">117.614</td> </tr> <tr> <td>Kurzfristige Schulden</td> <td style="text-align: right;">105.802</td> <td style="text-align: right;">97.952</td> </tr> <tr> <td>Summe Passiva</td> <td style="text-align: right;">302.438</td> <td style="text-align: right;">281.619</td> </tr> </tbody> </table>	<b>Konsolidiert</b>	<b>1. Januar 2019 bis 31. Dezember 2019</b>	<b>1. Januar 2018 bis 31. Dezember 2018</b>		<b>(in € Mio.)</b>		Ergebnis vor Ertragsteuern	3.830	10.595	Konzernergebnis	2.709	7.582	<b>Konsolidiert</b>	<b>Zum 31. Dezember 2019</b>	<b>Zum 31. Dezember 2018</b>		<b>(in € Mio.)</b>		Den Aktionären der Daimler AG zustehendes Eigenkapital	61.344	64.667	Nicht beherrschende Anteile	1.497	1.386	Langfristige Schulden	133.795	117.614	Kurzfristige Schulden	105.802	97.952	Summe Passiva	302.438	281.619
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- b. The subsection on page 62 of the Prospectus which is entitled "*B.12 – Keine wesentliche Verschlechterung.*" shall be replaced in its entirety as follows:

B.12	<b>Keine wesentliche Verschlechterung.</b>	Es gab keine wesentliche Verschlechterung der Aussichten des Konzerns seit dem Datum des letzten veröffentlichten geprüften Finanzberichts von DAG vom 31. Dezember 2019.
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- c. The subsection on page 62 of the Prospectus which is entitled "*B.12 – Wesentliche Veränderungen bei Finanzlage oder Handelsposition.*" (as replaced by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:

<b>B.12</b>	<b>Wesentliche Veränderungen Finanzlage oder Handelsposition.</b>	<b>Ver- bei oder</b> Entfällt. Es gab keine wesentliche Veränderung in der Finanzlage oder der Handelsposition der DAG seit dem 31. Dezember 2019, dem Ende des letzten Zeitraums, für den Finanzinformationen veröffentlicht wurden.
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2. Amendments to the subsection commencing on page 86 of the Prospectus which is entitled "*Abschnitt D – Risiken*"

The subsection commencing on page 86 of the Prospectus which is entitled "*D.2 – Angaben zu den zentralen Risiken, die der Emittentin [im Fall von Schuldverschreibungen, die von MBAP, DIF, DCFI oder DFNA begeben werden, einfügen: und der Garantin] eigen sind.*" (as amended by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:

<b>D.2</b>	<b>Angaben zu den zentralen Risiken, die der Emittentin [im Fall von Schuldverschreibungen, die von MBAP, DIF, DCFI oder DFNA begeben werden, einfügen: und der Garantin] eigen sind.</b>	<p><b>[im Fall von Schuldverschreibungen, die von MBAP, DIF, DCFI oder DFNA begeben werden, einfügen:</b></p> <p>Die Emittentin ist eine [direkte] [indirekte] Tochtergesellschaft der DAG. Die Schuldverschreibungen werden im Hinblick auf die Rückzahlung des Kapitals und Zinszahlungen unbedingt und unwiderruflich von der DAG garantiert. Dementsprechend ist die Emittentin im Wesentlichen den Risiken ausgesetzt, die den Betrieb und die Geschäftstätigkeit von DAG und/oder ihren konsolidierten Tochterunternehmen beeinflussen. Im Folgenden sollen daher Bezugnahmen auf die DAG und/oder ihre konsolidierten Tochterunternehmen Bezugnahmen auf die Emittentin beinhalten (soweit anwendbar).]</p> <p>DAG ist verschiedenen Risiken ausgesetzt, die aus Änderungen der wirtschaftlichen, politischen, sozialen, industriellen, geschäftlichen und finanziellen Bedingungen herrühren. Die zentralen Risiken, die den Betrieb, die Ertrags-, Finanz- und Vermögenslage, das Betriebsergebnis sowie zukünftige Geschäftsergebnisse der DAG beeinflussen können, sind nachfolgend dargestellt. Die Gesamtrisikosituation der DAG setzt sich aus den Einzelrisiken aller Risikokategorien der Geschäftsfelder, konzernweiten Funktionen und rechtlichen Einheiten zusammen. Grundsätzlich erfolgt die Berichterstattung über Risiken für die einzelnen Segmente. Sofern kein Segment explizit hervorgehoben wird, betreffen die folgenden Risiken alle Geschäftsfelder.</p> <p>Zusätzlich können Risiken, die heute noch nicht bekannt sind oder als unwesentlich bewertet werden, die Ertrags-, Finanz- und Vermögenslage beeinflussen.</p> <p><b>Umfeld- und Branchenrisiken</b></p> <p><i>Volkswirtschaftliche Risiken</i></p> <ul style="list-style-type: none"> <li>• Der Handelskonflikt zwischen den USA und China stellt weiterhin ein wesentliches Risiko für die weitere Entwicklung der Weltwirtschaft dar. Zudem ist die Drohung der USA, zusätzliche</li> </ul>
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		<p>Zölle auf den Import von Fahrzeugen und Fahrzeugteilen unter anderem aus der EU zu erheben, weiterhin existent. Beides könnte insbesondere die Absatz- und Ergebnisentwicklung von Mercedes-Benz Cars &amp; Vans signifikant beeinträchtigen. Darüber hinaus besteht die Gefahr, dass Länder verstärkt protektionistische Maßnahmen wie konkrete Marktzugangsbarrieren oder industriepolitische Konzepte implementieren. Dies würde besonders die bei Mercedes-Benz Cars &amp; Vans und Daimler Trucks &amp; Buses existierenden globalen Wertschöpfungsketten beeinträchtigen, zu höheren Kosten führen und sich negativ auf die wirtschaftliche Entwicklung sowie Absatzmöglichkeiten auswirken.</p> <ul style="list-style-type: none"> <li>• Der europäische Markt ist für alle Segmente des Daimler-Konzerns auch künftig von großer Bedeutung, sodass sich Veränderungen beim Investitions- und Konsumverhalten auf die Absatzentwicklung aller Segmente auswirken. Das Risiko eines ungeordneten Austritts Großbritanniens aus der EU ist aufgrund des zum 31. Januar 2020 vollzogenen Brexit und des damit verbundenen Austrittsabkommens nunmehr gebannt. Die Unsicherheit dürfte sich nun aber auf die Verhandlungen zu einem Zukunftsabkommen zwischen Großbritannien und der EU verlagern, das gemäß dem Übergangsabkommen bereits bis Ende des Jahres 2020 abgeschlossen sein müsste, um Zölle ab Januar 2021 zu verhindern. Diese Verhandlungen dürften sich sehr schwierig gestalten und mit hoher politischer Unsicherheit verbunden sein. Im Extremfall ist mit erneuten Verwerfungen an den europäischen Finanzmärkten und entsprechenden Einbußen beim Wirtschaftswachstum zu rechnen. Vor allem das Wachstum in Großbritannien würde darunter leiden, was die Absatzentwicklung des Konzerns über alle Segmente hinweg belasten würde. Im Euroraum bleibt zudem das Risiko für politische Konflikte erhöht. Phasen politischer Unsicherheit könnten negative Auswirkungen auf Konsum- und Investitionsentscheidungen von Haushalten und Unternehmen haben.</li> <li>• Aus ökonomischer Perspektive stellt auch die hohe Verschuldung chinesischer Unternehmen, vor allem der staatseigenen Betriebe, ein wesentliches Risiko dar. Sollten die Anstrengungen der Regierung, das Kreditwachstum einzudämmen, in Kombination mit den negativen Auswirkungen der US-Zölle auf den chinesischen Exportsektor zu einer deutlicheren Wachstumsverlangsamung führen als aktuell angenommen, könnte es zu einer übermäßigen Zunahme von Kreditausfällen kommen, die wiederum zu Turbulenzen im Bankensektor und an den Finanzmärkten führen würden. Insbesondere das Segment Mercedes-Benz Cars &amp; Vans, für das China zu den wichtigsten Absatzmärkten zählt, müsste in diesem Fall mit deutlichen negativen Auswirkungen auf den Absatz rechnen.</li> <li>• Aus dem Ausbruch des Coronavirus können sich gesamtwirtschaftliche Risiken ergeben, die zu signifikanten Rückgängen des Wirtschaftswachstums in China, anderen asiatischen Volkswirtschaften und auch weltweit führen können. Risiken für den Daimler-Konzern können dabei nicht nur die</li> </ul>
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		<p>Absatzentwicklung betreffen, sondern auch zu erheblichen Beeinträchtigungen der Produktion, des Beschaffungsmarkts und der Zulieferkette führen.</p> <ul style="list-style-type: none"> <li>• Als weiteres Risiko könnte sich der Druck auf die Schwellenländer weiter verschärfen, sollte sich die Grundstimmung der Finanzmärkte deutlich verschlechtern. In einem solchen Fall würde noch mehr Kapital aus den Schwellenländern abfließen. Das Wachstum der Schwellenländer würde deutlich schwächer ausfallen und das globale Wachstum belasten. Zusätzlich bergen Änderungen der Notenbankpolitik in den entwickelten Ländern und den Schwellenländern zur Unterstützung der wirtschaftlichen Entwicklung (zum Beispiel Währungsabwertung) ein hohes Risiko. Das Risiko einer Schuldenkrise der Schwellenländer, ausgelöst durch US-Zinsanstiege und die sich daraus ergebende höhere Zinslast infolge der vorwiegenden US-Dollar-Verschuldung, hat sich zwar durch das Umschwenken der US-Zentralbank auf eine geldpolitische Lockerung jüngst reduziert, ist jedoch nicht vollständig aufgelöst. Mögliche Krisen in einzelnen Ländern würden die Absatzaussichten in diesen Märkten und gegebenenfalls die lokalen Standortbedingungen für den Konzern spürbar beeinträchtigen.</li> </ul> <p><i>Standortspezifische und länderspezifische Risiken</i></p> <ul style="list-style-type: none"> <li>• Daimler ist im Rahmen der weltweiten Geschäftstätigkeit Risiken ausgesetzt, die mit der Tätigkeit in anderen Ländern einhergehen und ist daher wesentlichen standortspezifischen und länderspezifischen Risiken ausgesetzt.</li> <li>• Unternehmerische Tätigkeiten in Schwellenländern unterliegen im Allgemeinen einem größeren Risiko, das von wirtschaftlichen und politischen Systemen herrührt, die typischerweise weniger entwickelt und vermutlich weniger stabil sind als diejenigen von höher entwickelten Staaten. Daimler ist daher einer Vielzahl von Faktoren ausgesetzt, über die der Konzern nur wenig oder keine Kontrolle hat und die die geschäftlichen Aktivitäten des Konzerns negativ beeinflussen können, einschließlich, jedoch ohne hierauf beschränkt zu sein, politische, gesellschaftliche, wirtschaftliche, finanzielle oder marktbezogene Instabilität oder Volatilität; Devisenkontrollbestimmungen und andere Bestimmungen oder negative Auswirkungen aufgrund von Wechselkursvolatilitäten; Beschränkungen im Zusammenhang mit Kapitalübertragungen; mangelnde Unabhängigkeit und Erfahrung der Justiz und die Unfähigkeit, Verträge durchzusetzen; Erstattungssätze und Leistungen, die von staatlichen Erstattungsprogrammen gedeckt werden; Handelsbeschränkungen sowie Beschränkungen hinsichtlich der Rückführung von Erträgen.</li> </ul> <p><i>Allgemeine Marktrisiken</i></p> <ul style="list-style-type: none"> <li>• Risiken für die wirtschaftliche Entwicklung auf den Automobilmärkten sind maßgeblich durch die konjunkturelle Lage der Weltwirtschaft beeinflusst. Die Möglichkeit, dass sich Märkte gegenüber der Planung schlechter entwickeln oder Marktbedingungen sich verändern, besteht grundsätzlich für alle</li> </ul>
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		<p>Segmente des Daimler-Konzerns.</p> <ul style="list-style-type: none"> <li>• Aufgrund der zum Teil angespannten wirtschaftlichen Lage einiger Händler und Fahrzeugimporteure könnten Unterstützungsleistungen notwendig werden, um die Leistungsfähigkeit der Geschäftspartner sicherzustellen. Weitere Risiken ergeben sich aus der Abhängigkeit von bestimmten Händlern, sodass unter Umständen Beziehungen zu weiteren Geschäftspartnern aufgebaut werden müssen. Der Ausfall wichtiger Händler und Fahrzeugimporteure kann dazu führen, dass die Kundennachfrage nicht umfassend bedient werden kann und die Absatzzahlen zurückgehen können.</li> </ul> <p><i>Risiken im Zusammenhang mit dem Leasing- und Absatzfinanzierungsgeschäft</i></p> <ul style="list-style-type: none"> <li>• Im Zusammenhang mit der Veräußerung von Fahrzeugen bietet Daimler seinen Kunden vielfältige Finanzierungs- und Leasingmöglichkeiten an. Die daraus resultierenden Risiken für das Segment Daimler Mobility liegen vor allem in einer Verschlechterung der Bonität der Kreditnehmer, sodass Forderungen aufgrund der Zahlungsunfähigkeit von Kunden ganz oder teilweise uneinbringlich werden können (Adressenausfall- oder Kreditrisiko).</li> <li>• Im Zusammenhang mit Leasingverträgen entstehen Risiken, wenn der Vermarktungswert eines Leasingfahrzeugs am Ende der Vertragslaufzeit von der ursprünglich bei Vertragsabschluss kalkulierten und der Leasingrate unterstellten Restwertprognose abweicht. Ein Restwertisiko resultiert, wenn der erwartete Marktwert eines Fahrzeugs am Ende der Vertragslaufzeit geringer ist als die bei Vertragsabschluss kalkulierte Restwertprognose.</li> </ul> <p><i>Beschaffungsmarktrisiken</i></p> <ul style="list-style-type: none"> <li>• Die Risiken auf der Beschaffungsseite ergeben sich für die automobilen Geschäftsfelder insbesondere aus den Schwankungen bei Rohstoff- und Energiepreisen. Daneben bestehen Risiken aus finanziellen Engpässen bei Lieferanten, Kapazitätsengpässen durch den Ausfall von Lieferanten sowie aus der Unterauslastung von Produktionskapazitäten bei Lieferanten.</li> <li>• Die automobilen Segmente des Daimler-Konzerns benötigen für den Bau von Fahrzeugteilen und Fahrzeugen bestimmte Rohstoffe, die auf dem Weltmarkt eingekauft werden. Die Höhe der Kosten ist dabei von der Preisentwicklung der Rohstoffe abhängig. Aufgrund von weitestgehend unveränderten makroökonomischen Rahmenbedingungen werden Preisschwankungen mit unsicheren und uneinheitlichen Trends erwartet.</li> <li>• Durch die geplante Elektrifizierung neuer Baureihen und eine Verschiebung der Kundennachfrage von Diesel- zu Benzinmotoren besteht insbesondere im Segment Mercedes-Benz Cars das Risiko eines veränderten Lieferabrufs an fremdbeschafften Teilen von Lieferanten durch Daimler. Für bestimmte Lieferanten könnte dies eine Über- oder Unterauslastung von Produktionskapazitäten zur</li> </ul>
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Folge haben. Bei Fixkostenunterdeckungen besteht das Risiko, dass Lieferanten eine Kompensationszahlung einfordern könnten. Auch notwendige Kapazitätserweiterungen bei Lieferanten könnten eine kostenseitige Beteiligung erfordern.

