

**Supplement No. 3 dated March 17, 2023  
to the Prospectus dated May 17, 2022**



**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. 3 (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 (formerly: Daimler AG ("**DAG**")) ("**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. (formerly: Daimler Canada Finance Inc.) ("**MBFCI**"), Mercedes-Benz Finance North America LLC (formerly

Daimler Finance North America LLC) ("**MBFNA**") and Mercedes-Benz Finance Co., Ltd. ("**MBFJ**") dated May 17, 2022 (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 Annual Consolidated Financial Statements 2022 of Mercedes-Benz Group AG on March 14, 2023.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus (as supplemented by supplement no. 1 to the Prospectus dated August 11, 2022 (the "**Supplement No. 1**") and supplement no. 2 to the Prospectus dated November 10, 2022 (the "**Supplement No. 2**") and all documents incorporated by reference in the Prospectus.

Copies of the Prospectus, any document incorporated by reference in the Prospectus, Supplement No. 1, Supplement No. 2 and this Supplement will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.luxse.com/programme/Programme-MercedesBenzGrp/2370](http://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 in the Prospectus by this Supplement, and (ii) any other statement in or incorporated by reference in 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 in 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 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 11 of the Prospectus which is entitled "*Risk Factors*"**

**The subsection commencing on page 12 of the Prospectus which is entitled "*Risk Factors Relating to MBG, MBAP, MBIF, MBFCI, MBFNA and MBFJ*" (as amended by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:**

**Risk Factors Relating to MBG, MBAP, MBIF, MBFCI, MBFNA and MBFJ**

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**") are direct or indirect subsidiaries of Mercedes-Benz Group AG ("**MBG**" or the "**Guarantor**" and, together with its subsidiaries, the "**Mercedes-Benz Group**", the "**Group**", "**Mercedes-Benz**" or the "**Issuers**"). All Notes to be issued by MBAP, MBIF, MBFCI, MBFNA or MBFJ are unconditionally and irrevocably guaranteed by MBG in respect of principal and interest payments. Accordingly, MBAP, MBIF, MBFCI, MBFNA and MBFJ are affected, substantially, by the same risks as those that affect the business and operations of MBG and/or its consolidated subsidiaries. Therefore, references in this section to MBG and/or its consolidated subsidiaries and/or Mercedes-Benz Group shall include references to the Issuer (if applicable).

MBG is subject to various risks resulting from changing economic, political, social, industry, business and financial conditions. The principal risks which could affect MBG's business, financial condition, profitability, cash flows, results of operations and future business results are described below. MBG's overall risk situation is the sum of the individual risks of all risk categories for the segments, the corporate functions and legal

entities. In general, the description of risks takes place in relation to the individual segments. Following the spin-off and hive-down of the Daimler commercial vehicle business, the business operations of the Mercedes-Benz Group are managed in the Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Mobility segments. If no segment is explicitly mentioned, the risks described relate to all segments.

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

As a matter of the nature of Mercedes-Benz Group's business it is exposed to the following risks, which are presented in the categories below depending on their nature with the most material risk factor mentioned first in each category:

**1. Industry and Business Risks,**

**2. Financial Risks,**

**3. Legal and Tax Risks, and**

**4. Other Risks.**

**1. Industry and Business Risks**

The Mercedes-Benz Group is subject to various industry and business-related risks. Should any of the following risks materialize, this could have material adverse effects on the Mercedes-Benz Group's business, net assets, financial condition and results of operations.

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

Industry and business risks are also linked to assumptions and forecasts concerning general developments.

*General Market Risks*

The possibility of markets developing worse than assumed in the planning, or of changing market conditions, generally exists for all segments of the Group. Possible declines in vehicle sales may be caused in particular by the partially unstable macroeconomic environment and in the context of political or economic uncertainties.

As a result of the Covid-19 pandemic, there are still risks – especially in China – which may lead to disruptions in global supply chains and have a negative impact on the sales development of Mercedes-Benz Cars. Rising energy prices, a persistently high inflation rate and volatile exchange rates may also lead to market uncertainty or a loss of purchasing power and have a negative impact on demand in the automotive sector. Other availability bottlenecks, in particular those affecting semiconductors, remain a large source of uncertainty. A lower-than-expected market acceptance of electric vehicles can also lead to risks in the development of unit sales and have a negative impact on earnings. This could also endanger the achievement of specific CO<sub>2</sub> targets. Industrial policy measures to strengthen local value creation in various countries as well as government purchase incentives for locally produced electric vehicles can also result in competitive disadvantages and declining vehicle sales in the respective markets.

The loss of important dealerships and vehicle importers can lead to customer demand not being fully served and lower unit sales. Due to the tense economic situation of some dealers and vehicle importers, possible loss of revenue for Mercedes-Benz Cars cannot be ruled out.

The launch of new products by competitors, more aggressive pricing policies and poorer effective pricing for products such as electric vehicles can give rise to increasing competitive and price pressure in the automotive segments and have a negative impact on profitability. The discontinuation or reduction of government

subsidies for electric vehicles can also negatively affect their pricing and cut profit margins. There is also a risk of delayed market introduction of new technologies in vehicles.

Volatile energy and commodity prices, persistently high or repeatedly rising inflation rates, sharply rising interest rates and an even more pronounced slowdown in economic growth may also have a negative impact on the Mercedes-Benz Group's business, net assets, financial condition and results of operations.

#### *Risks Related to the General Legal and Political Framework*

Risks from the legal and political framework have a considerable influence on the Mercedes-Benz Group's future business success. Regulations concerning vehicles' emissions, fuel consumption, safety and certification, as well as tariff aspects and taxes in connection with the sale or purchase of vehicles or vehicle parts, play an 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 particular, changes in the legal and political framework at short notice can be associated with additional costs or higher investments for the Mercedes-Benz Group. Legal limits on the fuel consumption and/or CO<sub>2</sub> emissions of car fleets exist in many markets, although the target values differ from market to market. Non-compliance with regulations applicable in the various markets might result in significant penalties and reputational harm, and might even mean that vehicles with conventional drive systems could not or could no longer be registered in the relevant markets.

Mercedes-Benz Cars and Mercedes-Benz Vans face the above-mentioned risks with respect to regulations concerning 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. In some markets, the modalities for target achievement granted by law, including the acquisition of external credits, will have to be utilized, which could have a negative impact on earnings. The market success of alternative drive systems is greatly influenced not only by customer acceptance but also by regional market conditions such as the battery-charging infrastructure, state support and tax conditions.

The global economic conditions continue to be characterized by an exceptional degree of uncertainty. Political tensions and the associated danger of geopolitical conflicts have increased and are associated with far-reaching risks for the business development of the Mercedes-Benz Group. In addition to unexpected macroeconomic developments, uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical events and trade policy. A further escalation and possible geographical expansion of the Russia-Ukraine war could have a negative impact on purchasing and logistics processes and on the production and sales programme. Besides the Russia-Ukraine war, examples of this include a further exacerbation of tensions between the United States and China and a further deterioration of political relations between the European Union and China.

