

**Supplement No. 1 dated August 7, 2023
to the Prospectus dated May 17, 2023**



Mercedes-Benz Group AG
Stuttgart, Federal Republic of Germany

Mercedes-Benz Australia/Pacific Pty Ltd
(ABN 23 004 411 410)
Mulgrave, Victoria, Australia

Mercedes-Benz International Finance B.V.
Nieuwegein, the Netherlands

Mercedes-Benz Finance Canada Inc.
Montréal, Quebec, Canada

Mercedes-Benz 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

Mercedes-Benz Group AG
Stuttgart, Federal Republic of Germany

This supplement No. 1 (the "**Supplement**") constitutes a supplement for the purposes of (i) Article 23 (1) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**"), and (ii) Article 30 of the Luxembourg Law on Prospectuses for Securities (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*; the "**Luxembourg Prospectus Act**") to the prospectus (which constitutes six base prospectuses for the purposes of Article 8 of the Prospectus Regulation and six alleviated base prospectuses for the purposes of Article 22 of the Luxembourg Prospectus Act) of Mercedes-Benz Group AG ("**MBG**" or the "**Guarantor**"), Mercedes-Benz Australia/Pacific Pty Ltd (ABN 23 004 411 410) ("**MBAP**"), Mercedes-Benz International

Finance B.V. ("**MBIF**"), Mercedes-Benz Finance Canada Inc. ("**MBFCI**"), Mercedes-Benz Finance North America LLC ("**MBFNA**") and Mercedes-Benz Finance Co., Ltd. ("**MBFJ**") dated May 17, 2023 (together, the "**Prospectus**"), which has been prepared in connection with the Programme established by MBG, MBAP, MBIF, MBFCI, MBFNA and MBFJ (each, an "**Issuer**" and, together, the "**Issuers**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

The purpose of this Supplement is to amend the risk factors and the disclosure relating to the Issuers and the Guarantor and set out in the Prospectus, in particular following the publication of the Interim Report Q2 2023 of Mercedes-Benz on July 27, 2023.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and all documents incorporated by reference into the Prospectus.

Copies of the Prospectus, any document incorporated by reference into the Prospectus and this Supplement will be published in electronic form on the website of the Luxembourg Stock Exchange (www.luxse.com/programme/Programme-MercedesBenzGrp/2370) and will be viewable on, and obtainable free of charge from, such website.

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

MBG and each of the other Issuers accept responsibility for the information contained in this Supplement (including any information incorporated by reference into the Prospectus by this Supplement) except that each Issuer other than MBG 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 into 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 11 of the Prospectus which is entitled "*Risk Factors*"

The third paragraph of the subsection commencing on page 21 of the Prospectus which is entitled "*Risk Factors Relating to MBG, MBAP, MBIF, MBFCI, MBFNA and MBFJ – 3. Legal and Tax Risks – Risks from Legal Proceedings in Connection with Diesel Exhaust Gas Emissions – Civil Court Proceedings*" shall be replaced in its entirety as follows:

In Germany, a large number of customers of diesel vehicles has filed lawsuits for damages or rescission of sales contracts based on similar allegations. They refer to, in particular, the KBA's recall orders mentioned above. Based on similar allegations, the Federation of German Consumer Organizations (*Verbraucherzentrale Bundesverband e.V.*) filed a model declaratory action (*Musterfeststellungsklage*) against MBG with the Stuttgart Higher Regional Court (*Oberlandesgericht*) in July 2021. Such action seeks a ruling that certain preconditions of alleged consumer claims are met. Following a decision of the European Court of Justice in the first quarter of 2023, the German Federal Court of Justice (*Bundesgerichtshof*) ruled in the second quarter of 2023 that vehicle purchasers are entitled to claim damages against the manufacturer if it intentionally or negligently used an inadmissible defeat device.