*Risiken aus gesetzlichen und politischen Rahmenbedingungen*

- Die Automobilindustrie unterliegt weltweit umfassender staatlicher Regulierung. Risiken aus gesetzlichen und politischen Rahmenbedingungen haben einen nicht unerheblichen Einfluss auf den künftigen Geschäftserfolg von Daimler. Dabei spielen insbesondere die Emissions-, Verbrauchs-, Sicherheits- und Zertifizierungsbestimmungen für Fahrzeuge eine wichtige Rolle. Um die vielfältigen und weltweit oftmals divergierenden Regelungen einzuhalten, sind erhebliche Anstrengungen seitens der Automobilindustrie erforderlich. Daimler erwartet, dass der Konzern in Zukunft einen noch höheren Anteil des Forschungs- und Entwicklungsbudgets für die Erfüllung dieser Anforderungen aufwenden wird.
- Viele Länder und Regionen haben bereits strengere Regelungen zur Reduzierung von Emissions- und Verbrauchswerten von Fahrzeugen erlassen oder bringen aktuell entsprechende Gesetzesvorgaben auf den Weg, zum Beispiel zur Umweltverträglichkeit von Automobilen, einschließlich der Emissionswerte, der Treibstoffeffizienz und der Lärmgeräusche, sowie zum Schadstoffgehalt der Emissionen, der von Produktionsstandorten verursacht wird. Die Nichteinhaltung der einschlägigen Vorschriften in den einzelnen Regionen kann unter Umständen mit erheblichen Strafen und Reputationsrisiken verbunden sein und sogar so weit führen, dass Fahrzeuge in den betroffenen Märkten nicht oder nicht mehr zugelassen werden können. Die Kosten für die Einhaltung dieser Vorschriften insbesondere für die konventionellen Antriebe sind erheblich, und Daimler erwartet in diesem Zusammenhang einen erheblichen Anstieg der Kosten.
- Für Mercedes-Benz Cars & Vans bestehen Risiken aus Regelungen zu verbindlichen Zielvorgaben zum Flottendurchschnittsverbrauch beziehungsweise zum CO<sub>2</sub>-Ausstoß von Neufahrzeugen. Die ambitionierten gesetzlichen Vorgaben werden in einigen Ländern schwer zu erfüllen sein.
- Da die negativen Schlagzeilen zum Dieselantrieb und die Umsetzung von Fahrverboten für Dieselfahrzeuge die Kunden verunsichern, können sich dadurch dauerhaft Verschiebungen im Antriebsportfolio (weniger Diesel, mehr Benziner) ergeben. Somit wären zur Erreichung der ab 2020 geltenden CO<sub>2</sub>-Flottenziele weitere kostenintensive entwicklungs- und produktionsseitige Maßnahmen erforderlich.
- Strenge Regelungen zur Reduzierung von Emissions- und Verbrauchswerten von Fahrzeugen sind auch für Daimler Trucks & Buses mit Risiken behaftet, da die gesetzlichen Vorgaben in einigen Ländern schwer zu erfüllen sein werden. Dies

		<p>betrifft vor allem die Märkte Japan, USA, China und Europa.</p> <ul style="list-style-type: none"> <li>• Darüber hinaus könnte die Position des Daimler-Konzerns in wichtigen ausländischen Märkten durch die Zunahme beziehungsweise Änderung von Freihandelsabkommen beeinflusst werden. Sofern Freihandelsabkommen ohne die Beteiligung von Ländern geschlossen werden, in denen Daimler produziert, könnte Daimler ein Wettbewerbsnachteil gegenüber Wettbewerbern entstehen, die in Ländern produzieren, die solche Freihandelsabkommen abgeschlossen haben.</li> <li>• Zusätzlich zu den beschriebenen Emissions- und Verbrauchsbestimmungen nehmen in Städten und Ballungszentren weltweit verkehrspolitische Restriktionen zur Bekämpfung von Staus, Lärm und Emissionen an Bedeutung zu. Diese Entwicklungen können die Absatzentwicklung insbesondere in den Wachstumsmärkten dämpfen. Die große Herausforderung der nächsten Jahre wird sein, in jedem Markt das passende Antriebsportfolio und die passende Produktpalette anzubieten.</li> </ul> <p><b>Unternehmensspezifische Risiken</b></p> <p><i>Produktions- und Technologierisiken</i></p> <ul style="list-style-type: none"> <li>• Aufgrund der steigenden technischen Komplexität, des kontinuierlich wachsenden Umfangs an zu erfüllenden Emissions-, Verbrauchs- und Sicherheitsanforderungen und des Anspruchs, die Qualitätsstandards des Daimler-Konzerns einzuhalten und stetig zu erhöhen, unterliegt die Einführung und Herstellung der Produkte in den automobilen Geschäftsfeldern auch Produktions- und Technologierisiken.</li> <li>• Mit der Durchführung der Modernisierungsmaßnahmen und Neueinführung von Produkten sind in der Regel hohe Investitionen verbunden.</li> <li>• Prinzipiell besteht die Gefahr, dass aufgrund einer geringen Anlagenverfügbarkeit oder Ausfällen bei Produktions- oder Fabrikanlagen intern Engpässe entstehen und folglich Kosten anfallen.</li> <li>• Kapazitätsrestriktionen in der Produktion von Batterien, Unterbrechungen in der Zulieferkette sowie mögliche Ausfälle in der Versorgung durch Energieanbieter können Engpässe hervorrufen.</li> <li>• Garantie- und Kulanzfälle könnten im Daimler-Konzern entstehen, wenn die Qualität der Produkte nicht den Anforderungen entspricht, Vorschriften nicht vollständig eingehalten werden oder die Unterstützung bei Problemen und der Pflege der Produkte nicht in der benötigten Form gewährt werden kann. Auch Qualitätsprobleme sowohl bei in Fahrzeugen verbauten Zulieferteilen als auch im Zusammenhang mit technischen Neuerungen an Fahrzeugen können Anpassungen erfordern, die zu erheblichen finanziellen Belastungen führen können.</li> </ul>
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		<p><i>Informationstechnische Risiken</i></p> <ul style="list-style-type: none"> <li>• Die hohe Durchdringung aller Geschäftsbereiche des Konzerns mit Informationstechnik (IT) birgt auch Risiken für die Geschäfts- und Produktionsprozesse sowie deren Dienstleistungen und Produkte.</li> <li>• Aus der stetig wachsenden Bedrohung durch Cyber-Kriminalität und der Verbreitung von aggressivem Schadcode erwachsen Risiken, die sich auf die Verfügbarkeit, Integrität und Vertraulichkeit von Informationen und IT-gestützten Betriebsmitteln auswirken können.</li> </ul> <p><i>Personalrisiken</i></p> <ul style="list-style-type: none"> <li>• Der Erfolg des Daimler-Konzerns ist wesentlich von seinen Mitarbeiterinnen und Mitarbeitern und deren Know-how abhängig.</li> <li>• Der Wettbewerb um hoch qualifizierte Mitarbeiter und Führungskräfte ist in der Branche und in den Regionen, in denen Daimler tätig ist, nach wie vor sehr stark. Der künftige Erfolg hängt auch davon ab, inwiefern es dem Daimler-Konzern gelingt, Fachpersonal einzustellen, zu integrieren und dauerhaft an das Unternehmen zu binden.</li> <li>• Die demografische Entwicklung zwingt das Unternehmen, mit den Veränderungen durch eine älter werdende Belegschaft umzugehen und einen qualifizierten Fach- und Führungskräftenachwuchs zu sichern.</li> </ul> <p><i>Risiken aus Beteiligungen und Kooperationen</i></p> <ul style="list-style-type: none"> <li>• Der Daimler-Konzern partizipiert grundsätzlich entsprechend seiner jeweiligen Anteilsquote an den Risiken aus Beteiligungen.</li> <li>• Durch die Neubewertung einer Beteiligung können sich Risiken bezogen auf den Beteiligungsbuchwert für das Segment, dem die Beteiligung zugerechnet wird, ergeben. Auch aus der Geschäftstätigkeit, einem Verkauf oder Kauf einer Beteiligung können finanzielle Verpflichtungen oder ein zusätzlicher Finanzierungsbedarf entstehen.</li> </ul> <p><b>Finanzwirtschaftliche Risiken</b></p> <ul style="list-style-type: none"> <li>• Daimler ist grundsätzlich Risiken durch die Veränderungen von Marktpreisen, wie Wechselkursen, Zinssätzen, Commodity-Preisen und Aktienkursen, ausgesetzt. Marktpreisveränderungen können einen negativen Einfluss auf die Ertrags-, Finanz- und Vermögenslage des Konzerns haben.</li> <li>• Der Konzern ist Kredit-, Länder- und Liquiditätsrisiken, Risiken eines begrenzten Kapitalmarktzugangs, Risiken vorzeitiger Kreditrückzahlungsverpflichtungen sowie Risiken aus Ratingveränderungen ausgesetzt.</li> </ul>
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		<p><i>Wechselkursrisiken</i></p> <ul style="list-style-type: none"> <li>• Aufgrund der globalen Ausrichtung des Konzerns sind mit dem operativen Geschäft sowie den Finanztransaktionen Risiken aus Wechselkursschwankungen verbunden. Dies betrifft in besonderem Maße Mercedes-Benz Cars &amp; Vans, da hier ein großer Anteil der Umsatzerlöse in Fremdwährungen erzielt wird, während die Produktionskosten vorwiegend in Euro anfallen. Daimler Trucks &amp; Buses ist ebenfalls einem solchen Transaktionsrisiko ausgesetzt.</li> </ul> <p><i>Zinsänderungsrisiken</i></p> <ul style="list-style-type: none"> <li>• Aus Zinsänderungen können Risiken sowohl für das operative Geschäft als auch für Finanztransaktionen entstehen.</li> </ul> <p><i>Commodity-Preis-Risiken</i></p> <ul style="list-style-type: none"> <li>• Daimler ist im Rahmen seiner Geschäftstätigkeit einem Marktpreisrisiko aus dem Bezug von Teilelieferungen und Rohstoffen ausgesetzt.</li> </ul> <p><i>Kreditrisiken</i></p> <ul style="list-style-type: none"> <li>• Der Konzern unterliegt Kreditrisiken, die vor allem aus dem Finanzdienstleistungsgeschäft und dem operativen Fahrzeuggeschäft resultieren.</li> </ul> <p><i>Länderrisiken</i></p> <ul style="list-style-type: none"> <li>• Daimler unterliegt Länderrisiken, die vor allem aus grenzüberschreitenden Finanzierungen oder Besicherungen von Konzerngesellschaften oder Kunden, Kapitalanlagen in Tochtergesellschaften oder Kooperationen sowie grenzüberschreitenden Forderungen aus Lieferungen und Leistungen resultieren.</li> </ul> <p><i>Risiken eines begrenzten Kapitalmarktzugangs</i></p> <ul style="list-style-type: none"> <li>• Liquiditätsrisiken entstehen, wenn ein Unternehmen seine finanziellen Verpflichtungen nicht in ausreichendem Maß erfüllen kann. Eine Verteuerung der Refinanzierung würde sich negativ auf die Wettbewerbsfähigkeit und Profitabilität des Finanzdienstleistungsgeschäfts von Daimler auswirken, soweit die höheren Refinanzierungskosten nicht an die Kunden weitergegeben werden können; eine Begrenzung des Finanzdienstleistungsgeschäfts hätte zudem negative Absatzfolgen für das Fahrzeuggeschäft.</li> </ul> <p><i>Risiken vorzeitiger Kreditrückzahlungsverpflichtungen</i></p> <ul style="list-style-type: none"> <li>• Daimler kann für den Fall nachteiliger Ergebnisse aus laufenden juristischen Verfahren zur vorzeitigen Rückzahlung von zweckgebundenen Krediten verpflichtet werden. Es ist zu erwarten, dass der dadurch entstehende Refinanzierungsbedarf zu höheren</li> </ul>
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		<p>Kosten abgeschlossen werden muss.</p> <p><i>Risiken im Zusammenhang mit Pensionsplänen</i></p> <ul style="list-style-type: none"> <li>• Daimler gewährt leistungsorientierte Pensionszusagen und in einem geringen Umfang Zuschussverpflichtungen für Gesundheitsfürsorgeleistungen, die zu einem großen Teil durch Planvermögen gedeckt sind. Der Marktwert der Planvermögen wird maßgeblich von der Situation an den Kapitalmärkten bestimmt. Ungünstige Entwicklungen, vor allem bei Aktienkursen und festverzinslichen Wertpapieren, vermindern den Wert des Planvermögens.</li> </ul> <p><i>Risiken aus Ratingveränderungen</i></p> <ul style="list-style-type: none"> <li>• Die Ratingagenturen DBRS Limited, Fitch Ratings España S.A.U., Moody's Deutschland GmbH, Scope Ratings AG und S&amp;P Global Ratings Europe Limited bewerten die Kreditwürdigkeit von Daimler. Risiken und Chancen liegen in möglichen Herab- oder Heraufstufungen der von diesen Ratingagenturen vergebenen Credit Ratings und damit der Kreditwürdigkeit von Daimler. Herabstufungen können sich negativ auf die Konzernfinanzierung auswirken, wenn sich dadurch die Fremdfinanzierungskosten erhöhen oder die Finanzierungsmöglichkeiten des Konzerns beschränkt würden.</li> </ul> <p><b>Rechtliche und steuerliche Risiken</b></p> <p><i>Rechtliche Risiken</i></p> <p><i>Risiken aus Regulierung</i></p> <ul style="list-style-type: none"> <li>• Die Automobilindustrie unterliegt weltweit umfassender staatlicher Regulierung. Die Kosten für die Einhaltung dieser Vorschriften sind erheblich, und Daimler erwartet in diesem Zusammenhang einen erheblichen Anstieg derartiger Kosten.</li> </ul> <p><i>Risiken aus rechtlichen Verfahren allgemein</i></p> <ul style="list-style-type: none"> <li>• Die DAG und ihre Tochtergesellschaften sind mit verschiedenen Gerichtsverfahren, Ansprüchen sowie behördlichen Untersuchungen und Anordnungen (rechtliche Verfahren) konfrontiert, die eine Vielzahl an Themen betreffen. Diese umfassen zum Beispiel Fahrzeugsicherheit, Emissionen, Kraftstoffverbrauch, Finanzdienstleistungen, Händler-, Lieferanten- und weitere Vertragsbeziehungen, gewerblichen Rechtsschutz, Gewährleistungsansprüche, Umweltverfahren, kartellrechtliche Verfahren (einschließlich Schadensersatzklagen) sowie Aktionärsklagen. Soweit solche rechtlichen Verfahren zum Nachteil von Daimler ausgehen, können sich hieraus erhebliche Schadens- sowie Strafschadensersatzzahlungen, Nachbesserungsarbeiten, Rückrufaktionen, Bußgelder oder sonstige kostenintensive Maßnahmen ergeben. Rechtliche Verfahren können teilweise auch Auswirkungen auf die Reputation des Konzerns haben.</li> </ul>
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*Risiken aus rechtlichen Verfahren im Zusammenhang mit Diesellabgasemissionen – Behördliche Verfahren*