A possible bottleneck in energy supply in the EU could subsequently lead to potential production losses at the Mercedes-Benz Cars and Mercedes-Benz Vans plants. Moreover, there is an increasing risk of possible cyberattacks as a result of political tensions. Individual countries may attempt to defend and improve their competitiveness in the world's markets by increasingly resorting to interventionist and protectionist measures. For example, setting up or expanding production facilities, increasing local purchasing or the requirement to carry out local research and development can result in significantly increased investment or higher running costs. In addition, barriers to market access, such as more difficult or delayed certification processes or very complicated tariff procedures, can make it more difficult to import into those countries.

#### *Geopolitical Risks*

Uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical and trade policy developments worldwide.

The different effects of the Russia-Ukraine war on supply chains and the availability and price development of energy and raw materials play a very important role. Furthermore, the persistently very high and possibly

further increasing inflation rates and the corresponding reaction of the central banks could also impact global economic growth and the automotive business environment.

In particular, there continue to be risks associated with energy supplies and from a potential expropriation of assets of Russian subsidiaries. Additional risks result from the fact that business activities in Russia have, until further notice, been adjusted in accordance with the sanctions requirements.

The Russia-Ukraine war could have a negative impact on the development of unit sales, production processes, procurement and logistics, for example through interruptions in supply chains or energy supply, or bottleneck situations for components as well as raw materials and upstream products. Even higher cyber risks by opposing attacks cannot be ruled out. Collaboration with partners and cooperative ventures are also subject to higher risks. Outstanding trade receivables could be subject to higher default, country and currency risks due to restrictions on cross-border payment transactions and limited convertibility of the Russian rouble. The higher country risks mainly include potential impairments on trade receivables as well as property, plant and equipment and inventories of the automotive segments. In the Mercedes-Benz Mobility segment, negative effects may result from sanctions and a weaker economic environment for Mercedes-Benz Group's customers in Russia and other markets, which may be reflected in increased payment arrears and credit defaults. Furthermore, as a result of higher inflation, rising refinancing costs in the capital markets may lead to negative effects on the segment's interest margin as well as its cost development. In addition, temporary capital bottlenecks may arise in the context of refinancing in the Russian banking market, which may result in a claim on a global guarantee provided by MBG for the benefit of Russian subsidiaries in connection with outstanding financial liabilities of those Russian subsidiaries to banks. Higher risks may also arise from the insolvency of these subsidiaries. These risks could be exacerbated by the potential expropriation of assets of Russian subsidiaries of the Mercedes-Benz Group.

In addition, further exacerbation of tensions between the United States and China and a further deterioration of political relations between the European Union and China could lead to increased uncertainty and adversely affect both global economic prospects and the business development of the Mercedes-Benz Group. Industry-specific and country-specific barriers to trade in foreign markets that are important for the Mercedes-Benz Group could have a negative impact on both production costs and the entire value chain. The position of the Mercedes-Benz 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 Mercedes-Benz has production facilities, this could result in a competitive disadvantage for Mercedes-Benz compared with competitors that produce in those countries which participate in these free-trade agreements. In addition, if the content of the free-trade agreements used by Mercedes-Benz is made significantly stricter, or the conditions of future free-trade agreements are more restrictive, this could also significantly impair the position of the Mercedes-Benz Group, as the Mercedes-Benz 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. The automotive industry is often seen as a key factor to attract investment into a country and increase local value added. This can lead to increased costs if production facilities have to be established or expanded or local purchasing has to be increased. Cutting technological and economic links between major markets can also adversely affect earnings if research and development have to be conducted locally or value chains have to be adjusted because certain technologies are not allowed to be used in the final products. 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 tariff procedures.

#### *Risks Relating to the Leasing and Sales-Financing Business*

In connection with the sale of vehicles, the Mercedes-Benz Group offers customers a wide range of financing and leasing options. The resulting risks for the Mercedes-Benz 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 also arise due to the development of the used vehicle market. These result when the market value of a leased vehicle at the end of

the agreement term differs from the residual value that was originally calculated and forecasted on the basis of specific assumptions at the time the agreement was concluded and used as a basis for the leasing instalments.

Therefore, risks result from the development of the used car markets and thus from the residual values of the vehicles produced. 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 which can adversely affect earnings.

#### *Risks Related to Research and Development*

Technical developments and innovations are of key importance for the safe and sustainable mobility of the future. The transformation towards electric mobility and comprehensive digitalization of vehicles has resulted in ambitious development targets and the market launch of new technologies. Decisions in favour of certain technologies and the continuously growing scope of emission, consumption and safety requirements to be met are associated with risks. In 2020, MBG and Mercedes-Benz USA, LLC ("**MBUSA**") reached agreements with various US authorities to settle civil and environmental claims regarding emission control systems of certain diesel vehicles, which have taken legal effect (for further explanations please refer to the subsection entitled "**3. Legal and Tax Risks**"). With the settlement reached, MBG and MBUSA have agreed to, among other things, pay civil penalties, conduct an emission modification programme for affected vehicles, provide extended warranties, undertake a nationwide mitigation project, take certain corporate compliance measures and make other payments. If the aforementioned obligations are not complied with, there will be the risk that cost-intensive measures will have to be taken and/or significant stipulated penalties will become due.

#### *Production Risks*

Due to the increasing technical complexity and the goal of maintaining and constantly enhancing quality standards for the luxury vehicles of the Mercedes-Benz Group, risks can arise in the automotive segments in connection with the launch and manufacture of products. Production interruptions, for example due to disruptions in the supply chain or a bottleneck in the energy supply, cannot be ruled out as a result. In particular, the further development of the Covid-19 pandemic in China may have a negative impact on production.

For the launch of new products – especially in the course of the transformation toward electric mobility and the integration of new technologies – the necessary components and equipment scopes as well as the required production capacities must be available, as there is a risk of internal delays in vehicle production and consequential costs being incurred.

Warranty and goodwill cases could arise if the quality of the products or the parts installed in the products does not meet requirements despite quality assurance processes, if regulations are not fully complied with, or if support cannot be provided in the required form in the event of problems and product maintenance. The Mercedes-Benz Group recognizes appropriate provisions for warranty and goodwill cases. Nevertheless, it cannot be ruled out that recalls and field measures will lead to expenses.

#### *Risks from Purchasing and Logistics*

Risks arise for the automotive segments in particular from fluctuations in prices of commodities, raw materials and energy. Certain raw materials and components are required for the manufacture of vehicles and parts and are purchased on the world market. The level of costs depends on the price development of commodities, raw materials and energy. Inflation-related increases in raw material and energy prices are expected for 2023 and are associated with significant cost-side risks. They can also lead to higher logistics costs. Furthermore, intense competition for specific raw materials in the course of the introduction of new technologies can lead to increasing costs or possible shortages in the supply chain. Moreover, raw-material markets can be impacted by uncertainties and political crises – combined with possible supply bottlenecks – as well as by volatile demand for specific raw materials. In general, the ability to pass on the higher costs of commodities and other materials in the 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 profit margins of the vehicles sold and thus lead to lower earnings in the respective segment.