B. Amendments to the section commencing on page 188 of the Prospectus which is entitled "*Description of MBG*"

1. Amendments to the subsection commencing on page 188 of the Prospectus which is entitled "*2. Financial Information*"

- a. The following subsection entitled "*(ii) Financial Information Relating to the First Half Year of the Financial Year 2023 of MBG*" shall be added to the end of the subsection commencing on page 191 of the Prospectus which is entitled "*b. Group Interim Financial Information*":**

(ii) Financial Information Relating to the First Half Year of the Financial Year 2023 of MBG

The Group interim financial information set out below has been extracted from the unaudited but reviewed interim consolidated financial statements of MBG as of and for the first half year ended June 30, 2023 (consisting of consolidated statement of income/loss Q2, consolidated statement of income/loss Q1-2, consolidated statement of comprehensive income/loss Q2, consolidated statement of comprehensive income/loss Q1-2, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and the notes to the interim consolidated financial statements as set out in the interim report (*Zwischenbericht*) in relation to the first half year of the financial year ended June 30, 2023 (the "**Interim Report Q2 2023**") (the "**Unaudited Interim Consolidated Financial Statements Q2 2023**").

Such Unaudited Interim Consolidated Financial Statements Q2 2023 are incorporated by reference into this Prospectus.

The Group interim financial information set out below should be read and analyzed together with the section entitled "*Notes to the Interim Consolidated Financial Statements*" as set out in the Interim Report Q2 2023. The accompanying notes are an integral part of the Unaudited Interim Consolidated Financial Statements Q2 2023.

Selected Financial Information

Consolidated

	January 1, 2023 to June 30, 2023	January 1, 2022 to June 30, 2022
	(in millions of €)	
Profit before income taxes	10,654	9,736
Net profit	7,652	6,784

Consolidated

	January 1, 2023 to June 30, 2023	January 1, 2022 to June 30, 2022
	(in millions of €)	
Cash flow from operating activities	7,345	7,967
Cash flow from investing activities	-2,980	-110
Cash flow from financing activities	-6,202	-17,204

Consolidated

	As of June 30, 2023	As of December 31, 2022
	(in millions of €)	
Equity attributable to shareholders of MBG	87,658	85,415
Non-controlling interests	1,017	1,125
Total non-current liabilities	82,179	85,072
Total current liabilities	87,976	88,403
Total equity and liabilities	258,830	260,015

Additional Information on the Consolidated Financial Position

Net financial debt (i.e. total non-current and current financing liabilities plus market valuation and currency hedges for financing liabilities, minus cash and cash equivalents and marketable debt securities and similar investments, each as shown in the Unaudited Interim Consolidated Financial Statements Q2 2023)

88,412 88,146

The accompanying notes are an integral part of the Unaudited Interim Consolidated Financial Statements Q2 2023.

b. The subsection commencing on page 194 of the Prospectus which is entitled "*c. Information Relating to Group Annual Financial Information and Group Interim Financial Information*" shall be replaced in its entirety as follows:

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

Accounting Policies

The Annual Consolidated Financial Statements 2022 of MBG and the Annual Consolidated Financial Statements 2021 of MBG have been prepared in accordance with Section 315e of the German Commercial Code (*Handelsgesetzbuch*) and comply with the International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

The Unaudited Interim Consolidated Financial Statements Q1 2023 of MBG and the Unaudited Interim Consolidated Financial Statements Q2 2023 of MBG have been prepared in accordance with Section 115 of the German Securities Trading Act (*Wertpapierhandelsgesetz*; "**WpHG**") and International Accounting Standard ("**IAS**") 34 ("Interim Financial Reporting").

Auditing of Historical Annual Financial Information

The Annual Consolidated Financial Statements 2022 of MBG and the Annual Consolidated Financial Statements 2021 of MBG have been audited by KPMG in accordance with German Generally Accepted Auditing Standards, and in each case KPMG issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*) on each of the Annual Consolidated Financial Statements 2022 of MBG and the Annual Consolidated Financial Statements 2021 of MBG. The auditors have not performed any audit on any financial statements of MBG as of any date or for any period subsequent to December 31, 2022.

The Unaudited Interim Consolidated Financial Statements Q1 2023 of MBG and the Unaudited Interim Consolidated Financial Statements Q2 2023 of MBG have not been audited but have been reviewed by KPMG.