- Daimler ist laufend behördlichen Anfragen, Ermittlungen, Untersuchungen, Anordnungen und Verfahren bezogen auf umweltrechtliche, strafrechtliche, kartellrechtliche sowie weitere Gesetze und Vorschriften im Zusammenhang mit Diesellabgasemissionen ausgesetzt.
- Verschiedene Bundes- und Landesbehörden sowie weitere Institutionen weltweit haben Anfragen gestellt und/oder führen Untersuchungen und/oder Verfahren durch oder haben diese durchgeführt und/oder haben Anordnungen oder, im Fall der Staatsanwaltschaft Stuttgart, einen Bußgeldbescheid erlassen. Diese beziehen sich insbesondere auf Testergebnisse und Emissionskontrollsysteme in Mercedes-Benz Dieselfahrzeugen und/oder Daimlers Interaktion mit den entsprechenden Bundes- und Landesbehörden sowie damit zusammenhängende rechtliche Fragen und Implikationen, beispielsweise auch nach geltendem Umwelt-, Straf- und Kartellrecht. Bei diesen Behörden und Institutionen handelt es sich unter anderem um das US-amerikanische Justizministerium (*U.S. Department of Justice, DOJ*), das von Daimler die Durchführung einer internen Untersuchung verlangt hat, die US-amerikanische Umweltschutzbehörde (*U.S. Environmental Protection Agency, EPA*), die kalifornische Umweltschutzbehörde (*California Air Resources Board, CARB*) und weitere US-Landesbehörden, die Europäische Kommission, das Bundeskartellamt sowie Landeskartellbehörden und weitere Behörden verschiedener ausländischer Staaten sowie das Bundesministerium für Verkehr und digitale Infrastruktur (BMVI) und das Kraftfahrt-Bundesamt ("**KBA**"). Die Europäische Kommission hat im Rahmen ihrer förmlichen Prüfung möglicher Absprachen über Emissionsminderungssysteme im April 2019 eine Mitteilung der Beschwerdepunkte an Daimler sowie andere Automobilhersteller gerichtet. Daimler hat in diesem Zusammenhang bei ihr bereits vor einiger Zeit einen Antrag auf Geldbußenerlass (Kronzeugenantrag) gestellt. Die Staatsanwaltschaft Stuttgart führt derzeit Ermittlungsverfahren gegen Mitarbeiter von Daimler wegen des Verdachts auf Betrug und strafbare Werbung durch und hat im Mai 2017 die Geschäftsräume von Daimler an verschiedenen Standorten in Deutschland durchsucht. Im Februar 2019 hat die Staatsanwaltschaft Stuttgart auch ein förmliches Ordnungswidrigkeitenverfahren gegen die Daimler AG eingeleitet. Im September 2019 hat die Staatsanwaltschaft Stuttgart gegen Daimler einen Bußgeldbescheid wegen fahrlässiger Aufsichtspflichtverletzung in Höhe von 870 Mio. € erlassen, welcher rechtskräftig geworden ist. Dadurch wurde das Ordnungswidrigkeitenverfahren gegen Daimler beendet. Daimler kooperiert weiterhin vollumfänglich mit den Behörden und Institutionen. Ungeachtet dieser Kooperation ist es möglich, dass weitere regulatorische, strafrechtliche und verwaltungsrechtliche Untersuchungs- sowie Zwangs- und Vollstreckungsverfahren und -maßnahmen gegen Daimler und/oder seine Mitarbeiter ergriffen oder Anordnungen erlassen werden. Dabei könnten beispielsweise strafbewehrte rechtliche Anordnungen im

		<p>Beweisaufnahmeverfahren, sogenannte Subpoenas, oder sonstige Verfügungen hinsichtlich Unterlagen, Zeugenaussagen oder sonstigen Informationen erlassen sowie Rückrufe von Fahrzeugen angeordnet werden, weitere Hausdurchsuchungen stattfinden, die Mitteilung eines Rechtsverstößes (<i>notice of violation</i>) ergehen oder eine zunehmende Formalisierung der behördlichen Untersuchungen, Abstimmungen oder Verfahren, einschließlich der vergleichweisen Verfahrensbeendigung, eintreten. Ferner könnten weitere Verzögerungen bei der Erteilung behördlicher Genehmigungen, die für die Marktzulassung neuer oder die Rezertifizierung existierender Fahrzeugmodelle notwendig sind, auftreten.</p> <ul style="list-style-type: none"> <li>• Das KBA hat in den Jahren 2018 und 2019 verschiedene Anordnungen erlassen, in denen es feststellt, dass bestimmte Kalibrierungen von näher spezifizierten Funktionalitäten in bestimmten Mercedes-Benz Dieselfahrzeugen als unzulässige Abschaltvorrichtungen zu bewerten seien, und hat diesbezüglich nachträgliche Nebenbestimmungen zu den einschlägigen EG-Typgenehmigungen angeordnet, einschließlich Erstzulassungsstopps und Rückrufen. Gegen diese Anordnungen hat Daimler jeweils fristgerecht Widerspruch eingelegt, um die offenen Rechtsfragen gegebenenfalls auch gerichtlich klären zu lassen. Das KBA führt im Rahmen seiner regulären Marktüberwachung laufend weitere Untersuchungen von Mercedes-Benz Fahrzeugen durch und stellt Fragen zu technischen Elementen der Fahrzeuge. Angesichts der vorgenannten Anordnungen des KBA ist es wahrscheinlich, dass das KBA im Zuge der laufenden und/oder weiterer Untersuchungen zusätzliche Anordnungen erlassen wird, in denen es feststellt, dass weitere Mercedes-Benz Dieselfahrzeuge ebenfalls mit unzulässigen Abschaltvorrichtungen ausgestattet sind. Daimler hat (mit Blick auf die Rechtsauffassung des KBA vorsorglich) für bestimmte Modelle einen vorläufigen Auslieferungs- und Zulassungsstopp angeordnet, auch bezüglich des Gebrauchtwagen-, Leasing- und Finanzierungsgeschäfts, und prüft laufend, ob dieser ganz oder teilweise wieder aufgehoben werden kann. Die vom KBA geforderten Neukalibrierungen werden derzeit bearbeitet, und für einen Teil der Fahrzeuge ist die betreffende Software vom KBA bereits freigegeben worden; die entsprechenden Rückrufe sind insoweit eingeleitet worden. Es ist nicht ausgeschlossen, dass bei gegebenem Anlass Software-Updates nachbearbeitet, weitere Auslieferungs- und Zulassungsstopps angeordnet oder als Vorsichtsmaßnahme des Unternehmens, auch im Hinblick auf das Gebrauchtwagen-, Leasing- und Finanzierungsgeschäft, beschlossen werden können. Daimler hat weitergehende Untersuchungen eingeleitet und kooperiert im Übrigen weiterhin vollumfänglich mit den Behörden und Institutionen.</li> <li>• Im Januar 2019 hat ein anderer Fahrzeughersteller mit US-Bundes- und -Landesbehörden sowie Fahrzeugkunden zivilrechtliche Vergleiche abgeschlossen. Obwohl der Hersteller kein Schuldeingeständnis abgegeben hat, vertreten die Behörden den Standpunkt, dass der Fahrzeughersteller sogenannte nicht offengelegte Auxiliary Emission Control Devices ("AECDs") in seinen Dieselfahrzeugen verwendet hat, darunter anscheinend auch</li> </ul>
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		<p>für Dieselfahrzeuge übliche Funktionalitäten, und dass bestimmte dieser AECDS unzulässige Abschaltvorrichtungen sind. Als Teil dieser Vergleiche hat sich der Hersteller bereit erklärt, unter anderem zivilrechtliche Geldstrafen zu zahlen, einen Rückruf der betroffenen Fahrzeuge durchzuführen, erweiterte Gewährleistungen zu übernehmen, ein landesweites Schadensbegrenzungsprojekt durchzuführen und weitere Zahlungen zu leisten. Der Hersteller hat sich ferner dazu bereit erklärt, im Rahmen eines Vergleichs über eine Sammelklage Zahlungen an aktuelle und ehemalige Eigentümer von Dieselfahrzeugen zu leisten.</p> <ul style="list-style-type: none"> <li>• Vor dem Hintergrund dieser Vorgänge und in Anbetracht der laufenden behördlichen Anfragen, Ermittlungen, Untersuchungen, Anordnungen und Verfahren sowie eigener interner Untersuchungen von Daimler ist es möglich, dass neben dem KBA eine oder mehrere aufsichtsrechtliche und/oder Ermittlungsbehörden weltweit zu dem Schluss kommen werden, dass weitere Pkw und/oder Nutzfahrzeuge der Marke Mercedes-Benz oder anderer Konzernmarken ebenfalls mit unzulässigen Abschaltvorrichtungen ausgestattet und/oder dass bestimmte Funktionalitäten und/oder Kalibrierungen nicht ordnungsgemäß offengelegt worden sind. Darüber hinaus haben die Behörden die Untersuchungen von Daimlers Prozessen im Hinblick auf die Meldung laufender technischer Veränderungen, von Feldmaßnahmen und technischen Mängeln sowie weitere Aspekte der Regelkonformität verstärkt. Mit Ausnahme insbesondere des Ordnungswidrigkeitenverfahrens der Staatsanwaltschaft Stuttgart sind die Ermittlungen, Untersuchungen, rechtlichen Maßnahmen und Verfahren sowie die Beantwortung der behördlichen Anfragen, die Widerspruchsverfahren gegen die Anordnungen des KBA sowie unsere internen Untersuchungen noch nicht abgeschlossen; Daimler kann daher zum jetzigen Zeitpunkt keine Aussage hinsichtlich des Ausgangs dieser Ermittlungen, Untersuchungen und Verfahren treffen. In Anbetracht des Ausgangs des Ordnungswidrigkeitenverfahrens der Staatsanwaltschaft Stuttgart gegen Daimler und der vorgenannten sowie möglicher weiterer Anfragen, Ermittlungen, Untersuchungen, Anordnungen und Verfahren ist es möglich, dass Daimler zu erheblichen weiteren Geldstrafen, Bußgeldern, Gewinnabschöpfungen, Feldmaßnahmen, weiteren Rückrufaktionen, weiteren Auslieferungs- und Zulassungsstopps, Maßnahmen zur Prozess- und Compliance-Verbesserung und Schadensbegrenzung sowie zur vorzeitigen Rückzahlung von Förderkrediten verpflichtet und/oder sonstigen Sanktionen, Maßnahmen und Handlungen (wie dem Ausschluss von Vergabeverfahren), einschließlich weiterer Untersuchungen und/ oder Anordnungen durch diese oder andere Behörden und weiterer Verfahren, ausgesetzt wird. Der vollständige oder teilweise Eintritt der vorgenannten Ereignisse könnte für Daimler einen erheblichen Kollateralschaden zur Folge haben, insbesondere einen damit verbundenen Reputationsschaden. Ferner kann es aufgrund negativer Festlegungen oder Feststellungen zu technischen oder rechtlichen Fragen durch eine der verschiedenen Behörden dazu kommen, dass auch andere Behörden - oder auch Kläger - diese Festlegungen oder Feststellungen übernehmen. Dies gilt auch dann, wenn die entsprechenden Festlegungen oder</li> </ul>
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		<p>Feststellungen nicht in den Verantwortungs- oder Zuständigkeitsbereich dieser Behörde fallen. Somit besteht das Risiko, dass negative Festlegungen oder Feststellungen in einem Verfahren, wie der von der Staatsanwaltschaft Stuttgart erlassene Bußgeldbescheid, negative Auswirkungen auf andere Verfahren haben können und dadurch unter anderem möglicherweise neue Untersuchungen oder Verfahren ausgelöst oder diese ausgeweitet werden.</p> <ul style="list-style-type: none"> <li>• Des Weiteren könnte die Fähigkeit von Daimler, sich in den Verfahren zu verteidigen, durch den von der Staatsanwaltschaft Stuttgart erlassenen Bußgeldbescheid sowie weitere ungünstige Ergebnisse, einen ungünstigen Ausgang oder ungünstige Entwicklungen in jeder der vorangehend beschriebenen Anfragen, Ermittlungen, Untersuchungen, Anordnungen, rechtlichen Maßnahmen und/oder Verfahren beeinträchtigt werden.</li> </ul> <p><i>Risiken aus rechtlichen Verfahren im Zusammenhang mit Dieseldiagnostik – Gerichtsverfahren</i></p> <ul style="list-style-type: none"> <li>• In den USA ist eine Verbraucher-Sammelklage anhängig, in der behauptet wird, dass die DAG und MBUSA mit Robert Bosch LLC und Robert Bosch GmbH konspiriert hätten, um die US-amerikanischen Aufsichtsbehörden und Verbraucher zu täuschen. Im Januar 2019 wurde vom Bundesstaat Arizona eine separate Klage eingereicht, in der behauptet wird, die DAG und MBUSA hätten Verbraucher im Zusammenhang mit der Werbung für Mercedes-Benz Dieselfahrzeuge bewusst getäuscht. Verbraucher-Sammelklagen mit gleichartigem Vorwurf wurden gegen die DAG und weitere Konzerngesellschaften im April 2016 in Kanada und gegen die DAG im Februar 2019 in Israel eingereicht. Im Juli 2017 wurde eine ähnliche Sammelklage in den USA eingereicht, aber im Dezember 2017 haben sich die Parteien ohne Entscheidung in der Sache auf die Abweisung dieser Klage verständigt. Sie kann unter bestimmten Voraussetzungen erneut erhoben werden. Darüber hinaus wurden Sammelklagen wegen angeblich wettbewerbswidrigen Verhaltens bezüglich Fahrzeugtechnologie, Kosten, Lieferanten, Märkten und anderen wettbewerblich relevanten Themen, einschließlich Diesel-Abgasreinigungstechnologie, in den USA und Kanada eingereicht. In den USA ist eine Anleger-Sammelklage von Anlegern in DAG American Depositary Receipts anhängig, in der behauptet wird, dass die Beklagten grundlegend falsche und irreführende Aussagen zu Dieselemissionen von Mercedes-Benz Fahrzeugen gemacht hätten.</li> <li>• In Deutschland sind eine Vielzahl an Klagen von Kunden wegen angeblicher Ansprüche aus Gewährleistungs- und Deliktsrecht sowie Klagen von Anlegern wegen der angeblichen Verletzung von Publizitätsvorschriften anhängig. Sowohl von Anlegern als auch von DAG wurden in diesem Zusammenhang Anträge auf Einleitung eines Musterverfahrens nach dem Kapitalanleger-Musterverfahrensgesetz (KapMuG) gestellt. Derzeit ist noch kein Musterverfahren anhängig.</li> <li>• Soweit Gerichtsverfahren zum Nachteil von Daimler ausgehen,</li> </ul>
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		<p>können sich hieraus erhebliche Schadens- sowie Strafschadensersatzzahlungen, Nachbesserungsarbeiten oder sonstige kostenintensive Maßnahmen ergeben. Gerichtsverfahren können teilweise auch negative Auswirkungen auf die Reputation des Konzerns haben.</p> <ul style="list-style-type: none"> <li>• Des Weiteren könnte die Fähigkeit von Daimler, sich in den Gerichtsverfahren zu verteidigen, durch ungünstige Ergebnisse, einen ungünstigen Ausgang oder ungünstige Entwicklungen in den vorstehend genannten behördlichen oder anderen gerichtlichen Verfahren, insbesondere den von der Staatsanwaltschaft Stuttgart erlassenen Bußgeldbescheid, beeinträchtigt werden.</li> </ul> <p><i>Risiken aus sonstigen rechtlichen Verfahren</i></p> <ul style="list-style-type: none"> <li>• Die DAG und die Daimler Truck AG müssen sich nach dem Abschluss des EU-Kartellverfahrens im Bereich Trucks durch eine Entscheidung der EU-Kommission vom 19. Juli 2016 in erheblichem Maß mit Schadensersatzforderungen von Kunden auseinandersetzen. Entsprechende Klagen, Sammelklagen und andere Rechtsmittel wurden in verschiedenen Staaten innerhalb und außerhalb Europas eingereicht und sind weiterhin zu erwarten.</li> <li>• Da rechtliche Verfahren mit erheblichen Unsicherheiten behaftet sind, ist es möglich, dass sich die für sie gebildeten Rückstellungen nach abschließenden Verfahrensentscheidungen teilweise als unzureichend erweisen. Infolgedessen können erhebliche zusätzliche Aufwendungen entstehen. Dies trifft auch auf rechtliche Verfahren zu, für die aus Sicht des Konzerns keine Rückstellungen zu bilden waren.</li> <li>• Es kann nicht ausgeschlossen werden, dass die vorgenannten Risiken aus Regulierung und rechtlichen Verfahren einzeln oder in ihrer Gesamtheit erhebliche nachteilige Auswirkungen auf die Ertrags-, Finanz- und Vermögenslage von Daimler haben könnten.</li> </ul> <p><i>Steuerliche Risiken</i></p> <ul style="list-style-type: none"> <li>• Etwaige Änderungen der Rechtsvorschriften sowie der Rechtsprechung und unterschiedliche Rechtsauslegungen durch die Finanzverwaltungen – insbesondere auch im Bereich von grenzüberschreitenden Transaktionen – können mit erheblicher Unsicherheit behaftet sein. Daher ist es möglich, dass sich gebildete Rückstellungen als nicht ausreichend erweisen und sich insofern negative Auswirkungen auf das Konzernergebnis und den Cash Flow des Konzerns ergeben können.</li> </ul> <p><b>Nichtfinanzielle Risiken</b></p> <ul style="list-style-type: none"> <li>• Die DAG steht als weltweit agierendes Unternehmen im Fokus der Öffentlichkeit. Die Wahrnehmung durch relevante Anspruchsgruppen ist von entscheidender Bedeutung und kann die Reputation des gesamten Daimler-Konzerns beeinflussen.</li> <li>• Risiken ergeben sich dabei vor allem im Zusammenhang mit der öffentlichen Diskussion um Dieselfahrzeuge und die damit</li> </ul>
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		<p>verbundene grundlegende Infragestellung der Emissionsmessverfahren. Aufgrund der Ablösung des NEFZ (Neuer Europäischer Fahrzyklus) durch das neue Messverfahren WLTP (<i>Worldwide Harmonized Light Vehicles Test Procedure</i>) verschlechtert sich der CO<sub>2</sub>-Flottendurchschnitt. Nach heutigem Kenntnisstand erschwert dies die Erreichung der CO<sub>2</sub>-Ziele ab 2020. Der aktuelle Fokus in der Öffentlichkeit auf Fahrzeugemissionen sowie mögliche Erstzulassungsstopps und Rückrufe gefährden die Reputation der Automobilindustrie und speziell des Dieselmotors und könnten einen Reputationsschaden für Daimler zur Folge haben.</p> <p><b>Andere Risiken</b></p> <ul style="list-style-type: none"> <li>• Neben den vorstehend beschriebenen Risikokategorien gibt es unvorhersehbare Ereignisse, die Produktions- und Geschäftsprozesse stören können, beispielsweise Naturkatastrophen, politische Instabilitäten oder terroristische Anschläge.</li> <li>• Zusätzlich zu den beschriebenen Risiken kann es weitere Risiken geben, die sich negativ auf die öffentliche Wahrnehmung und damit die Reputation des Daimler-Konzerns auswirken. Die Haltung des Unternehmens in Bezug auf einzelne Themen aus den Bereichen Nachhaltigkeit, Integrität und soziale Verantwortung steht im Fokus der Öffentlichkeit. Darüber hinaus verfolgen Kunden, Partner und Kapitalmärkte, wie das Unternehmen auf die technologischen Herausforderungen der Zukunft reagiert, wie es ihm gelingt, zeitgemäße und technologisch führende Produkte auf den Märkten anzubieten, und wie die Geschäftstätigkeit unter den gegebenen Rahmenbedingungen ausgeübt wird.</li> <li>• Neue Mit-Wettbewerber beispielsweise aus der IT-Branche und die sich aus der aktuellen Konzernstrategie ergebenden Herausforderungen unter anderem im Zusammenhang mit der Elektromobilität, sind mit Risiken für den Daimler-Konzern verbunden.</li> <li>• Belastend werden sich schließlich die weiterhin hohen Vorleistungen für neue Produkte und Technologien auswirken. Hinzu kommen die Kosten für das "Projekt Zukunft" zur Umsetzung der neuen Konzernstruktur.</li> </ul>
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**C. Amendments to the section commencing on page 111 of the Prospectus which is entitled "*Risk Factors*"**