Interruptions in global supply chains, bottlenecks in the supply of intermediate goods, and production stoppages or under-utilization of suppliers' production capacities can have a negative impact on business activities in the automotive divisions. The increasing risk of cyberattacks within the supply chain also means that disruptions in the supply chain and, as a result, production stoppages and losses of unit sales cannot be ruled out. Interruptions in global supply chains, especially those caused by bottlenecks for electronic components and other important intermediate goods, as well as possible failures in supply by energy providers, can cause bottlenecks at Mercedes-Benz Cars and Mercedes-Benz Vans. Lack of availability and quality problems with certain vehicle parts can lead to production downtimes and cause costs that result in negative effects on profitability. The financial situation of some suppliers remains difficult. The reasons for this are continuing uncertainties in connection with rising commodity, raw material and energy prices, the lack of availability of components, and the further impact of the Covid-19 pandemic. The resulting possible production stoppages or under-utilization of production capacities at suppliers can also cause disruption of the supply chain in the automotive segments and prevent vehicles from being completed and delivered to customers on time. If suppliers cannot cover their fixed costs, there is also the risk that they may demand compensation payments. Necessary capacity expansions at suppliers could also require a contribution to cover costs. Due to the transformation to electric mobility and the increasing outsourcing of important components, there is also a risk that these will not be available on time in the planned quantity and required quality, thus delaying production. This could have negative effects on profitability.

#### *Information Technology Risks*

The systematically pursued digitalization strategy enables the Mercedes-Benz Group to utilize new opportunities to increase customer utility and the value of the Group. Nonetheless, the high degree of penetration of all business units by information technology (IT) also harbours risks for their business and production processes and the units' products and services. Extensive changes in the existing system landscape, for example the focus on strategic partnerships for the transformation of the IT infrastructure as well as 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 the misuse of sensitive data may under certain circumstances lead to a loss of reputation. In particular, stricter regulatory requirements such as the EU General Data Protection Regulation and related legislation 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 Mercedes-Benz 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.

#### *Personnel Risks*

The success of the Mercedes-Benz 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 the Mercedes-Benz Group operates. The Group's future success also depends on the extent to which it succeeds over the long term in recruiting, integrating and retaining specialist employees. In addition to the demographic development, the digital transformation also requires that the Group continues to adapt to changes and derives measures such as securing a qualified next generation of specialists and managers, especially with regard to technical developments.

#### *Risks Relating to Equity Investments and Partnerships*

Cooperation with partners in shareholdings and partnerships is of key importance to the Mercedes-Benz Group, both in the transformation towards electric mobility and comprehensive digitalization, and in connection with mobility solutions. The Mercedes-Benz Group generally participates in the risks of shareholdings in line with



its equity interest, and is also subject to share-price risks if such companies are listed on a stock exchange. After the spin-off and hive-down of the Daimler commercial vehicle business, this also applies to the Group's remaining minority shareholding in Daimler Truck Holding AG. The remeasurement of shareholdings in relation to its carrying value can lead to risks for the segment to which it is allocated. Furthermore, ongoing business activities, especially the integration of employees, technologies and products, can result in risks. In addition, further financial obligations or an additional financing requirement can arise.

## **2. Financial Risks**

The Mercedes-Benz Group is generally exposed to various financial risks, including risks from changes in market prices such as currency exchange rates, interest rates and commodity prices. In addition, the Mercedes-Benz Group is exposed to credit risks, country risks, liquidity risks and risks of restricted access to capital markets, risks from changes in credit ratings and risks relating to pension plans. Should any of the following risks materialize, this could have material adverse effects on the Mercedes-Benz Group's business, net assets, financial condition and results of operations.

Further information on financial risks is provided in Note 34 (*Management of financial risks*) of the Notes to the Annual Consolidated Financial Statements 2022 of MBG, incorporated by reference in this Prospectus. Information on the Group's financial instruments is provided in Note 33 (*Financial instruments*) of the Notes to the Annual Consolidated Financial Statements 2022 of MBG.

### *Exchange Rate Risks*

The Mercedes-Benz 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). 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. The Mercedes-Benz Group 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 Mercedes-Benz Mobility. To a certain extent, the funding between the asset and liability sides of the balance sheet 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 entitled "*1. Industry and Business Risks – Risks from Purchasing and Logistics*", the Group's business operations are exposed to changes in the market prices of purchased parts and raw materials.

### *Credit Risks*

Credit risk describes the risk of financial loss resulting from a counterparty failing to meet its contractual payment obligations. Credit risk includes both the direct risk of default and the risk of a deterioration in 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. Risks related to leasing and sales financing are addressed in the subsection entitled "*1. Industry and Business Risks – Risks Relating to the Leasing and Sales-Financing Business*". Credit risks also arise from the Group's liquid assets.



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. The Mercedes-Benz Group 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.

#### *Liquidity Risks and 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, the Mercedes-Benz Group 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 the 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 the Group's own business policy considerations and developments may temporarily prevent the Group from covering any liquidity requirements by means of borrowing in the capital markets.

#### *Risks from Changes in Credit Ratings*

Mercedes-Benz' creditworthiness is assessed by the rating agencies DBRS Ratings GmbH, Moody's Deutschland GmbH, Scope Ratings GmbH and S&P Global Ratings Europe Limited. Risks exist in connection with potential downgrades to credit ratings by the rating agencies, and thus to Mercedes-Benz' 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 MBG or from purchasing bonds issued by MBG or another company of the Group.

#### *Risks Relating to Pension Plans*

The companies of the Mercedes-Benz Group grant defined-benefit pension commitments, which are covered by plan assets, as well as healthcare commitments to a small extent. 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 such as a change in the discount rate or changed inflation assumptions have a negative or positive 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 share 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 future development of the fair value of plan assets.

Further information on the pension plans and their risks is provided in Note 23 (*Pensions and similar obligations*) of the Notes to the Annual Consolidated Financial Statements 2022 of MBG, incorporated by reference in this Prospectus.

### **3. Legal and Tax Risks**

The Mercedes-Benz Group is exposed to legal and tax risks. Should any of the following risks materialize, this could have material adverse effects on the Mercedes-Benz Group's business, net assets, financial condition and results of operations.

### *Regulatory Risks*

The automotive industry is subject to extensive governmental regulations worldwide. Laws in various jurisdictions govern 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 considerable, and in this context, Mercedes-Benz Group continues to expect a significant level of costs.

### *Risks from Legal Proceedings in General*

MBG and its subsidiaries are confronted with various legal proceedings and 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 (especially patent infringement lawsuits), warranty claims, environmental matters, antitrust matters (including actions for damages) as well as investor litigation. Product-related litigation involves claims alleging faults in vehicles. Some of these claims are asserted by way of class actions. If the outcome of such legal proceedings is detrimental to Mercedes-Benz or such proceedings are settled, the Group may encounter substantial financial burdens, e.g. from damages payments or service actions, recall campaigns, which would adversely affect the earnings of the Group. Some of these proceedings and related settlements may also have an impact on the Group's reputation.

### *Risks from Legal Proceedings in Connection with Diesel Exhaust Gas Emissions – Governmental Proceedings*

Mercedes-Benz is continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to various laws and regulations in connection with diesel exhaust emissions.