2. **The subsection on page 200 of the Prospectus which is entitled "5. Trend Information and Significant Change in Mercedes-Benz Financial Performance and Financial Position" shall be replaced in its entirety as follows:**

5. **Trend Information and Significant Change in Mercedes-Benz Financial Performance and Financial Position**

There has been no material adverse change in the prospects of MBG since the date of its last published audited financial statements as of December 31, 2022, and there has been no significant change in the financial performance and in the financial position of the Group since June 30, 2023, being the end of the last financial period for which financial information has been published by MBG.

3. **Amendments to the subsection commencing on page 204 of the Prospectus which is entitled "7. Board Practices"**

The overview of the members of the Audit Committee shall be replaced in its entirety as follows:

Current members of the Audit Committee are:

Olaf Koch – Chairman
Roman Romanowski – Representative of the employees
Timotheus Höttges
Ergun Lümali – Representative of the employees

4. **Amendments to the subsection commencing on page 207 of the Prospectus which is entitled "9. Financial Information Concerning MBG's Assets and Liabilities, Financial Position and Profit and Losses"**

- a. **The subsection on page 207 of the Prospectus which is entitled "Historical Financial Information" shall be replaced in its entirety as follows:**

Historical Financial Information

The Annual Consolidated Financial Statements 2022 of MBG as set out in the MBG Annual Report 2022, the Annual Consolidated Financial Statements 2021 of MBG as set out in the MBG Annual Report 2021, the Unaudited Interim Consolidated Financial Statements Q1 2023 of MBG as set out in the Interim Report Q1 2023 and the Unaudited Interim Consolidated Financial Statements Q2 2023 of MBG as set out in the Interim Report Q2 2023 are incorporated by reference in this Prospectus.

- b. **Amendments to the subsection commencing on page 207 of the Prospectus which is entitled "Legal and Arbitration Proceedings"**

The fourth paragraph of the subsection commencing on page 209 of the Prospectus which is entitled "Diesel emission behavior: consumer actions and other lawsuits in the United States, Germany and other states" shall be replaced in its entirety as follows:

In Germany, a large number of customers of diesel vehicles has filed lawsuits for damages or rescission of sales contracts. They assert that the vehicles contained illegal defeat devices and/or showed impermissibly high emission or consumption values. They refer to, in particular, the KBA's recall orders mentioned in the subsection set out above and entitled "*Diesel emission behavior: governmental proceedings*". Based on similar allegations, the Federation of German Consumer Organizations (*Verbraucherzentrale Bundesverband e.V.*) filed a model declaratory action (*Musterfeststellungsklage*) against MBG with the Stuttgart Higher Regional Court (*Oberlandesgericht*) in July 2021. Such action seeks a ruling that certain preconditions of alleged consumer claims are met. Following a decision of the European Court of Justice in the first quarter of 2023,

the German Federal Court of Justice (*Bundesgerichtshof*) ruled in the second quarter of 2023 that vehicle purchasers are entitled to claim damages against the manufacturer if it intentionally or negligently used an inadmissible defeat device.

5. The subsection commencing on page 213 of the Prospectus which is entitled "13. Recent Developments" shall be replaced in its entirety as follows:

13. Recent Developments

External rotation of the auditor is required by law for the audit of the financial statements of Mercedes-Benz Group AG for 2024 at the latest, because the current auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, will reach the statutory maximum term when it audits the financial statements for 2023. To ensure compliance with the duty to appoint a different audit firm, a selection and proposal process was conducted in accordance with the EU Statutory Audit Regulation during 2022 in order to appoint an auditor for 2024. Based on the recommendation and preference of the Audit Committee, and on the basis of its own review, the Supervisory Board of MBG decided to propose to the 2023 Annual General Meeting that Pricewaterhouse Coopers GmbH Wirtschaftsprüfungsgesellschaft be appointed as auditor for 2024. Pricewaterhouse Coopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was appointed as auditor for the financial year 2024 at the Annual General Meeting on May 3, 2023 according to the proposal of the Supervisory Board of MBG which was based on its own review and on the basis of the recommendation and preference of the Audit Committee.