**The subsection commencing on page 111 of the Prospectus which is entitled "*Risk Factors Relating to DAG, MBAP, DIF, DCFI, DFNA and MBFJ*" (as amended by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:**

MBAP, DIF, DCFI, DFNA and MBFJ are direct or indirect subsidiaries of DAG. All Notes to be issued by MBAP, DIF, DCFI, DFNA or MBFJ are unconditionally and irrevocably guaranteed by DAG in respect of principal and interest payments. Accordingly, MBAP, DIF, DCFI, DFNA and MBFJ are affected, substantially, by the same risks as those that affect the business and operations of DAG and/or its consolidated subsidiaries. Therefore, references in this section to DAG and/or its consolidated subsidiaries shall include references to the Issuer (if applicable).

DAG is subject to various risks resulting from changing economic, political, social, industry, business and financial conditions. The principal risks which could affect DAG's business, financial condition, profitability, cash flows, results of operations and future business results are described below. DAG's overall risk situation is the sum of the individual risks of all risk categories for the divisions, the corporate functions and legal entities. In general, the reporting of risks takes place in relation to the individual segments. If no segment is explicitly mentioned, the risks described relate to all divisions.

In addition, risks that are not yet known or assessed as not material can influence profitability, cash flows and financial position.

### **Industry and Business Risks**

The following section describes industry and business risks of the Daimler Group.

#### *Economic risks*

Economic risks constitute the framework for the risks listed in the following categories. Overall economic conditions have a significant influence on vehicle sales markets and thus on the Group's success.

Economic risks are linked to assumptions and forecasts concerning general developments.

The trade conflict between the United States and China continues to be a significant risk for the further development of the world economy. Furthermore, the threat by the United States to impose additional tariffs on imported vehicles and parts, including from the European Union, still exists. These two factors could significantly affect the development of unit sales and earnings, especially at Mercedes-Benz Cars & Vans. In addition, there is a danger that countries will implement increasingly protectionist measures such as specific market-access barriers or industry-political concepts. This would have significant impacts on the global value chains at Mercedes-Benz Cars & Vans and Daimler Trucks and Buses, leading to higher costs and adversely affecting business developments and sales possibilities.

Even without a further escalation of the various trade conflicts, the ongoing uncertainty could ensure that the global investment cycle weakens even more than previously assumed. A further slowdown in investment activity – particularly in North America and Europe – would adversely affect the unit sales of heavy-duty commercial vehicles in particular and would therefore have a particularly negative impact on the unit sales and profitability of Daimler Trucks & Buses.

If the recession, which has so far been limited to the industrial sector, spreads more to the service sector and spreads even more than before to the United States, in addition to the euro zone and China, this would have noticeable effects on employment and wages in those regions. This would have a significant impact on consumer confidence and consumption, one of the most important drivers of the current economic expansion. The resulting lower growth or even decline in overall economic consumption would have a correspondingly negative impact on the sales prospects of Mercedes-Benz Cars & Vans in particular.

The European market will continue to be of great importance for all segments of the Daimler Group in the future, so changes in investment and consumer behavior will affect the development of unit sales in all segments. The risk of a disorderly withdrawal of the United Kingdom from the European Union due to the Brexit of January 31, 2020 and the related exit agreement no longer exists. However, uncertainty is now likely to shift to the negotiations on a future agreement between the UK and the EU, which according to the transitional agreement would have to be concluded by the end of 2020 in order to prevent customs duties as

of January 2021. These negotiations are likely to be very difficult and connected with a high degree of political uncertainty. In extreme cases, renewed distortions in the European financial markets and corresponding decreases in economic growth are to be expected. This would significantly impact growth above all in the United Kingdom, with an adverse effect on the development of the Group's unit sales across all segments. In the euro zone, the risk of political conflicts also remains increased. Phases of political uncertainty could have a negative impact on consumption and investment decisions by households and companies.

In the United States, political uncertainty in the run-up to the presidential elections and ongoing trade tensions could lead to a more pronounced reduction in corporate investment than previously assumed. This would have a particularly negative effect on the unit sales of the Daimler Trucks & Buses segment. The overall economic growth slowdown was to be more pronounced than previously expected, consumption by private households would also suffer significantly due to negative employment and income effects. This in turn could have a negative impact on the unit sales of Mercedes-Benz Cars & Vans.

In general, public and private debt remains high in many economies. In the event of a more pronounced economic downturn, this could limit the scope for governments to take fiscal countermeasures or lead to increased defaults by companies and households. This would lead to increased instability in the financial markets and also adversely affect overall economic demand, with negative effects on the unit sales of the Daimler Group's segments.

From an economic perspective, the high indebtedness of Chinese companies, especially state-owned enterprises, also represents a considerable risk. If the government's efforts to restrict credit growth in combination with the negative impact of US tariffs on imports from China lead to a more significant growth slowdown than currently expected, this could result in an excessive increase in credit defaults, which would then lead to turbulences in the banking sector and the financial markets. In particular, at the Mercedes-Benz Cars & Vans segment, for which China is now one of the biggest sales markets, the aforementioned risks could result in significant negative effects on unit sales.

The outbreak of the coronavirus may result in macroeconomic risks that could lead to significant reductions in economic growth in China, other Asian economies and also worldwide. Risks for the Daimler Group may not only affect the development of unit sales, but may also lead to significant adverse effects on production, the procurement market and the supply chain.

Another risk is that the pressure on the emerging markets could intensify further if underlying sentiment in the financial markets deteriorates significantly. In such a case, even more capital would flow out of the emerging markets. Growth in the emerging markets would then be significantly weaker and put pressure on global growth. Furthermore, changes in central-bank policy in the developed and emerging markets to support economic development (such as currency devaluation) entail a high risk. Although the risk of a debt crisis in the emerging markets – triggered by US interest-rate rises and the resulting higher interest burden due to the predominance of US dollar debt – has recently been reduced by the US Federal Reserve's shift to a looser monetary policy, it has not been fully resolved. Possible crises in individual countries would have a noticeable negative impact on sales prospects in those markets and possible also on conditions for the Group's local operations.

Although oil prices fell significantly last year, if political crises – especially in the Middle East – and ensuing temporary supply bottlenecks lead to a significant rise in oil prices that OPEC countries are unable to offset in the short term, inflation could rise significantly and adversely affect global growth. Moreover, an escalation of geopolitical conflicts in other regions of the world could also significantly slow down global economic growth.