The corresponding activities of various authorities worldwide are partly ongoing, as described below. These activities particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or the interactions of Mercedes-Benz with the relevant authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal, consumer protection and antitrust laws.

In the United States, MBG and Mercedes-Benz USA, LLC ("**MBUSA**") reached agreements in the third quarter of 2020 with various authorities to settle civil environmental claims regarding the emission control systems of certain diesel vehicles. These agreements have become final and effective.

The authorities take the position that Mercedes-Benz failed to disclose Auxiliary Emission Control Devices ("**AECDs**") in certain of its US diesel vehicles and that several of these AECDs are illegal defeat devices. As part of these settlements, Mercedes-Benz has denied the allegations by the authorities and has not admitted liability, but has agreed to, among other things, pay civil penalties, conduct an emission modification programme for the affected vehicles, and take certain other measures. The failure to meet certain of those obligations may trigger additional stipulated penalties. In the first quarter of 2021, Mercedes-Benz paid the civil penalties.

In April 2016, the U.S. Department of Justice ("**DOJ**") requested that Mercedes-Benz conduct an internal investigation. Mercedes-Benz conducted such internal investigation in cooperation with the DOJ's investigation; the DOJ's investigation remains open. In addition, further US state authorities have opened investigations pursuant to both local environmental and consumer protection laws and have requested documents and information. In Canada, the Canadian environmental regulator Environment and Climate Change Canada ("**ECCC**") is conducting an investigation in connection with diesel exhaust emissions based on the suspicion of potential violations of, among others, the Canadian Environmental Protection Act as well as potential undisclosed AECDs and defeat devices. Mercedes-Benz continues to cooperate with the investigating authorities.

In Germany, the Stuttgart public prosecutor's office issued a fine notice against Mercedes-Benz in September 2019 based on a negligent violation of supervisory duties, thereby concluding the related administrative offence proceedings against Mercedes-Benz. The Stuttgart public prosecutor's office is still conducting criminal investigation proceedings against Mercedes-Benz employees on the suspicion of, among others, fraud. In July 2021, the local court (*Amtsgericht*) of Böblingen issued penal orders against three Mercedes-Benz employees based on, among others, fraud, which have become final.

Between 2018 and 2020, the German Federal Motor Transport Authority ("**KBA**") issued subsequent auxiliary provisions for the EC type approvals of certain Mercedes-Benz diesel vehicles, and ordered mandatory recalls as well as, in some cases, stops of the first registration. In autumn 2022, the KBA issued further decisions regarding vehicles equipped with an OM607 EU6 or EU5 diesel engine. In each of those cases, it held that certain calibrations of specified functionalities are to be qualified as impermissible defeat devices. Mercedes-Benz has a contrary legal opinion on this question and has filed timely objections against the KBA's administrative orders and determinations mentioned above. Insofar as the KBA has not remedied the objections, Mercedes-Benz has filed lawsuits with the competent administrative court to have the controversial questions at issue clarified in a court of law. Irrespective of such objections and the lawsuits that are now pending, Mercedes-Benz continues to cooperate fully with the KBA. The new calibrations requested by the KBA were developed by Mercedes-Benz and assessed and approved by the KBA; the related recalls were 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 Mercedes-Benz as a precautionary measure, also with regard to the used car, leasing and financing businesses. In the course of its regular market supervision, the KBA routinely conducts further reviews of Mercedes-Benz vehicles and asks questions about technical elements of the vehicles. In addition, Mercedes-Benz continues to be in a dialogue with the German Federal Ministry for Digital and Transport ("**BMDV**") to conclude the analysis of the diesel-related emissions matter and to further the update of affected customer vehicles. In light of the aforementioned administrative orders issued by the KBA and continued discussions with the KBA and the BMDV, it cannot be ruled out completely that additional administrative orders may be issued in the course of the ongoing and/or further investigations. Since September 1, 2020, this also applies to responsible authorities of other EU member states and the European Commission which conducts market surveillance under the new European Type Approval Regulation and can take measures upon assumed non-compliance, irrespective of the place of the original type approval, and also to the British market surveillance authority DVSA (Driver and Vehicle Standards Agency).

In addition to the aforementioned authorities, national cartel authorities and other authorities of various foreign states, including the South Korean Ministry of Environment, the South Korean competition authority (Korea Fair Trade Commission) and the Seoul public prosecutor's office (South Korea) are conducting various investigations and/or procedures in connection with diesel exhaust emissions. In this context, South Korean authorities have made determinations and imposed sanctions against Mercedes-Benz. Mercedes-Benz has lodged an appeal against the determinations and the sanctions of the South Korean administrative authorities (the Ministry of Environment and the Korea Fair Trade Commission). The proceedings described in this paragraph are still ongoing.

Mercedes-Benz continues to fully cooperate with the authorities and institutions. Irrespective of such cooperation and in light of the past developments, it is possible that further regulatory, criminal and administrative investigative and enforcement actions and measures relating to Mercedes-Benz and/or its employees will be taken or administrative orders will be issued. Additionally, further delays in obtaining regulatory approvals necessary to introduce new or recertify existing vehicle models could occur.

In light of the legal positions taken by U.S. regulatory authorities and the KBA as well as the South Korean Ministry of Environment, among others, it cannot be ruled out that, besides these authorities, one or more authorities worldwide will reach the conclusion that other passenger cars and/or vans with the brand name Mercedes-Benz or other brand names of the Mercedes-Benz Group are equipped with impermissible defeat devices. Likewise, such authorities could take the view that certain functionalities and/or calibrations are not proper and/or were not properly disclosed. It cannot be ruled out that Mercedes-Benz will become subject to, as the case may be, significant additional fines and other sanctions, measures and actions. The occurrence of the aforementioned events in whole or in part could cause significant collateral damage including reputational harm. Further, due to negative allegations 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 allegations or findings. Thus, a negative allegation or finding in one proceeding 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, the ability of Mercedes-Benz to defend itself in proceedings could be impaired by concluded proceedings and their underlying allegations as well as by results or developments in any of the information requests, inquiries, investigations, administrative or criminal orders, legal actions and/or proceedings discussed above.

#### *Risks from Legal Proceedings in Connection with Diesel Exhaust Gas Emissions – Civil Court Proceedings*

The State of Arizona filed a lawsuit in January 2019 claiming that, among others, MBG and MBUSA deliberately deceived consumers in connection with advertising Mercedes-Benz diesel vehicles. In the fourth quarter of 2022, MBG and MBUSA reached a binding settlement with the State of Arizona. In a separate lawsuit filed by the Environmental Protection Commission of Hillsborough County, Florida in September 2020, the plaintiff claims that, among others, MBG and MBUSA violated municipal regulations prohibiting vehicle tampering and other conduct by using alleged devices claimed to impair the effectiveness of emission control systems. The lawsuit was dismissed in the third quarter of 2022. The plaintiff has appealed the decision.