On January 5, 2023, Mercedes-Benz Group AG announced far-reaching plans to build a global high-power charging network in North America, Europe, China and other core markets. Construction of the first charging parks is to begin in the United States and Canada, followed by other regions around the globe. The goal is to create a global charging network by the end of the decade. Furthermore, on July 7, 2023, MBG announced that Mercedes-Benz customers will be able to use Tesla Superchargers in North America from 2024. Seven automakers – BMW Group, General Motors, Honda, Hyundai, Kia, Mercedes-Benz, Stellantis – are planning to form a joint venture to accelerate the transition to electric vehicles in North America. The joint venture is targeting to install a charging network with at least 30,000 charging stations. The joint venture is expected to be established in 2023, subject to regulatory approvals. The first stations are expected to open in the United States in the summer of 2024 and in Canada at a later stage. In line with the sustainability strategies of all seven automakers, the joint venture intends to power the charging network solely by renewable energy.

On January 26, 2023, the Mercedes-Benz Group became the world's first automaker to receive SAE Level 31 certification for conditionally automated driving on US roads in the state of Nevada. The "DRIVE PILOT" was released for sale in Germany in May 2022 after the German Federal Motor Transport Authority (*Kraftfahrt-Bundesamt*) issued the SAE Level 3 system a licence to operate on the basis of the internationally valid regulation UN-R157. The automated driving function takes over certain driving tasks. Nevertheless, a driver is still necessary. The driver must be ready to take control of the vehicle at any time when prompted by the vehicle to intervene.

At the end of October 2022, Mercedes-Benz Group signed contracts with the Russian car dealer Avtodom AO for the sale of the shares in the Russian subsidiaries. In March 2022, the Mercedes-Benz Group had already stopped exporting cars and vans to Russia and ceased local production in Russia. With the closing of the transaction on April 19, 2023, the shares of Russian subsidiaries were deconsolidated. Further information on this is provided in Note 2 of the "Notes to the Interim Consolidated Financial Statements" as set out in the Interim Report Q2 2023.

On February 16, 2023, the Board of Management, with the approval of the Supervisory Board, resolved a share buyback programme. Beginning on March 3, 2023, own shares worth up to €4 billion (not including incidental costs) are intended to be acquired on the stock exchange over a period of up to two years and shall subsequently be cancelled. The share buyback programme will be based on the authorization by the Annual General Meeting of Daimler AG on July 8, 2020, authorizing the Board of Management to acquire, with the approval of the Supervisory Board, own shares up to a maximum of 10% of the share capital until July 7, 2025.

MBG has separately agreed with Beijing Automotive Group Co., Ltd. and Geely Group that they will each keep their shareholdings in MBG below 10% by divesting their shares on a pro rata basis concurrently with the share buyback programme.

As announced on February 22, 2023, the Mercedes-Benz Group plans to integrate innovative vehicle-related geo-spatial data and route planning capabilities from the Google Maps platform into the Mercedes-Benz Operating System ("**MB.OS**"). With this partnership, the Group plans to become the first automaker to develop its own navigation experience based on a new concept that combines new in-vehicle geospatial data and navigation. The system is to be introduced in the middle of the decade with the new MMA (Mercedes Modular Architecture) platform. MB.OS was designed and developed in-house at Mercedes-Benz. This was done to give Mercedes-Benz Group complete control over the customer relationship as well as ensure data privacy and the integration of all vehicle functions.

On March 3, 2023, the Mercedes-Benz Group laid the symbolic foundation stone for a battery recycling factory at the Kuppenheim site. The Mercedes-Benz Group is thus underpinning its goal of ensuring a sustainable closure of the recycling loop for batteries and significantly reducing resource consumption.

The Group plans to invest an eight-digit euro sum in the construction of the net CO₂-neutral plant. For the first stage of the plant (mechanical dismantling facility) commissioning is scheduled to start as early as the end of the year 2023.

As announced on June 7, 2023, the Mercedes-Benz Group had signed a supply agreement with Swedish startup H2 Green Steel AB ("**H2GS**") for approximately 50,000 metric tons of nearly CO₂-free steel per year for its European stamping plants. Following the investment in H2GS in 2021, the new supply agreement will enable Mercedes-Benz to use virtually CO₂-free steel in series production. H2GS plans to start production in 2025.