### ***Location and country-specific risks***

In conducting business around the world, Daimler is subject to risks that are inherent in operating in other countries and is therefore exposed to material location and country-specific risks.

In general, business operations in emerging markets involve a greater risk resulting from economic and political systems that typically are less developed, and likely to be less stable, than those of more advanced countries. Daimler is therefore exposed to a number of factors, over which the Group has little to no control and which may adversely affect the Group's business activities. These factors include, but are not limited to, the following: political, social, economic, financial or market-related instability or volatility; foreign currency control regulations and other regulations or the negative impacts related to foreign exchange rate volatility; restrictions on capital transfers; absence of independent and experienced judiciary and inability to enforce contracts; reimbursement rates and services covered by government reimbursement programs; trade restrictions and restrictions on repatriation of earnings.

The realization of any of these risks could have a material adverse effect on Daimler's business, cash flows, financial condition and results of operations.

#### *General market risks*

The risks for the economic development of automotive markets are strongly affected by the cyclical situation of the global economy as described above. The assessment of market risks is linked to assumptions and forecasts about the overall development of markets in the regions in which the Daimler Group is active. The possibility of markets developing worse than assumed in the planning, or of changing market conditions, generally exists for all segments of the Daimler Group.

Potential effects of the risks on the development of unit sales are included in risk scenarios. Increasing customer demand for model series with lower profit margins can have a negative impact on the earnings of the segments concerned. Causes of declining vehicle sales may result in particular from the partially unstable economic environment and in the context of political or economic uncertainties. A rising oil price and volatile exchange rates can also lead to market uncertainty and thus to falling demand. Differences between the segments exist due to the partly varying regional focus of their activities.

Due to the partly difficult financial situation of some dealerships and vehicle importers, support actions might become necessary to ensure the performance of the business partners. Further risks result from the dependency on certain dealerships, so in certain circumstances, relationships with new business partners may have to be developed. The loss of important dealerships and vehicle importers can lead to customer demand not being fully served and lower unit sales. Risks of this kind exist for dealerships and vehicle importers of Mercedes-Benz Cars & Vans and Daimler Trucks & Buses.

The launch of new products by competitors, more aggressive pricing policies and poorer price enforcement in the aftersales business can lead to increasing competitive and price pressure in the automotive segments.

#### *Risks relating to the leasing and sales-financing business*

In connection with the sale of vehicles, Daimler offers its customers a wide range of financing and leasing options. The resulting risks for the Daimler Mobility segment are mainly due to borrowers' worsening creditworthiness, so receivables might not be recoverable in whole or in part because of customers' insolvency (default or credit risk).

In connection with leasing agreements, risks arise if the market value of a leased vehicle at the end of the agreement term differs from the residual value originally calculated and forecasted at the time the agreement was concluded and used as a basis for the leasing installments. A residual-value risk arises if the expected market value of a vehicle at the end of the contract term is lower than the residual value calculated and forecasted when the contract was concluded. Particularly at Mercedes-Benz Cars & Vans and Daimler Mobility, risks therefore result from the development of the used car markets and thus from the residual values of the vehicles produced. Above all, the existing uncertainties in connection with diesel vehicles can have a negative impact on residual values. As part of the established residual-value management process, certain assumptions are made at local and corporate levels regarding the expected level of prices, based upon which the cars to be returned in the leasing business are evaluated. If changing market developments lead to

a negative deviation from assumptions, there is a risk of lower residual values of used cars. This can adversely affect the proceeds from the sale of used cars.

In addition, a residual-value risk from non-Daimler vehicles exists for the Daimler Mobility companies that operate commercial fleet management and leasing management, because most of those vehicles are not covered by manufacturers' residual-value guarantees. The negative development of sale prices for used cars on stock can adversely affect earnings.

#### *Procurement market risks*

Procurement market risks arise for the automotive divisions in particular from fluctuations in prices of raw materials and energy. There are also risks of financial bottlenecks of suppliers, and of capacity bottlenecks caused by supplier delivery failures or by insufficient utilization of production capacities at suppliers. Potential claims from suppliers due to the premature termination of development and production agreements by the Daimler Group may also lead to decreased earnings.

The automotive segments of the Daimler Group require certain raw materials for the manufacture of vehicle components and vehicles, which are purchased on the world market. The level of costs depends on the price development of raw materials. Due to largely unchanged macroeconomic conditions, price fluctuations are expected with uncertain and inconsistent trends. For example, raw-material markets can be impacted by political crises and uncertainties – combined with possible supply bottlenecks – as well as volatile demand for specific raw materials. Potential tariff increases for certain raw materials as a result of increasing protectionist tendencies worldwide can have a negative impact on price developments. In general, the ability to pass on the higher costs of commodities and other materials in form of higher prices for manufactured vehicles is limited because of strong competitive pressure in the international automotive markets. Rising raw-material prices may therefore have a negative impact on the margins on the vehicles sold and thus lead to lower earnings in the respective segment.

The financial situation of some suppliers remains tense due to the gloomy market environment. The resulting possible production losses at suppliers may cause an interruption in the supply chain of the Daimler Group's automotive segments and prevent vehicles from being completed and delivered to customers on time.

Due to the planned electrification of new model series and a shift in customer demand from diesel to gasoline engines, Mercedes-Benz Cars & Vans in particular is faced with the risk that Daimler will require changed volumes of components from suppliers. This could result in over- or under-utilization of production capacities for certain suppliers. If suppliers cannot cover their fixed costs, there is the risk that they may demand compensation payments. Necessary capacity expansion at suppliers' plants could also require cost-effective participation.

#### *Risks relating to the legal and political framework*

The automotive industry is subject to extensive governmental regulation worldwide. Risks from the legal and political framework have a considerable impact on Daimler's future business success. Regulations concerning vehicles' emissions, fuel consumption, safety and certification, as well as tariff aspects, play a particularly important role. Complying with these varied and often diverging regulations all over the world requires strenuous efforts on the part of the automotive industry. In the future, Daimler expects to spend an even larger proportion of its research and development budget to ensure compliance with these regulations.

Many countries and regions have already implemented stricter regulations to reduce vehicles' emissions and fuel consumption or are currently preparing such laws. They relate for example to the environmental impact of vehicles, including emission levels, fuel economy and noise, as well as pollutants from the emissions caused by the production facilities. Non-compliance with regulations applicable in the various regions might result in significant penalties and reputational risks and might even mean that vehicles could not or could no longer be registered in the relevant markets. In addition, the risk exists that vehicles already in the markets will have to be rectified. The cost of compliance with these regulations is significant, especially for conventional engines, and Daimler expects a further increase in costs in this context.

Mercedes-Benz Cars & Vans faces risks with respect to regulations on mandatory targets for the average fleet fuel consumption and CO<sub>2</sub> emissions of new vehicles. Especially in the markets of China, Europe and the United States Daimler gives these targets due consideration in its product planning. The increasingly ambitious targets require significant proportions of actual unit sales of plug-in hybrids or cars with other types of electric drive. The ambitious statutory requirements will be difficult to fulfill in some countries. The market success of these drive systems is greatly influenced not only by customer acceptance but also by regional market conditions, like for example the battery-charging infrastructure and state support.

As the negative headlines on diesel engines and the implementation of driving bans on diesel vehicles unsettle customers, this can result in lasting shifts in the drive-system portfolio (fewer diesel and more gasoline engines). This would require additional cost-intensive development and production measures in order to meet the CO<sub>2</sub> fleet limits applicable as of 2020.

The EU Commission is still revising, and amending or supplementing, the framework conditions for the WLTP (Worldwide Harmonized Light Vehicles Test Procedure) measurement method, which has been applicable since September 2018. This may result in increased and additional WLTP testing and documentation costs.

Due to a procedural error in the legislation, the Court of the European Union has at first instance annulled parts of the RDE (Real Driving Emissions) legislation and has given the legislators 12 months from the date of the decision on the appeal to amend the contested parts of the regulation. If the appeal against the ruling is unsuccessful, the new regulation could pose significant risks to the eligibility of vehicles for registration, also of the Daimler Group. In the worst case, the new vehicles concerned, also of the Daimler Group, would no longer be allowed to be registered and operated throughout the EU.

Strict regulations for the reduction of vehicles' emissions and fuel consumption also create potential risks for Daimler Trucks & Buses, because it will be difficult to fulfill the statutory requirements in some countries. Above all this applies to the markets of Japan, the United States, China and Europe. The European Commission has developed a method for determining the CO<sub>2</sub> emissions of heavy commercial vehicles, named VECTO (Vehicle Energy Consumption calculation Tool), the application of which has been mandatory for the most important vehicle categories since January 1, 2019. The prescribed level of CO<sub>2</sub> reduction in Europe of 15% by 2025 and 30% by 2030, in each case compared to the new-vehicle fleet in the period of July 2019 to June 2020, cannot be achieved with conventional technology alone. Daimler Trucks & Buses will therefore have to apply the latest technologies in order to fulfill these requirements. Achieving the 2025 target will require significant shares of battery-electric trucks or other electrified drive systems in the actual market, which may only be achievable at higher costs.

The position of the Daimler Group in key foreign markets could also be affected by an increase in or changes in free-trade agreements. If free-trade agreements are concluded without the participation of countries in which Daimler has production facilities, this could result in a competitive disadvantage for Daimler compared with competitors that produce in those countries that participate in the free-trade agreements. In addition, if the content of the free-trade agreements currently used by Daimler is made significantly stricter, this could also significantly impair the position of the Daimler Group, as the Group could no longer benefit from those free trade agreements.

The danger exists that individual countries will attempt to defend and improve their competitiveness in the world's markets by resorting to interventionist and protectionist measures. Furthermore, interruptions in the supply chain due to potential trade conflicts cannot be ruled out. This can lead to increased costs if production facilities have to be established or expanded or local purchasing has to be increased. In addition, attempts are being made to limit growth in imports through barriers to market access such as by making certification processes more difficult, delaying certification and imposing other complicated customs procedures. These measures generally exacerbate uncertainties in the planning process; they can also lead to lower unit sales if importing is made more difficult.

In addition to the described emission and fuel-consumption regulations, traffic-policy restrictions for the reduction of traffic jams, noise and emissions are becoming increasingly important in cities and urban areas

worldwide. This development can have a dampening effect on the development of unit sales, especially in growth markets. Pressure to reduce personal transport is increasingly being applied in European cities through discussions of bans on vehicles entering or driving in inner cities, especially those with diesel engines. These developments may dampen the development of unit sales, especially in the growth markets. In European cities, discussions about driving bans are increasingly intensifying the pressure to reduce individual transport, especially for vehicles with diesel engines. The great challenge of the coming years will be to offer an appropriate range of drive systems and the right product portfolio in each market.

## **Company-specific Risks**

The following section describes the company-specific risks of the Daimler Group.

### *Production and technology risks*

Key success factors for achieving the desired level of prices for the products of the Daimler Group – and hence for the achievement of corporate targets – are brand image, design and quality, and thus the acceptance of products by customers, as well as technical features based on innovative research and development. Convincing solutions, which for example support accident-free driving or further improve the products' fuel consumption and emissions, such as hybrid or electric vehicles, are of key importance for safe and sustainable mobility. Innovations and technology opportunities for the progressive and future-oriented design of the product range flow into the strategic product planning of the automotive divisions. However, due to increasing technical complexity, the continually rising extent of requirements in terms of emissions, fuel consumption and safety, as well as meeting and steadily raising the Daimler Group's quality standards, product launches and manufacturing in the automotive divisions are also subject to production and technology risks.

In the context of product launches, the required parts and equipment components have to be available. To avoid restrictions in this context, the related processes are continuously evaluated and improved. In order to secure and enhance the long-term future viability of production facilities, modernization, expansion, construction and restructuring measures are carried out as required. The execution of modernization activities and the launch of new products are generally connected with high investments. For example, delays in the ramp-up phase of an innovation or during a product's lifecycle can lead to inefficiencies in the production process and as a consequence to a temporary reduction in production volumes. Late design changes in the development process, for example in connection with new regulatory requirements, as well as quality or availability problems of supplied vehicle components can have a negative impact on production ramp-ups. Furthermore, the planned increase in battery production due to the increasing electrification of the vehicle fleet means that initial problems during the production of the various battery types and possible technical limitations on battery lifecycles cannot be ruled out. Affected are those automotive segments which are currently launching a new product or have planned a related production ramp-up.

In principle, there is a danger that reduced plant availability or the failure of production equipment or production plants may cause internal bottlenecks that would consequently generate costs. These risks mainly exist for Mercedes-Benz Cars & Vans. The production equipment is continuously maintained and modernized.

Capacity restrictions in the production of batteries, interruptions in the supply chain and possible interruptions in supply by energy providers can lead to bottlenecks, especially at Mercedes-Benz Cars & Vans. Restrictions on certain equipment components in new vehicle models and the lack of availability of vehicle parts at the right time also mean that vehicles cannot be handed over to customers as planned. The lack of availability and quality problems with certain vehicle parts can lead to production downtimes and cause costs.

Warranty and goodwill cases could arise in the Daimler Group if the quality of the products does not meet the requirements, regulations are not fully complied with, or support cannot be provided in the required form in connection with product problems and product care. Quality problems both with components in vehicles

from external suppliers and in connection with technical innovations in vehicles may require adjustments that can lead to considerable expenses.

#### *Information technology risks*

The high penetration of information technology (IT) in all segments of the Group also brings risks for their business and production processes, as well as for their services and products.

The ever-growing threat from cybercrime and the spread of aggressive malicious code brings risks that can affect the availability, integrity and confidentiality of information and IT-supported operating resources. Despite extensive precautions, in the worst-case scenario, this can lead to a temporary interruption of IT-supported business processes with severe negative effects on the Group's earnings. In addition, the loss or misuse of sensitive data may under certain circumstances lead to a loss of reputation. In particular, stricter regulatory requirements such as the EU Data Protection Directive may, among other things, give rise to claims by third parties and result in costly regulatory requirements and penalties with an impact on earnings.

It is essential for the globally active Daimler Group and its wide-ranging business and production processes that information is available and can be exchanged in an up-to-date, complete and correct form. The framework for IT security is based on international standards such as ISO/IEC 2700x and the NIST Cybersecurity Framework, and its protective measures also apply industry standards and best practice. Appropriately secure IT systems and a reliable IT infrastructure must be used to protect information. Cyber threats must be identified over the entire lifecycle of applications and IT systems, and dealt with in line with their seriousness. In particular, risks could result in the interruption of business processes due to the failure of IT systems or which could cause the loss or corruption of data.