Consumer class actions containing allegations similar to those raised by the State of Arizona were filed against MBG in Israel in February 2019 as well as against MBG and further Group companies in the United Kingdom since May 2020, in the Netherlands, in Portugal as well as in November 2022 in Australia. The plaintiffs assert that Mercedes-Benz had used 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 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. The development of case numbers is declining, however, an increase in the future cannot be ruled out. 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.

Furthermore, class actions have been filed in Canada alleging anti-competitive behaviour relating to vehicle technology, costs, suppliers, markets and other competitive attributes, including diesel emissions control technology. In 2022, the proceedings in the United States were concluded in favour of MBG and MBUSA.

In addition, investors from Germany and abroad have filed lawsuits for damages with the Stuttgart Regional Court (*Landgericht*) alleging the violation of disclosure requirements (main proceedings) and also raised out-of-court claims for damages. In December 2021, the Stuttgart Higher Regional Court initiated model case proceedings under the German Act on Model Case Proceedings in Disputes under Capital Markets Law (*KapMuG*) (model case proceedings). Multiple investors have used the possibility to register claims in a considerable amount with the model case proceedings in order to suspend the period of limitation. If court proceedings have an unfavourable outcome for Mercedes-Benz, the Group may encounter substantial financial burdens, e.g. from damages payments, remedial works or other cost-intensive measures. Court proceedings can also have an adverse effect on the reputation of the Group.

Furthermore, the ability of Mercedes-Benz to defend itself in the court proceedings could be impaired by the settlements of the consumer class actions in the US and in Canada, as well as by unfavourable allegations, findings, results or developments in any of the governmental or other court proceedings discussed above.

#### *Risks from Other Legal Proceedings*

In September 2021, individual persons associated with *Deutsche Umwelthilfe e.V.* ("**DUH**") filed a lawsuit before the Stuttgart Regional Court (*Landgericht*) against Mercedes-Benz AG. They claim injunctive relief,

demanding that Mercedes-Benz AG refrains from distributing passenger cars with combustion engines after November 2030 and reduces its respective sales prior to this point in time. In the third quarter of 2022, the Stuttgart Regional Court dismissed the claim in its entirety. The plaintiffs have appealed the decision.

As legal proceedings are fraught with a large degree of uncertainty, it is possible that after their final resolution, some of the provisions Mercedes-Benz has recognized for such legal proceedings 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 the profitability, cash flows and financial position of the Group or any of its segments.

Further information on legal proceedings is provided in Note 31 (*Legal proceedings*) of the Notes to the Annual Consolidated Financial Statements 2022 of MBG incorporated by reference in this Prospectus.

#### *Tax Risks*

Mercedes-Benz Group 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.

#### **4. 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 Mercedes-Benz Group. Public interest is focused on Mercedes-Benz' 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 Mercedes-Benz Group and are connected with risks.

Finally, there will be a negative effect from the continuing high advance expenditure for new products and technologies.

**B. Amendments to the section commencing on page 182 of the Prospectus which is entitled "*Description of MBG*"**

- 1. The following subsection which is entitled "*(ii) Financial Information Relating to the Financial Year 2022 of MBG ended on December 31, 2022*" shall be added to the subsection commencing on page 182 of the Prospectus which is entitled "*2. Financial Information – a. Group Annual Financial Information*" as follows:**

**(ii) Financial Information Relating to the Financial Year 2022 of MBG ended on December 31, 2022**

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 MBG as of and for the financial year ended December 31, 2022 (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*) 2022 of MBG (the "**MBG Annual Report 2022**") (the "**Annual Consolidated Financial Statements 2022**").

The Annual Consolidated Financial Statements 2022 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 MBG Annual Report 2022. The accompanying notes are an integral part of the Annual Consolidated Financial Statements 2022.

**Selected Financial Information**

**Consolidated**

	<b>January 1, 2022 to December 31, 2022</b>	<b>January 1, 2021 to December 31, 2021</b>
	<b>(in millions of €)</b>	
	<b>2022</b>	<b>2021</b>
<b>Profit from continuing operations before taxes (2021: Profit from continuing and discontinued operations before taxes)</b>	<b>20,304</b>	<b>28,775</b>
<b>Net profit</b>	<b>14,809</b>	<b>23,396</b>
<b>Cash flow from operating activities</b>	<b>16,894</b>	<b>24,549</b>
<b>Cash flow from investing activities</b>	<b>-3,453</b>	<b>-6,226</b>
<b>Cash flow from financing activities</b>	<b>-19,032</b>	<b>-19,059</b>
	<b>As of December 31, 2022</b>	<b>As of December 31, 2021</b>
	<b>(in millions of €)</b>	
<b>Equity attributable to shareholders of Mercedes-Benz Group AG</b>	<b>85,415</b>	<b>71,951</b>
<b>Non-controlling interests</b>	<b>1,125</b>	<b>1,216</b>
<b>Total non-current liabilities</b>	<b>85,072</b>	<b>98,989</b>
<b>Total current liabilities</b>	<b>88,403</b>	<b>87,675</b>
<b>Total equity and liabilities</b>	<b>260,015</b>	<b>259,831</b>

As of December 31, 2022	As of December 31, 2021
----------------------------	----------------------------

(in millions of €)

#### **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 Audited Consolidated Financial Statements 2022)	88,146	94,817
--	--------	--------

The accompanying notes are an integral part of the Annual Consolidated Financial Statements 2022.

2. The subsection on page 189 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**

#### **Accounting Policies**

The Annual Consolidated Financial Statements 2022 of MBG, the Annual Consolidated Financial Statements 2021 of MBG and the Annual Consolidated Financial Statements 2020 of DAG 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 2022 of MBG, the Unaudited Interim Consolidated Financial Statements Q2 2022 of MBG and the Unaudited Interim Consolidated Financial Statements Q3 2022 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, the Annual Consolidated Financial Statements 2021 of MBG and the Annual Consolidated Financial Statements 2020 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 2022 of MBG, the Annual Consolidated Financial Statements 2021 of MBG and the Annual Consolidated Financial Statements 2020 of DAG. 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, 2021.

The Unaudited Interim Consolidated Financial Statements Q1 2022 of MBG, the Unaudited Interim Consolidated Financial Statements Q2 2022 of MBG and the Unaudited Interim Consolidated Financial Statements Q3 2022 of MBG have not been audited but have been reviewed by KPMG.



3. The following paragraph shall be added to the end of the subsection commencing on page 190 of the Prospectus which is entitled "*3. Information about MBG – Portfolio Changes*" (as amended by Supplement No. 1) as follows:

On February 1, 2022, Daimler AG became Mercedes-Benz Group AG. Parallel to the renaming of Daimler AG, Daimler Mobility AG was also renamed Mercedes-Benz Mobility AG.

4. The subsection on page 195 of the Prospectus which is entitled "*5. Trend Information and Significant Change in Mercedes-Benz Financial Performance and Financial Position*" (as replaced by Supplement No. 1 and Supplement No. 2) 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 December 31, 2022, being the end of the last financial period for which financial information has been published by MBG.