6. The subsection commencing on page 214 of the Prospectus which is entitled "14. Outlook" shall be replaced in its entirety as follows:

14. Outlook

Following the realignment of the Mercedes-Benz Group, the Group is concentrating on achieving profitable growth in the market for luxury cars and premium vans, as well as for sales financing. However, high advance expenditure will still be required for the necessary transformation towards a CO₂-neutral future. The geopolitical and macroeconomic conditions continue to be characterized by an exceptional degree of uncertainty, including the Russia-Ukraine war, and the development of prices for raw materials and energy. Further effects due to the rapidly changing situation in Russia and Ukraine are not currently known but could possibly have substantial negative consequences for the business activities of Mercedes-Benz, should it escalate beyond its current state.

With regional differences the overall growth momentum of the world economy is likely to remain rather subdued in the second half of the year 2023. Despite an ongoing monthly decrease in the rate of inflation, inflation is expected to remain above average in many places, which is likely to result in continued restrictive monetary policies by major central banks. These developments are likely to continue to weigh on consumers and companies and weaken economic growth accordingly.

The Mercedes-Benz Group is concentrating on achieving profitable growth in the coming years, particularly in the market for luxury cars and premium vans, as well as for sales financing. A frictionless ramp-up of electromobility has a high priority. High advance expenditure will still be required for the necessary transformation towards a net CO₂-neutral future. The further macroeconomic and the geopolitical developments also harbour substantial uncertainties. In order to be able to successfully overcome these challenges, the Mercedes-Benz Group continues to implement its measures for boosting efficiency and for the related reduction in fixed costs.

C. Amendments to the section commencing on page 264 of the Prospectus which is entitled "*Documents Incorporated by Reference*"

On July 27, 2023, MBG published its "*Interim Report Q2 2023*", containing, *inter alia*, the unaudited but reviewed interim consolidated financial statements of MBG as of and for the first half year of the financial year 2023 of MBG ended on June 30, 2023 (the "**Interim Report Q2 2023**"). A copy of the Interim Report Q2 2023 has been filed with the *Commission de Surveillance du Secteur Financier*.

By virtue of this Supplement, the Interim Report Q2 2023 shall be incorporated by reference into, and form part of, the Prospectus to the extent set out below, provided that any information not specifically set out below, but included in the Interim Report Q2 2023 is either not relevant for an investor or is covered elsewhere in the Prospectus and shall therefore not be deemed to be included in the Prospectus. In this context, the following amendments shall be made to the section commencing on page 264 of the Prospectus which is entitled "*Documents Incorporated by Reference*".

The following subsection "B.2" shall be added to the table commencing on page 264 of the Prospectus which is entitled "*Table of Documents Incorporated by Reference*" as follows:

B.2 Interim Report Q2 2023 of MBG (containing the unaudited but reviewed interim consolidated financial statements in relation to the first half of the financial year 2023 of MBG ended on June 30, 2023 prepared in accordance with Section 115 of the WpHG and IAS 34 ("Interim Financial Reporting")), including

- Consolidated Statement of Income/Loss Q2	Page 35
- Consolidated Statement of Income/Loss Q1-2	Page 36
- Consolidated Statement of Comprehensive Income/Loss Q2	Page 37
- Consolidated Statement of Comprehensive Income/Loss Q1-2	Page 38
- Consolidated Statement of Financial Position	Pages 39 – 40
- Consolidated Statement of Cash Flows	Page 41
- Consolidated Statement of Changes in Equity	Pages 42 – 43
- Notes to the Interim Consolidated Financial Statements	Pages 44 – 64
- Auditor's Review Report	Page 66

<https://dl.luxse.com/dlp/1094ad5ec697874af08a3594079b8c7e45>

D. Withdrawal Right

Any investor who had already agreed to purchase or subscribe for any notes (the "**Notes**") to be issued by any of the Issuers before this Supplement was published may, if the Notes have not yet been delivered to the investor at the time when the significant new factor, material mistake or material inaccuracy arose or was noted, exercise any withdrawal right arising pursuant to Article 23 (2) of the Prospectus Regulation or Article 30.2 of the Luxembourg Prospectus Act, respectively, as a result of the publication of this Supplement, on or before August 9, 2023. Such withdrawal, if any, does not have to be justified or substantiated. Any investor who wishes to exercise its right of withdrawal may contact

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In order to comply with the time limit set out above, punctual dispatch of the withdrawal is sufficient.