#### *Personnel risks*

The success of the Daimler Group is highly dependent on its employees and their expertise.

Competition for highly qualified staff and management is still very intense in the industry and the regions in which Daimler operates. Future success also depends on the extent to which the Daimler Group succeeds over the long term in recruiting, integrating and retaining specialist employees.

Due to demographic developments, the Group has to cope with changes relating to an aging workforce and has to secure a sufficient number of qualified young persons with the potential to become the next generation of highly skilled specialists and executives.

Daimler Group counters economic, market and competitive fluctuations with the established time and flexibility instruments to enable Daimler to react appropriately to the situation. In order to achieve the long-term reduction in personnel costs necessary for the transformation, Daimler's management and the General Works Council have concluded an agreement which includes a staff-reduction program. As this is based on an agreement that is voluntary for both parties, there is a risk that its implementation may not be able to take place to the full extent planned.

Risks exist in the context of negotiations on collective bargaining frameworks and the associated potential loss of production.

#### *Risks related to equity investments and cooperations*

Cooperation with partners in associated companies and joint ventures is of key importance to Daimler.

The Daimler Group generally participates in the risks of associated companies and joint ventures in line with its equity interest, and is also subject to share-price risks if such companies are listed on a stock exchange.

The remeasurement of an associated company or joint venture in relation to its carrying value can lead to risks for the segment to which it is allocated. Furthermore, the business activities of an associated company,

joint venture or joint operation, or the disposal or acquisition of an interest in such an entity, can result in financial obligations or an additional financing requirement. Such risks also exist with investments in startups and in the context of the restructuring of companies in which a minority interest is held. Risks from associated companies and joint ventures exist at Mercedes-Benz Cars & Vans, Daimler Trucks & Buses and Daimler Mobility, as well as at the associated companies and joint ventures directly allocated to the Group.

## **Financial Risks**

The following section deals with financial risks of the Daimler Group. Risks can have a negative effect on the profitability, cash flows and financial position of the Daimler Group.

Daimler is generally exposed to risks from changes in market prices such as currency exchange rates, interest rates, commodity prices and share prices. Market price changes can have a negative influence on the Group's profitability, cash flows and financial position.

In addition, the Group is exposed to credit-, country- and liquidity-related risks, risks of restricted access to capital markets and risks of early credit repayment requirements and risks from changes in credit ratings.

Further information on financial risks is provided in Note 33 (*Management of financial risks*) of the Notes to the Annual Consolidated Financial Statements 2019 of DAG, incorporated by reference into this Prospectus. Information on the Group's financial instruments is provided in note 32 (*Financial instruments*) of the notes to the Annual Consolidated Financial Statements 2019 of DAG, incorporated by reference into this Prospectus.

### *Exchange rate risks*

The Daimler Group's global orientation means that its business operations and financial transactions are connected with risks related to fluctuations in currency exchange rates. This applies in particular to fluctuations of the euro against the US dollar, Chinese renminbi, British pound and other currencies such as those of growth markets. An exchange rate risk arises in business operations primarily when revenue is generated in a currency different from that of the related costs (transaction risk). This applies in particular to Mercedes-Benz Cars & Vans, as a major portion of its revenue is generated in foreign currencies while most of its production costs are denominated in euros. Daimler Trucks & Buses is also exposed to such transaction risks, but to a lesser degree because of its worldwide production network. Exchange rate risks also exist in connection with the translation into euros of the net assets, revenues and expenses of the companies of the Group outside the euro zone (translation risk); these risks are not generally hedged.

### *Interest rate risks*

Changes in interest rates can create risks for business operations as well as for financial transactions. Daimler employs a variety of interest-rate sensitive financial instruments to manage the cash requirements of its business operations on a day-to-day basis. Most of these financial instruments are held in connection with the financial services business of Daimler Mobility. Term-congruent refinancing is generally undertaken for the financial services business. However, to a certain extent, the funding does not match in terms of maturities and interest rates, which gives rise to the risk of changes in interest rates.

### *Commodity price risks*

As already described in the subsection "*Procurement market risks*", the Group's business operations are exposed to changes in the market prices of purchased parts and raw materials.

### *Credit risks*

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt in accordance with the contractual terms. Credit risk encompasses both the direct risk of default and the risk of a deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risks which

result primarily from its financial services activities and from the operations of its vehicle business. Credit risks also arise from the Group's liquid assets. Risks related to leasing and sales financing are addressed in the subsection entitled "*Industry and Business Risks – Risks relating to the leasing and sales-financing business*". Should defaults occur, this would adversely affect the Group's financial position, cash flows and profitability.

#### *Country risks*

Country risk describes the risk of financial loss resulting from changes in political, economic, legal or social conditions in the respective country, for example due to sovereign measures such as expropriation or a ban on currency transfers. Daimler is exposed to country risks that primarily result from cross-border financing or collateralization for Group companies or customers, from investments in subsidiaries and joint ventures, and from cross-border trade receivables. Country risks also arise from cross-border cash deposits with financial institutions.

#### *Risks of restricted access to capital markets*

Liquidity risks arise when a company is unable to fully meet its financial obligations. In the normal course of business, Daimler uses bonds, commercial paper and securitized transactions, as well as bank loans in various currencies, primarily with the aim of refinancing its leasing and sales-financing business. An increase in the cost of refinancing would have a negative impact on the competitiveness and profitability of Daimler's financial services business to the extent that the higher refinancing costs cannot be passed on to customers; a limitation of the financial services business would also have negative consequences for the vehicle business. Access to capital markets in individual countries may be limited by government regulations or by a temporary lack of absorption capacity. In addition, pending legal proceedings as well as Daimler's own business policy considerations and developments may temporarily prevent Daimler from covering any liquidity requirements by means of borrowing in the capital markets.

#### *Risks of early credit repayment obligations*

Daimler may be required to make premature repayment of special-purpose loans in the case of adverse results of ongoing legal proceedings. It is to be expected that the resulting refinancing requirement will have to be concluded at a higher cost.

#### *Risks relating to pension plans*

Daimler has pension benefit obligations and to a lesser degree obligations relating to healthcare benefits, which are largely covered by plan assets. The balance of pension obligations less plan assets constitutes the carrying amount or funded status of those employee benefit plans. The measurement of pension obligations and the calculation of net pension expense are based on certain assumptions. Even small changes in those assumptions particularly changes in the discount rate may have a negative effect on the funded status and Group equity in the current financial year, and lead to changes in the periodic net pension expense in the following financial year. The fair value of plan assets is determined to a large degree by developments in the capital markets. Unfavorable developments, especially relating to equity prices and fixed-interest securities, reduce the carrying value of plan assets. A change in the composition of plan assets can also have a negative impact on the fair value of plan assets.

Further information on the pension plans and their risks is provided in Note 22 (*Pensions and similar obligations*) of the Notes to the Annual Consolidated Financial Statements 2019 of DAG, incorporated by reference into this Prospectus.

#### *Risks from changes in credit ratings*

Daimler's creditworthiness is assessed by the rating agencies DBRS Limited, Fitch Ratings España S.A.U., Moody's Deutschland GmbH, Scope Ratings AG and S&P Global Ratings Europe Limited. Risks exist in connection with potential downgrades to credit ratings by the rating agencies, and thus to Daimler's

creditworthiness. Downgrades could have a negative impact on the Group's financing if such a downgrade leads to an increase in the costs for external financing or restricts the Group's ability to obtain financing. A credit rating downgrade could also discourage investors from investing in DAG or notes to be issued by DAG or another Group company. A risk to the credit rating of the Daimler Group can also arise if the earnings and cash flows from the anticipated Group's growth cannot be realized.

## **Legal and Tax Risks**

The Group continues to be exposed to legal and tax risks.

### *Legal risks*

#### *Regulatory risks*

The automotive industry is subject to extensive governmental regulations worldwide. Laws in various jurisdictions regulate occupant safety and the environmental impact of vehicles, including emissions levels, fuel economy and noise, as well as the emissions of the plants where vehicles or parts thereof are produced. In case regulations applicable in the different regions are not complied with, this could result in significant penalties and reputational harm or the inability to certify vehicles in the relevant markets. The cost of compliance with these regulations is significant, and in this context, Daimler expects a significant increase in such costs.

#### *Risks from legal proceedings in general*

DAG and its subsidiaries are confronted with various legal proceedings, claims as well as government investigations and orders (legal proceedings) on a large number of topics, including vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights, warranty claims, environmental matters, antitrust matters (including actions for damages) as well as shareholder litigation. Product-related litigation involves claims alleging faults in vehicles, some of which have been made as class actions. If the outcome of such legal proceedings is detrimental to Daimler, the Group may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions. Some of these proceedings may have an impact on the Group's reputation.

#### *Risks from legal proceedings in connection with diesel exhaust gas emissions – Governmental proceedings*

Daimler is continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to environmental, criminal, antitrust and other laws and regulations in connection with diesel exhaust emissions.

Several federal and state authorities and other institutions worldwide have inquired about and/or are/have been conducting investigations and/or administrative proceedings, and/or have issued administrative orders or in the case of the Stuttgart district attorney's office a fine notice. These particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant federal and state authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal and antitrust laws. These authorities and institutions include, amongst others, the US Department of Justice (DOJ), which has requested that Daimler conducts an internal investigation, the US Environmental Protection Agency (EPA), the California Air Resources Board (CARB) and other US state authorities, the European Commission, the German Federal Cartel Office (*Bundeskartellamt*) as well as national antitrust authorities and other authorities of various foreign states as well as the German Federal Ministry of Transport and Digital Infrastructure (BMVI) and the German Federal Motor Transport Authority ("**KBA**"). In the course of its formal investigation into possible collusion on clean emission technology, the European Commission sent a statement of objections to Daimler and other automobile manufacturers in April 2019. In this context, Daimler filed an application for immunity (leniency application) with the European Commission some time ago. The Stuttgart district attorney's office is conducting criminal investigation proceedings against Daimler employees on the suspicion of fraud and

criminal advertising, and, in May 2017, searched the premises of Daimler at several locations in Germany. In February 2019, the Stuttgart district attorney's office also initiated a formal investigation proceeding against DAG with respect to an administrative offense. In September 2019, the Stuttgart district attorney's office issued a fine notice against Daimler based on a negligent violation of supervisory duties in the amount of €870 million which has become legally binding, thereby concluding the administrative offense proceedings against Daimler. Daimler continues to fully cooperate with the authorities and institutions. Irrespective of such cooperation, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Daimler and/or its employees will be taken or administrative orders will be issued. Such actions, measures and orders may include subpoenas, that is legal instructions issued under penalty of law in the process of taking evidence, or other requests for documentation, testimony or other information, or orders to recall vehicles, further search warrants, a notice of violation or an increased formalization of the governmental investigations, coordination or proceedings, including the resolution of proceedings by way of a settlement. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur.

In the years 2018 and 2019, the KBA issued various administrative orders holding that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices and ordered subsequent auxiliary provisions for the respective EC type approvals in this respect, including stops of the first registration and mandatory recalls. Daimler filed timely objections against such administrative orders in order to have the open legal issues resolved, if necessary by a court of law. In the course of its regular market supervision, KBA is routinely conducting further reviews of Mercedes-Benz vehicles and is asking questions about technical elements of the vehicles. In light of the aforementioned administrative orders issued by KBA, it is likely that in the course of the ongoing and/or further investigations, KBA will issue additional administrative orders holding that other Mercedes-Benz diesel vehicles are also equipped with impermissible defeat devices. Daimler has (in view of KBA's interpretation of the law as a precaution) implemented a temporary delivery and registration stop with respect to certain models, also covering the used car, leasing and financing businesses, and is constantly reviewing whether it can lift this delivery and registration stop in whole or in part. The new calibrations requested by KBA are being processed, and for a certain proportion of the vehicles, the relevant software has already been approved by KBA; the related recalls have insofar been initiated. It cannot be ruled out that under certain circumstances, software updates may have to be reworked or further delivery and registration stops may be ordered or resolved by Daimler as a precautionary measure, also with regard to the used cars, leasing and financing businesses. Daimler has initiated further investigations and otherwise continues to fully cooperate with the authorities and institutions.

In January 2019, another vehicle manufacturer reached civil settlements with US federal and state authorities, as well as with vehicle customers. Although the manufacturer did not admit liability, the authorities maintain the position that the manufacturer included undisclosed Auxiliary Emission Control Devices ("AECDS") in its diesel vehicles, apparently including functionalities that are common in diesel vehicles, and that certain of these AECDS are illegal defeat devices. As part of these settlements, the manufacturer has agreed to, among other things, pay civil penalties, undertake a recall of affected vehicles, provide extended warranties, undertake a nationwide mitigation project and make other payments. The manufacturer has furthermore agreed to provide payments to current and former diesel vehicle owners as part of a class action settlement.

In light of these matters and in light of the ongoing governmental information requests, inquiries, investigations, administrative orders and proceedings, as well as Daimler's own internal investigations, it is possible that, besides KBA, one or more regulatory and/or investigative authorities worldwide will reach the conclusion that other passenger cars and/or commercial vehicles with the brand name Mercedes-Benz or other brand names of the Group are equipped with impermissible defeat devices and/or that certain functionalities and/or calibrations were not properly disclosed. Furthermore, the authorities have increased scrutiny of Daimler's processes regarding running-change, field-fix and defect reporting as well as other compliance issues. Except for, in particular, the Stuttgart district attorney's office's administrative offense proceedings, the other inquiries, investigations, legal actions and proceedings as well as the replies to the governmental information requests, the objection proceedings against KBA's administrative orders and Daimler's internal investigations are still ongoing and open; hence, Daimler cannot predict the outcome at this time. Due to the outcome of the administrative offense proceedings by the Stuttgart district attorney's

office against Daimler and the above as well as any potential other information requests, inquiries, investigations, administrative orders and proceedings, it is possible that Daimler will become subject to significant additional monetary penalties, fines, disgorgements of profits, remediation requirements, further vehicle recalls, further registration and delivery stops, process and compliance improvements, mitigation measures and the early termination of promotional loans, and/or other sanctions, measures and actions (such as the exclusion from public tenders), including further investigations and/or administrative orders by these or other authorities and additional proceedings. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative determinations or findings with respect to technical or legal issues by one of the various governmental agencies, other agencies – or also plaintiffs – could also adopt such determinations or findings, even if such determinations or findings are not within the scope of such authority's responsibility or jurisdiction. Thus, a negative determination or finding in one proceeding, such as the fine notice issued by the Stuttgart district attorney's office, carries the risk of being able to have an adverse effect on other proceedings, also potentially leading to new or expanded investigations or proceedings, including lawsuits.