5. **Amendments to the subsection commencing on page 202 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 202 of the Prospectus which is entitled "*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 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 Annual Consolidated Financial Statements 2020 of DAG as set out in the DAG Annual Report 2020, the Unaudited Interim Consolidated Financial Statements Q1 2022 of MBG as set out in the Interim Report Q1 2022, the Unaudited Interim Consolidated Financial Statements Q2 2022 of MBG as set out in the Interim Report Q2 2022 and the Unaudited Interim Consolidated Financial Statements Q3 2022 of MBG as set out in the Interim Report Q3 2022 are incorporated by reference in this Prospectus.

- b. The subsection commencing on page 202 of the Prospectus which is entitled "*Legal and Arbitration Proceedings*" (as amended by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:

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

MBG and its subsidiaries are confronted with various legal proceedings and 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 (including but not limited to patent infringement actions), warranty claims, environmental matters, antitrust matters (including actions for damages) as well as investor litigation. Product-related litigation involves claims alleging faults in vehicles. Some of these claims are asserted by way of class actions. If the outcome of such legal proceedings is detrimental to Mercedes-Benz or such legal proceedings are settled, the Group may encounter substantial financial burdens, e.g. from damages payments or service actions, recall campaigns, monetary penalties or other costly actions, which would adversely affect the earnings of the Group. Legal proceedings and related settlements may also have an impact on the Group's reputation.

### *Diesel emission behaviour: governmental proceedings*

Mercedes-Benz is continuously subject to governmental information requests, inquiries, investigations, administrative orders and proceedings relating to various laws and regulations in connection with diesel exhaust emissions.

The corresponding activities of various authorities worldwide are partly ongoing, as described below. These activities particularly relate to test results, the emission control systems used in Mercedes-Benz diesel vehicles and/or the interactions of Mercedes-Benz with the relevant authorities as well as related legal issues and implications, including, but not limited to, under applicable environmental, criminal, consumer protection and antitrust laws.

In the United States, MBG and Mercedes-Benz USA, LLC ("**MBUSA**") reached agreements in the third quarter of 2020 with various authorities to settle civil environmental claims regarding the emission control systems of certain diesel vehicles. These agreements have become final and effective.

The authorities take the position that Mercedes-Benz failed to disclose Auxiliary Emission Control Devices ("**AECDs**") in certain of its US diesel vehicles and that several of these AECDs are illegal defeat devices. As part of these settlements, Mercedes-Benz has denied the allegations by the authorities and has not admitted liability, but has agreed to, among other things, pay civil penalties, conduct an emission modification programme for the affected vehicles, and take certain other measures. The failure to meet certain of those obligations may trigger additional stipulated penalties. In the first quarter of 2021, Mercedes-Benz paid the civil penalties; provisions have been recognized for the emission modification programme and other measures.

In April 2016, the U.S. Department of Justice ("**DOJ**") requested that Mercedes-Benz conduct an internal investigation. Mercedes-Benz conducted such internal investigation in cooperation with the DOJ's investigation; the DOJ's investigation remains open. In addition, further US state authorities have opened investigations pursuant to both local environmental and consumer protection laws and have requested documents and information. In Canada, the Canadian environmental regulator Environment and Climate Change Canada ("**ECCC**") is conducting an investigation in connection with diesel exhaust emissions based on the suspicion of potential violations of, among others, the Canadian Environmental Protection Act, as well as undisclosed AECDs and defeat devices. Mercedes-Benz continues to cooperate with the investigating authorities.

In Germany, the Stuttgart public prosecutor's office issued a fine notice against Mercedes-Benz in September 2019 based on a negligent violation of supervisory duties, thereby concluding the related administrative offence proceedings against Mercedes-Benz. The Stuttgart public prosecutor's office is still conducting criminal investigation proceedings against Mercedes-Benz employees on the suspicion of, among others, fraud. In July 2021, the local court (*Amtsgericht*) of Böblingen issued penal orders against three Mercedes-Benz employees based on, among others, fraud, which have become final.

Between 2018 and 2020, the German Federal Motor Transport Authority ("**KBA**") issued subsequent auxiliary provisions for the EC type approvals of certain Mercedes-Benz diesel vehicles, and ordered mandatory recalls as well as, in some cases, stops of the first registration. In autumn 2022, the KBA issued further decisions regarding vehicles equipped with an OM607 EU6 or EU5 diesel engine. In each of those cases, it held that certain calibrations of specified functionalities are to be qualified as impermissible defeat devices. Mercedes-Benz has a contrary legal opinion on this question and has filed timely objections against the KBA's administrative orders and determinations mentioned above. Insofar as the KBA has not remedied the objections, Mercedes-Benz has filed lawsuits with the competent administrative court to have the controversial questions at issue clarified in a court of law. Irrespective of such objections and the lawsuits that are now pending, Mercedes-Benz continues to cooperate fully with the KBA. The new calibrations requested by the KBA were developed by Mercedes-Benz and assessed and approved by the KBA; the related recalls were 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 Mercedes-Benz as a precautionary measure, also with regard to the used car, leasing and financing businesses. In the course of its regular market supervision, the KBA routinely conducts further reviews of Mercedes-Benz vehicles and asks questions about

technical elements of the vehicles. In addition, Mercedes-Benz continues to be in a dialogue with the German Federal Ministry for Digital and Transport ("**BMDV**") to conclude the analysis of the diesel-related emissions matter and to further the update of affected customer vehicles. In light of the aforementioned administrative orders issued by the KBA and continued discussions with the KBA and the BMDV, it cannot be ruled out completely that additional administrative orders may be issued in the course of the ongoing and/or further investigations. Since September 1, 2020, this also applies to other responsible authorities of other EU member states and the European Commission which conducts market surveillance under the new European Type Approval Regulation and can take measures upon assumed non-compliance, irrespective of the place of the original type approval, and also to the British market surveillance authority DVSA (Driver and Vehicle Standards Agency).

In addition to the aforementioned authorities, national cartel authorities and other authorities of various foreign states, including the South Korean Ministry of Environment, the South Korean competition authority (Korea Fair Trade Commission) and the Seoul public prosecutor's office (South Korea) are conducting various investigations and/or procedures in connection with diesel exhaust emissions. In this context, South Korean authorities have made determinations and imposed sanctions against Mercedes-Benz. Mercedes-Benz has lodged an appeal against the determinations and the sanctions of the South Korean administrative authorities (the Ministry of Environment and the Korea Fair Trade Commission). The proceedings described in this paragraph are still ongoing.

Mercedes-Benz continues to fully cooperate with the authorities and institutions.

*Diesel emission behaviour: consumer actions and other lawsuits in the United States, Germany and other states*

The State of Arizona filed a lawsuit in January 2019 claiming that, among others, MBG and MBUSA deliberately deceived consumers in connection with advertising Mercedes-Benz diesel vehicles. In the fourth quarter of 2022, MBG and MBUSA reached a binding settlement with the State of Arizona. In a separate lawsuit filed by the Environmental Protection Commission of Hillsborough County, Florida in September 2020, the plaintiff claims that, among others, MBG and MBUSA violated municipal regulations prohibiting vehicle tampering and other conduct by using alleged devices claimed to impair the effectiveness of emission control systems. The lawsuit was dismissed in the third quarter of 2022. The plaintiff has appealed the decision.

Consumer class actions containing allegations similar to those raised by the State of Arizona were filed against MBG in Israel in February 2019 as well as against MBG and further Group companies in the United Kingdom since May 2020, in Portugal as well as in November 2022 in Australia. The plaintiffs assert that Mercedes-Benz had used 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.

Furthermore, since June 2020, class actions making similar allegations have been filed against MBG and other Group companies in the Netherlands. These have later been consolidated into one class action. The plaintiffs, foundations under the laws of the Netherlands, act in the name of Dutch claimants and base their claim on a law according to which said claimants participate in the class action without taking action themselves (opt-out). On June 22, 2022, the court ruled in a partial judgment that claimants must actively register for the lawsuit (opt-in) and that, due to the applicability of the previous legal regime, only a determination of claims can be obtained. In this regard, the decision has been appealed by the plaintiffs. Furthermore, the court ruled that instead of customers from the entire EU area, only such customers may participate in the lawsuit who purchased their vehicles in the Netherlands. This part of the decision is final, which significantly reduces the number of potential claimants. At the same time, this development leads to a material reduction of the risk associated with the class action. Therefore, the class action no longer qualifies for separate reporting in the notes to its consolidated financial statements, which is why Mercedes-Benz will no longer report on this proceeding in the future.

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 behaviour: governmental proceedings*". The development of case numbers is declining, however, an increase in the future cannot be ruled out. 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.

In addition, investors from Germany and abroad have filed lawsuits for damages with the Stuttgart Regional Court (*Landgericht*) alleging the violation of disclosure requirements (main proceedings) and also raised out-of-court claims for damages. The investors allege that Mercedes-Benz Group AG did not immediately disclose inside information in connection with the emission behaviour of its diesel vehicles and that it had made false and misleading public statements. They further claim that the purchase price of the financial instruments acquired by them (in particular Mercedes-Benz shares, formerly Daimler AG shares) would have been lower if Mercedes-Benz Group AG had complied with its disclosure obligations. In this context, the Stuttgart Higher Regional Court (*Oberlandesgericht*) initiated model case proceedings under the German Act on Model Case Proceedings in Disputes under Capital Markets Law (*KapMuG*) (model case proceedings) in December 2021. The purpose of the model case proceedings is to reach a decision that is binding for the main proceedings regarding common factual and legal questions. The main proceedings before the Stuttgart Regional Court (*Landgericht*) will be suspended until a decision is reached on the questions submitted, insofar as they cannot be dismissed independently of the questions to be decided in the model case proceedings. The decision in the model case proceedings is binding for the suspended main proceedings. Multiple investors have used the possibility to register claims in a considerable amount with the model case proceedings in order to suspend the period of limitation.

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

With respect to the legal proceedings described in the two preceding subsections, 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 Mercedes-Benz' position. For recognized provisions, this does not apply to the extent a settlement has been reached or a proceeding has been concluded.

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

Starting in July 2017, a number of class actions were filed in the United States and Canada against MBG 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 behaviour relating to vehicle technology, costs, suppliers, markets, and other competitive attributes, including diesel emissions control technology, since the 1990s. In June 2022, the US Supreme Court proceedings in the United States were dismissed with final effect in favour of Mercedes-Benz. The remaining lawsuits in Canada are still pending.

#### *Other legal proceedings*

Class actions in connection with Takata airbags are pending in the United States and Israel. The lawsuits are based on allegations that, along with Takata entities and many other companies that sold vehicles equipped with Takata airbag inflators, Mercedes-Benz entities and others were allegedly negligent in selling such vehicles, purportedly not recalling them quickly enough, and failing to warn consumers about a potential defect and/or to provide an adequate replacement airbag inflator. One of the complaints in the United States also asserts 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. Meanwhile, a further class action filed in Argentina was dismissed, it may however be refiled. In February 2023, the class actions in Canada were partially dismissed. Contingent liabilities were disclosed to a low extent for this topic.

In October 2021, a number of Australian Mercedes-Benz dealers lodged a claim against Mercedes-Benz Australia/Pacific Pty Ltd ("**MBAP**") with a Federal Court in Australia. They allege that MBAP forced the dealers to accept a change in their business model from a dealership model to an agency model and thus

deprived them of the goodwill they created through their investments in the Australian Mercedes-Benz dealership network. They seek reinstatement of the dealership model or, alternatively, compensation for the damage they allegedly incurred.

In May and July 2022, class actions were filed in the United States alleging claims based on a voluntary recall of certain Mercedes-Benz ML-, GL- and R-Class vehicles produced during the 2004–2015 model years for potentially corroded brake boosters. Among other things, the plaintiffs allege that the brake boosters in such vehicles could corrode and lead to reduced braking force. They allege failure to disclose the claimed defect and assert various claims. A similar class action was filed in Israel.

*Accounting estimates and management judgments relating to all legal proceedings*

The Group recognizes provisions in connection with pending or threatened proceedings to the extent an obligation is probable and can be reasonably estimated. Such provisions are recognized in the Group's Consolidated Financial Statements and are based on estimates. If quantifiable, contingent liabilities in connection with legal proceedings are disclosed in the Group's Consolidated Financial Statements. Risks resulting from legal proceedings sometimes cannot be assessed reliably or only to a limited extent. Consequently, provisions recognized for some legal proceedings may turn out to be insufficient once such proceedings have ended. The Group may also become liable for payments in legal proceedings for which no provisions were recognized and/or contingent liabilities were disclosed. Uncertainty exists with regard to the amounts or due dates of possible cash outflows.

**6. The subsection commencing on page 207 of the Prospectus which is entitled "12. Ratings" shall be replaced in its entirety as follows:**

**12. Ratings**

MBG has received the following short-term and long-term ratings from DBRS Ratings GmbH ("**DBRS**"), Moody's Deutschland GmbH ("**Moody's**"), Scope Ratings GmbH ("**Scope**") and S&P Global Ratings Europe Limited ("**Standard & Poor's**").

**Short-term ratings:**

DBRS: R-1 (low)

Moody's: P-1

Scope: S-1

Standard & Poor's: A-2

**Long-term ratings:**

DBRS: A (low); outlook stable

Moody's: A2; outlook stable

Scope: A; outlook positive

Standard & Poor's: A-; outlook positive

For the purposes of DBRS ratings, an R-1 (low) rating means good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favorable as higher rating categories. May be vulnerable to future events, but qualifying negative factors are considered manageable. An A (low) rating means good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable. All long-term rating categories other than AAA and D

also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category. Rating trends provide guidance in respect of DBRS's opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories - "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. In general, the DBRS view is based primarily on an evaluation of the entity itself, but may also include consideration of the outlook for the industry or industries in which the entity operates.