In addition, Daimler's ability to defend itself in proceedings could be impaired by the fine notice issued by the Stuttgart district attorney's office as well as other unfavorable findings, results or developments in any of the information requests, inquiries, investigations, administrative orders, legal actions and/or proceedings discussed above.

#### *Risks from legal proceedings in connection with diesel exhaust gas emissions – Court proceedings*

A consumer class-action lawsuit is pending in the United States in which it is alleged that DAG and MBUSA conspired with Robert Bosch LLC and Robert Bosch GmbH to deceive US regulators and consumers. A separate lawsuit was filed in January 2019 by the State of Arizona alleging that DAG and MBUSA deliberately deceived consumers in connection with the advertising of Mercedes-Benz diesel vehicles. Consumer class-action lawsuits containing similar allegations were filed against DAG and other companies of the Group in Canada in April 2016, and against DAG in Israel in February 2019. A similar class action was filed in the United States in July 2017, but in December 2017, the parties stipulated to dismiss that lawsuit without prejudice. It may be filed again under specific conditions.

Furthermore, class actions have been filed in the United States and Canada alleging anticompetitive behavior relating to vehicle technology, costs, suppliers, markets, and other competitive attributes, including diesel emissions control technology. A securities class action lawsuit is pending in the United States on behalf of investors in DAG American Depositary Receipts which alleges that the defendants made materially false and misleading statements about diesel emissions in Mercedes-Benz vehicles.

In Germany, a multitude of lawsuits by customers alleging claims under warranty and tort laws as well as lawsuits by investors alleging the violation of disclosure requirements are pending. In this context, motions to initiate a model proceeding in accordance with the Act on Model Proceedings in Capital Markets Disputes (*KapMuG*) have been filed by investors as well as by DAG. Currently, no model proceeding is pending.

If court proceedings have an unfavorable outcome for Daimler, this could result in significant damages and punitive damages payments, remedial works or other cost-intensive measures. Court proceedings can in part also have an adverse effect on the reputation of the Group.

Furthermore, Daimler's ability to defend itself in the court proceedings could be impaired by unfavorable findings, results or developments in any of the governmental or other court proceedings discussed above, in particular the fine notice issued by the Stuttgart district attorney's office.

Further information on legal proceedings is provided in Note 30 (*Legal proceedings*) of the Notes to the Annual Consolidated Financial Statements 2019 of DAG incorporated by reference in this Prospectus.]

### *Risks from other legal proceedings*

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

As legal proceedings are fraught with a large degree of uncertainty, it is possible that after their final resolution, some of the provisions Daimler has recognized for them could prove to be insufficient. As a result, substantial additional expenditures may arise. This also applies to legal proceedings for which the Group has seen no requirement to recognize a provision.

It cannot be ruled out that the regulatory risks and risks from legal proceedings discussed above individually or in the aggregate may materially adversely impact Daimler's profitability and financial position

Further information on legal proceedings is provided in Note 30 (*Legal proceedings*) of the Notes to the Annual Consolidated Financial Statements 2019 of DAG incorporated by reference in this Prospectus.

### *Tax risks*

DAG and its subsidiaries operate in many countries worldwide and are therefore subject to numerous different statutory provisions and tax audits. Any changes in legislation and jurisdiction, as well as different interpretations of the law by the fiscal authorities – especially in the field of cross-border transactions – may be subject to considerable uncertainty. It is therefore possible that the provisions recognized will not be sufficient, which could have negative effects on the Group's net profit and cash flows.

In addition, if future taxable income is not earned or is too low, there is a risk that the tax benefit from loss carryforwards and tax-deductible temporary differences may not be recognized or may no longer be recognized in full, which could have a negative impact on net profit.

### **Non-financial Risks**

As a company with worldwide activities, DAG is at the focus of public interest. The relevant stakeholders' perception is of crucial importance and can affect the reputation of the entire Daimler Group. A key role in the public's current perception is played by Daimler's approach to environmental, employee and social matters, fighting corruption and bribery, and respecting human rights and may lead to non-financial risks.

Risks arise above all in connection with the public debate about diesel vehicles and the related fundamental reconsideration of methods for measuring emissions. Due to the replacement of the NEDC (New European Driving Cycle) with the new measuring method WLTP (Worldwide Harmonized Light Vehicles Test Procedure), the fleet CO<sub>2</sub> average has worsened. In light of today's knowledge, this makes it more difficult to achieve the CO<sub>2</sub> targets as of 2020. Furthermore, there has been some pressure in the past two years on diesel technology, which is important for compliance with the challenging CO<sub>2</sub> targets in the EU, because of NO<sub>x</sub> levels exceeding the limits at some measuring stations in cities. The current public focus on vehicle emissions as well as possible certifications stops and recalls jeopardize the reputation of the automotive industry and in particular of the diesel engine, and could result in damage to Daimler's reputation. In general, legal risks – for example in connection with antitrust investigations – as well as possible legal and social violations by partners and suppliers can have a negative impact on the reputation of the entire Daimler Group.

### **Other Risks**

As well as the risk categories described above, unpredictable events such as natural disasters, political instability or terrorist attacks can disturb production and business processes. Disruptions of business processes can also occur in connection with projects as a result of system changes. In addition to the described risks, other risks can occur that adversely affect the public perception and therefore the reputation of the Daimler Group. Public interest is focused on Daimler's position with regard to individual issues in the

fields of sustainability, integrity and social responsibility. Furthermore, customers, business partners and capital markets are interested in how the Group reacts to the technological challenges of the future, how it succeeds in offering up-to-date and technologically leading products in the markets, and how business operations are conducted under the given conditions.

New competitors in the IT sector for example and the Group's current strategy, among other things in connection with electric mobility, pose further challenges for the Daimler Group and are connected with risks.

Finally, there will be a negative effect from the continuing high advance expenditure for new products and technologies. In addition, there will be costs for Project Future for the implementation of the new Group structure.

**D. Amendments to the section commencing on page 252 of the Prospectus which is entitled "Description of DAG"**

1. The following subsection which is entitled "(ii) Financial Information Relating to the Financial Year 2019 of DAG ended on December 31, 2019" shall be added to the subsection commencing on page 252 of the Prospectus which is entitled "2. Financial Information – a. Group Annual Financial Information" as follows:

**(ii) Financial Information Relating to the Financial Year 2019 of DAG ended on December 31, 2019**

The group annual financial information set out below in the subsection entitled "*Selected Financial Information*" has been extracted from the audited consolidated financial statements of DAG as of and for the financial year ended December 31, 2019 (consisting of consolidated statement of income, consolidated statement of comprehensive income/loss, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and notes to the consolidated financial statements as set out in the annual report (*Geschäftsbericht*) 2019 of DAG (the "**DAG Annual Report 2019**")) (the "**Annual Consolidated Financial Statements 2019**").

The Annual Consolidated Financial Statements 2019 are incorporated by reference into this Prospectus.

The Group annual financial information set out below should be read and analyzed together with the section entitled "*Notes to the Consolidated Financial Statements*" as set out in the DAG Annual Report 2019. The accompanying notes are an integral part of the Annual Consolidated Financial Statements 2019.

**Selected Financial Information**

**Consolidated**

	<b>January 1, 2019 to December 31, 2019</b>	<b>January 1, 2018 to December 31, 2018</b>
	<b>(in millions of €)</b>	
<b>Profit before income taxes</b>	<b>3,830</b>	<b>10,595</b>
<b>Net profit</b>	<b>2,709</b>	<b>7,582</b>

## Consolidated

	As of December 31, 2019	As of December 31, 2018
	(in millions of €)	
<b>Equity attributable to shareholders of Daimler AG</b>	<b>61,344</b>	<b>64,667</b>
Non-controlling interests	1,497	1,386
<b>Total non-current liabilities</b>	<b>133,795</b>	<b>117,614</b>
<b>Total current liabilities</b>	<b>105,802</b>	<b>97,952</b>
<b>Total equity and liabilities</b>	<b>302,438</b>	<b>281,619</b>

The accompanying notes are an integral part of the Annual Consolidated Financial Statements 2019.

2. The subsection on page 258 of the Prospectus which is entitled "*2. Financial Information – c. Information Relating to Group Annual Financial Information and Group Interim Financial Information*" (as replaced by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:

c. **Information Relating to Group Annual Financial Information and Group Interim Financial Information**

Copies of each of the DAG Annual Report 2019, the DAG Annual Report 2018, the DAG Annual Report 2017, the Interim Report Q1 2019, the Interim Report Q2 2019 and the Interim Report Q3 2019 will be available at and will be obtainable free of charge during normal business hours from DAG (Mercedesstraße 120, 70372 Stuttgart, Federal Republic of Germany) and will be viewable on, and will be obtainable free of charge from, the website of DAG ([www.daimler.com](http://www.daimler.com)).

### Accounting Policies

The Annual Consolidated Financial Statements 2019, the Annual Consolidated Financial Statements 2018 and the Annual Consolidated Financial Statements 2017 of DAG have been prepared in accordance with section 315a of the German Commercial Code (*Handelsgesetzbuch*) and International Financial Reporting Standards ("**IFRS**") as adopted by the European Union and related interpretations as issued by the International Accounting Standards Board.

The Unaudited Interim Consolidated Financial Statements Q1 2019 of DAG, the Unaudited Interim Consolidated Financial Statements Q2 2019 of DAG and the Unaudited Interim Consolidated Financial Statements Q3 2019 of DAG have been prepared in accordance with International Accounting Standard ("**IAS**") 34 ("Interim Financial Reporting") and Section 115 of the German Securities Trading Act (*Wertpapierhandelsgesetz*).

### Auditing of Historical Annual Financial Information

The Annual Consolidated Financial Statements 2019, the Annual Consolidated Financial Statements 2018 and the Annual Consolidated Financial Statements 2017 of DAG have been audited by KPMG in accordance with German Generally Accepted Accounting Standards, and in each case KPMG issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on each of the Annual Consolidated Financial Statements 2019, the Annual Consolidated Financial Statements 2018 and the Annual Consolidated Financial Statements 2017. The auditors have not performed any audit on any financial statements of DAG as of any date or for any period subsequent to December 31, 2019.

The Unaudited Interim Consolidated Financial Statements Q1 2019 of DAG, the Unaudited Interim Consolidated Financial Statements Q2 2019 of DAG and the Unaudited Interim Consolidated Financial Statements Q3 2019 of DAG have not been audited but have been reviewed by KPMG.

- 3. The subsection on page 263 of the Prospectus which is entitled "5. Trend Information" shall be replaced in its entirety as follows:**

#### **5. Trend Information**

There has been no material adverse change in the prospects of DAG since the date of its last published audited financial statements as of December 31, 2019.

- 4. The subsection on page 270 of the Prospectus which is entitled "9. Financial Information Concerning DAG's Assets and Liabilities, Financial Position and Profit and Losses – Historical Financial Information" (as replaced by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:**

#### **Historical Financial Information**

The Annual Consolidated Financial Statements 2019 of DAG as set out in the DAG Annual Report 2019, the Annual Consolidated Financial Statements 2018 of DAG as set out in the DAG Annual Report 2018, the Annual Consolidated Financial Statements 2017 of DAG as set out in the DAG Annual Report 2017, the Unaudited Interim Consolidated Financial Statements Q1 2019 of DAG as set out in the Interim Report Q1 2019, the Unaudited Interim Consolidated Financial Statements Q2 2019 of DAG as set out in the Interim Report Q2 2019 and the Unaudited Interim Consolidated Financial Statements Q3 2019 of DAG as set out in the Interim Report Q3 2019 are incorporated by reference into this Prospectus.

- 5. The subsection commencing on page 270 of the Prospectus which is entitled "9. Financial Information Concerning DAG's Assets and Liabilities, Financial Position and Profit and Losses – Legal and Arbitration Proceedings" (as replaced by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:**

#### **Legal and Arbitration Proceedings**

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

#### *Diesel emission behavior: Class-action and other lawsuits in the United States, Canada and Germany*

Several consumer class-action lawsuits were filed against Mercedes-Benz USA, LLC (MBUSA) in federal courts in the United States in early 2016. The main allegation was the use of devices that impermissibly impair the effectiveness of emission control systems in reducing nitrogen-oxide (NO<sub>x</sub>) emissions and which cause excessive emissions from vehicles with diesel engines. In addition, plaintiffs alleged that consumers were deliberately deceived in connection with the advertising of Mercedes-Benz diesel vehicles. Those consumer class actions were consolidated into one class action pending against both DAG and MBUSA in the US District Court for the District of New Jersey, in which the plaintiffs asserted various grounds for monetary relief on behalf of a nationwide class of persons or entities who owned or leased certain models of Mercedes-Benz diesel vehicles as of February 18, 2016. DAG and MBUSA moved to dismiss the lawsuit in its entirety. By order dated December 6, 2016, the court granted DAG's and MBUSA's motion to dismiss and dismissed the lawsuit without prejudice, based on plaintiffs' failure to allege with sufficient specificity the

advertising that they contended had misled them. Plaintiffs subsequently filed an amended class action complaint in the same court making similar allegations. The amended complaint also adds as defendants Robert Bosch LLC and Robert Bosch GmbH (collectively; "**Bosch**"), and alleges that DAG and MBUSA conspired with Bosch to deceive US regulators and consumers. On February 1, 2019, the court granted in part and denied in part DAG and MBUSA's subsequent motion to dismiss. The case is ongoing as the court's decision merely addressed certain legal aspects of plaintiffs' claims and did not decide whether the plaintiffs can ultimately prove their claims, whether the plaintiffs' allegations are true, or whether their claims have merit.

On January 8, 2019, the Arizona State Attorney General filed a civil complaint in the Arizona State Court against DAG and MBUSA making similar allegations that Arizona consumers had been deliberately deceived in connection with the advertising of Mercedes-Benz diesel vehicles. The state seeks monetary penalties for violation of Arizona's consumer protection laws.

Another consumer class-action lawsuit against DAG and other companies of the Group containing similar allegations was filed in Canada in April 2016. On June 29, 2017, the court granted a procedural motion to certify certain issues for class treatment, and on March 12, 2018, the court ordered the parties to send a notice to the class by May 18, 2018, informing class members that the litigation is ongoing and that they will be bound by the outcome. That notice was sent, and class members had until July 20, 2018 to opt out of the class to avoid being bound by subsequent rulings in the case.

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

In Germany, a multitude of lawsuits by investors alleging the violation of disclosure requirements is pending. Plaintiffs contend that DAG did not immediately disclose inside information in connection with the emission behavior of its diesel vehicles and that it had made false and misleading public statements. They further claim that the purchase price of their DAG shares would have been lower if DAG had correctly complied with its disclosure duties. In this context, both investors as well as DAG have filed motions to initiate a model proceeding in accordance with the Act on Model Proceedings in Capital Markets Disputes (KapMuG). Currently, no model proceeding is pending.

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

Furthermore, several federal and state authorities and other institutions worldwide have inquired about and/or are/have been conducting investigations and/or administrative proceedings and/or have issued administrative orders or, in the case of the Stuttgart district attorney's office, a fine notice. These particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or Daimler's interaction with the relevant federal and state authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal and antitrust laws. These authorities and institutions include, among others, the US Department of Justice ("**DOJ**"), which in April 2016 requested that DAG review its certification and admissions processes related to exhaust emissions of diesel vehicles in the United States by way of an internal investigation in cooperation with the DOJ, the US Environmental Protection Agency (EPA), the California Air Resources Board (CARB) and other US state authorities, the European Commission, the German Federal Cartel Office (*Bundeskartellamt*) as well as national antitrust authorities and other authorities of various foreign states as well as the German Federal Ministry of Transport and Digital Infrastructure (BMVI) and the German Federal Motor Transport Authority ("**KBA**"). In the course of its formal investigation into possible collusion on clean emission technology, the European Commission sent a statement of objections to Daimler and other automobile manufacturers in April 2019. In this context, DAG filed an application for immunity from fines (leniency application) with the European Commission some time ago. The Stuttgart district attorney's office is conducting criminal investigation proceedings against Daimler employees concerning the suspicion of fraud and criminal advertising, and, in May 2017, searched the premises of Daimler at several locations in Germany. In February 2019, the Stuttgart district attorney's office also initiated a formal investigation proceeding against

DAG with respect to an administrative offense. In September 2019, the Stuttgart district attorney's office issued a fine notice against Daimler based on a negligent violation of supervisory duties in the amount of €870 million which has become legally binding, thereby concluding the administrative offense proceedings against Daimler.

In the years 2018 and 2019, KBA issued various administrative orders holding that certain calibrations of specified functionalities in certain Mercedes-Benz diesel vehicles are to be qualified as impermissible defeat devices and ordered subsequent auxiliary provisions for the respective EC type approvals in this respect, including stops of the first registration and mandatory recalls. Daimler has filed timely objections against such administrative orders in order to have the open legal issues resolved, if necessary, also by a court of law. In the course of its regular market supervision, KBA is routinely conducting further reviews of Mercedes-Benz vehicles and is asking questions about technical elements of the vehicles. In light of the aforementioned administrative orders issued by KBA, it is likely that in the course of the ongoing and/or further investigations, KBA will issue additional administrative orders holding that other Mercedes-Benz diesel vehicles are also equipped with impermissible defeat devices. Daimler has (in view of KBA's interpretation of the law, as a precaution) implemented a temporary delivery and registration stop with respect to certain models, also covering the used car, leasing and financing businesses, and is constantly reviewing whether it can lift this delivery and registration stop in whole or in part. The new calibrations requested by KBA are being processed, and for a certain proportion of the vehicles, the relevant software has already been approved by KBA; the related recalls have insofar been initiated. It cannot be ruled out that software updates may be reworked, further delivery and registration stops may be ordered or resolved by Daimler as a precautionary measure, also with a view to the used car, leasing and financing businesses, under the relevant circumstances. Daimler has initiated further investigations and otherwise continues to fully cooperate with the authorities and institutions.

Except for the Stuttgart district attorney's office's administrative offense proceedings, the aforementioned inquiries, investigations, administrative proceedings and the replies to these related information requests, the objection proceedings against the administrative orders as well as Daimler's internal investigations are ongoing.

#### *Accounting assessment of the legal proceedings in connection with diesel emission behavior*

With respect to the legal proceedings described in the two preceding chapters, in accordance with IAS 37.92 no further information is disclosed with respect to whether, or to what extent, provisions have been recognized and/or contingent liabilities have been disclosed, so as not to prejudice Daimler's position.

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

Starting on July 25, 2017, a number of class actions have been filed in the United States and Canada against DAG and other manufacturers of automobiles as well as various of their North American subsidiaries. Plaintiffs allege to have suffered damages because defendants engaged in anticompetitive behavior relating to vehicle technology, costs, suppliers, markets, and other competitive attributes, including diesel emissions control technology, since the 1990s. On October 4, 2017, all pending US class actions were centralized in one proceeding by the Judicial Panel on multidistrict litigation and transferred to the US District Court for the Northern District of California. On March 15, 2018, plaintiffs in the US class action amended and consolidated their complaints into two pleadings, one on behalf of consumers and the other on behalf of dealers. On June 1, 2018, the court dismissed Mercedes-Benz US International, Inc., Mercedes-Benz Vans, LLC, and Daimler North America Corp., pursuant to the parties' stipulation. DAG and Mercedes-Benz USA, LLC (MBUSA) remain parties in the case. On June 17, 2019, the court granted motions to dismiss in the consolidated US class action proceedings, albeit with leave to amend, and on August 15, 2019, the plaintiffs filed amended complaints making similar allegations.

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

Commission, in April 2019, sent a statement of objections to DAG and other automobile manufacturers to which DAG responded in good time.

Following the settlement decision by the European Commission adopted on July 19, 2016, concluding the trucks antitrust proceedings, DAG and Daimler Truck AG are facing customers' claims for damages to a considerable degree. Respective legal actions, class actions and other forms of legal redress have been initiated in various states in and outside of Europe and should further be expected. Daimler is taking appropriate legal remedies to defend itself. In accordance with IAS 37.92, no further information is disclosed with respect to whether, or to what extent, provisions have been recognized and/or contingent liabilities have been disclosed, so as not to prejudice DAG's position.

On June 23, 2016, the German Federal Cartel Office carried out dawn raids at several car manufacturers and suppliers, including DAG, with regard to steel purchasing. Daimler cooperated in full with the authority. In the fourth quarter of 2019, the proceedings were terminated by way of a settlement.

#### *Class-action lawsuits Takata airbag inflators*

Class actions in connection with Takata airbags are pending in Canada, the United States and Israel. The lawsuits are based on the allegation that, along with Takata entities and many other companies that sold vehicles equipped with Takata airbag inflators, Daimler entities were allegedly negligent in selling such vehicles, purportedly not recalling them quickly enough, and failing to provide an adequate replacement airbag inflator. In detail: In August 2016, Mercedes-Benz Canada (MB Canada) was added as a defendant to a putative nationwide class action pending in Ontario Superior Court. In addition, DAG and MBUSA were named as defendants along with Takata companies in June 2017, in a US nationwide class action, which was filed in New Jersey Federal Court. In the third quarter of 2017, such lawsuit was transferred to federal court in the Southern District of Florida for consolidation with other multidistrict litigation proceedings.

Further class action lawsuits in the USA were integrated into the multiple district proceedings. In an order entered on June 21, 2019, the court dismissed all consumer claims against DAG and some consumer claims against MBUSA. However, one of the multidistrict litigation complaints has been amended to assert claims by automotive recyclers who allege injury because they are not able to re-sell salvaged airbag inflators that are subject to the Takata recall. The motions to dismiss against that complaint are still pending. In February 2019, DAG and its non-subsidiary Israeli distributor (Colmobil) were named as defendants in an Israel-wide class action alleging inadequacy of Takata recall efforts in Israel. A lawsuit filed by the State of New Mexico against MBUSA was dismissed without prejudice on June 22, 2017. It may, however, be filed again under specific conditions. Contingent liabilities were disclosed to a low extent for this topic.

#### *Toll Collect*

On July 4, 2018, through its subsidiary Daimler Financial Services AG (since July 23, 2019 Daimler Mobility AG), DAG together with Deutsche Telekom AG notarized a settlement agreement (hereinafter: settlement) with the Federal Republic of Germany which settles all arbitration proceedings in connection with the involvement in the Toll Collect consortium, which have been ongoing since 2004 and on July 6, 2018, the arbitral tribunal issued an arbitration ruling on agreed terms terminating the Toll Collect arbitration proceedings on the basis of the settlement. The final operating permit for the toll system was granted within the scope of the settlement.

As a result of the settlement, in the second quarter of 2018, the profit/loss on equity-method investments in the Daimler Mobility segment includes expenses of €418 million. The earnings of the Daimler Mobility segment were reduced in particular due to the existing 50% obligation of Daimler Financial Services AG to pay €550 million to Toll Collect GbR, which is partially offset by provisions recognized in previous years. In the third quarters of 2019 and 2018, Daimler Mobility AG recorded cash out-flows of €200 million each. The last tranche of €150 million will be paid in the third quarter of 2020. All known and unknown claims from the toll agreement that arose until March 31, 2018 are settled under the settlement provided that the related damage occurred before March 31, 2018.

Irrespective of the settlement, the guarantee relating to the operating agreement or other additional agreements remain unchanged. No guarantee claims have been made so far.

Further information is provided in Note 30 (*Legal proceedings*) of the Notes to the Annual Consolidated Financial Statements 2019 of DAG incorporated by reference in this Prospectus.

6. **The subsection on page 272 of the Prospectus which is entitled "9. Financial Information Concerning DAG's Assets and Liabilities, Financial Position and Profit and Losses – Significant Change in Daimler's Financial or Trading Position" (as replaced by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:**

**Significant Change in Daimler's Financial or Trading Position**

There has been no significant change in Daimler's financial or trading position which has occurred since December 31, 2019, the end of the last financial period for which financial information has been published.

7. **The following two paragraphs shall be added to the end of the subsection commencing on page 275 of the Prospectus which is entitled "13. Recent Developments" (as replaced by Supplement No. 1):**

On February 19, 2020, it was announced that DAG's Supervisory Board extended the contract of Hubertus Troska, who is in the Board of Management responsible for Greater China, until December 31, 2025. On the same date, it was announced that the Supervisory Board of DAG has decided to propose to the Annual General Meeting that Timotheus Höttges be elected to the Supervisory Board as a member representing the shareholders with effect from the end of the Annual General Meeting to be held on April 1, 2020. Paul Achleitner will step down from the Supervisory Board of DAG on April 1, 2020.

Furthermore, it was announced on February 20, 2020 that, on the Board of Management of DAG, Ola Källenius will also be responsible for the Mercedes-Benz Vans division (Wilfried Porth will concentrate entirely on the comprehensive personnel restructuring measures and the transformation challenges in the Human Resources area). DAG is also introducing the new function of Chief Operating Officer, which will be taken on by Markus Schäfer (member of the Board of Management of DAG and Mercedes-Benz AG responsible for Group Research and Mercedes-Benz Cars Development, Procurement and Supplier Quality). The financial areas of DAG and Mercedes-Benz AG are merged under the direction of Harald Wilhelm, Board Member of DAG responsible for Finance and Controlling and Daimler Mobility. Harald Wilhelm will take on the additional function of Chief Financial Officer at Mercedes-Benz AG on April 1, 2020.

**E. Annual Report 2019 of DAG**

On February 21, 2020, DAG published the DAG Annual Report 2019. A copy of the DAG Annual Report 2019 has been filed with the *Commission de Surveillance du Secteur Financier*.

By virtue of this Supplement, the DAG Annual Report 2019 shall be incorporated by reference in the Prospectus to the extent set out below, provided that any information not specifically set out below, but included in the DAG Annual Report 2019 is either not relevant for an investor or is covered elsewhere in the Prospectus and shall not be deemed to be included in the Prospectus. In this context, the following amendments shall be made to the section commencing on page 340 of the Prospectus which is entitled "*Documents Incorporated by Reference*".

**The following shall be added as subsection A.3 to the table commencing on page 340 of the Prospectus which is entitled "*Table of Documents Incorporated by Reference*" (as amended by Supplement No. 1 and Supplement No. 2):**

A.3 DAG Annual Report 2019 (containing the Annual Consolidated Financial Statements 2019 prepared in accordance with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e GCC), including

- Consolidated Statement of Income	Page 224
- Consolidated Statement of Comprehensive Income/Loss	Page 225
- Consolidated Statement of Financial Position	Page 226
- Consolidated Statement of Cash Flows	Page 227
- Consolidated Statement of Changes in Equity	Pages 228 - 229
- Notes to the Consolidated Financial Statements	Pages 230 - 327
- Independent Auditor's Report	Pages 331 - 339

#### **F. Withdrawal Right**

Any investor who may wish to exercise any withdrawal right arising pursuant to Article 16.2 of the Prospectus Directive or Articles 13.2 and 39.2 of the Prospectus Act, respectively, each in connection with Article 46.3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, as a result of the publication of this Supplement must exercise that right on or before March 2, 2020. Such withdrawal, if any, is not required to contain any reasons for the withdrawal and is to be addressed in writing to (i) in the case of Notes issued by DAG to Daimler AG, Mercedesstraße 120, 70372 Stuttgart, Germany, (ii) in the case of Notes issued by MBAP to Mercedes-Benz Australia/Pacific Pty Ltd, 44 Lexia Place, Mulgrave, Victoria, 3170, Australia, (iii) in the case of Notes issued by DIF to Daimler International Finance B.V., Ravenswade 4, 3439 LD Nieuwegein, The Netherlands, (iv) in the case of Notes issued by DCFI to Daimler Canada Finance Inc., 1 Place Ville Marie, 37 Floor, Montréal, Québec H3B 3P4, Canada, (v) in the case of Notes issued by DFNA to Daimler Finance North America LLC, c/o Corporation Trust Corporation, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA, and (vi) in the case of Notes issued by MBFJ to Mercedes-Benz Finance Co., Ltd., 12-4, Higashi Shinagawa 4-chome, Shinagawa-ku, Tokyo 140-0002, Japan. In order to comply with the time limit set out above, punctual dispatch of the withdrawal is sufficient.