For the purposes of Moody's ratings, a P-1 rating means that an issuer has a superior ability to repay short-term debt obligations. An A rating means that an obligation is judged to be upper-medium grade and is subject to low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 2 indicates a ranking in the higher end of its generic rating category. A Moody's rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term. Where assigned, rating outlooks fall into the following four categories: Positive, Negative, Stable, and Developing. A stable outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher likelihood of a rating change over the medium term. A rating committee that assigns an outlook of stable, negative, positive, or developing to an issuer's rating is also indicating its belief that the issuer's credit profile is consistent with the relevant rating level at that point in time. Moody's uses the watchlist to indicate that a rating is under review for possible change in the short-term. A rating can be placed on review for possible upgrade, on review for possible downgrade, or more rarely with direction uncertain. A credit is removed from the watchlist when the rating is upgraded, downgraded or confirmed.

For the purposes of Scope ratings, an S-1 rating reflects an opinion of very low credit risk with high capacity to repay short-term obligations. An A rating reflects an opinion of strong credit quality. Scope's long-term ratings are expressed with symbols from 'AAA to D', with '+' and '-' as additional sub-categories for each category from 'AA' to 'B' (inclusive), that is, 20 levels in total. A rating can be accompanied by a rating outlook, which can be 'Stable', 'Positive' or 'Negative'. The 'Positive' and 'Negative' outlooks normally refer to a time period of 12-18 months. These outlooks do not necessarily signal that rating upgrades or downgrades, respectively, will automatically follow.

For the purposes of Standard & Poor's ratings, an A-2 rating means that an obligor has satisfactory capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the higher-rated categories. An A rating means that an obligor has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. A Standard & Poor's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. Positive means that a rating may be raised.

In case Notes to be issued by MBG under the Programme will be rated such ratings and any explanations of the meanings of such ratings published by the rating agencies will be set out in the relevant Final Terms.

DBRS has been registered (pursuant to the list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu](http://www.esma.europa.eu))) pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended.

Moody's has been established in the European Union and has been registered (pursuant to the list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu](http://www.esma.europa.eu))) pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended.

Scope has been established in the European Union and has been registered (pursuant to the list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority

(www.esma.europa.eu)) pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended.

Standard & Poor's has been established in the European Union and has been registered (pursuant to the list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority (www.esma.europa.eu)) pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of September 16, 2009, as amended.

**7. The subsection on page 209 of the Prospectus which is entitled "13. Recent Developments" (as replaced by Supplement No. 1 and Supplement No. 2) shall be replaced in its entirety as follows:**

### **13. Recent Developments**

On May 19, 2022, Mercedes-Benz Cars hosted a capital market day, "The Economics of Desire", during which it provided further details of its strategic course. Mercedes-Benz Cars will focus the car business even more strongly on luxury, continue to elevate its product portfolio, accelerate on its path to a fully electric future and target structurally higher profitability and greater financial resilience.

As announced in June 2022, Mercedes-Benz Cars is aligning its global production network to manufacture the repositioned product portfolio with a focus on luxury electric vehicles. The Mercedes-Benz plants in Sindelfingen, Bremen, Rastatt and Kecskemet are scheduled to start the production of new electric models in the Top-End, Core and Entry product categories from the middle of the decade. The Mercedes-Benz Sindelfingen site is the lead plant for the Top-End product category and is scheduled to produce models based on the electric AMG.EA (AMG Electric Architecture) platform from 2025. The Mercedes-Benz plants in Bremen and Kecskemet are scheduled to manufacture vehicles in Europe based on the electric MB.EA (Mercedes-Benz Electric Architecture) platform. It is planned that the Rastatt and Kecskemet plants will also produce the repositioned models based on the MMA (Mercedes Modular Architecture) platform beginning in the middle of the decade. As part of the implementation of the Mercedes-Benz 2022 to 2026 Business Plan, the Group is planning to invest more than €2 billion in the European production sites.

Mercedes-Benz Cars is taking a further step towards an all-electric future with the development and production of next-generation high-performance battery cells and modules. As announced on August 12, 2022, Mercedes-Benz Cars is further expanding its battery cell partnership with Contemporary Amperex Technology Co., Ltd. ("CATL") with a new production site in Hungary. The new CATL plant in Debrecen is scheduled to supply battery cells to European production sites in Germany and Hungary. It is an important part of the plan to build a total of eight cell factories worldwide by the end of the decade. The plants will have a total production capacity of more than 200 gigawatt hours.

On October 20, 2022, the Group concluded a supply agreement with the Canadian-German start-up Rock Tech Lithium Inc. in order to obtain lithium. The goal of the agreement is to secure the raw material needed for battery production within the framework of a strategic direct sourcing approach. The agreement shall make it possible for the Mercedes-Benz Group to ensure its battery partners are supplied with lithium hydroxide in order to rapidly scale up production of all-electric vehicles.

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.

In December 2022, Mercedes-Benz AG signed a memorandum of understanding with the Norwegian aluminium manufacturer Norsk Hydro ASA that involves the use of a low-carbon technology roadmap between 2023 and 2030. This marks a key milestone on the road to decarbonization and a more



environmentally compatible aluminium supply chain. Mercedes-Benz AG and Norsk Hydro ASA have also reached agreement on the gradual supply of very low CO<sub>2</sub>-emission aluminium for use in automotive applications. As a result, the carbon footprint of the aluminium supplied by Norsk Hydro ASA is expected to be nearly 70% lower than the European average as early as 2024.

Plans call for plug-in hybrids and all-electric vehicles to account for approximately half of total unit sales as early as 2025. Conventional drive assemblies will therefore remain an important part of the Mercedes-Benz drive system portfolio over the medium term. As electrification increases, demand will shift towards electric mobility components, batteries and electric drive systems. In June 2022, Mercedes-Benz Cars announced a realignment of its vehicle production plants in connection with future vehicle architectures. As of December 2022, the sites for production of electric drive systems – i.e. batteries, electric drive units and axles – have also been defined, with manufacturing operations scheduled to begin in 2024. As part of the implementation of the Mercedes-Benz Business Plan, the company plans to invest a mid-ten-digit euro sum in its European powertrain production sites. The battery plants in Kamenz, Brühl (Untertürkheim site) and Beijing (China) are scheduled to produce batteries for the new models from the MMA and MB.EA platforms. Plans also call for the establishment of battery assembly operations at the Kölleda site, subject to the support of the state government in Thuringia. The Untertürkheim, Sebes (Romania) and Beijing plants are to begin producing electric drive units for the new models from the MMA and MB.EA platforms in the middle of the decade. At the same time, the Untertürkheim plant will double its previously announced target production capacity for electric drives to one million units. The Mercedes-Benz plants in Hamburg and Untertürkheim (Mettingen section) are scheduled to remain the German core plants for the assembly of electric axles and components. Plans call for them to supply the production network of Mercedes-Benz body plants with next-generation systems. Beginning in the middle of the decade, the Mercedes-Benz plant in Berlin is scheduled to manufacture high-performance electric motors for the future AMG.EA platform.

The objective is for all newly launched vans from Mercedes-Benz to be exclusively electric from the middle of this decade. To this end, Mercedes-Benz Vans is developing a new, modular and fully electric van architecture called VAN.EA (Van Electric Architecture). The company plans to invest accordingly in the development of this platform. In December 2022, Mercedes-Benz Vans announced that it would restructure its production network in Europe, thereby marking a new milestone in its transformation into a provider of locally emission-free mobility. Mercedes-Benz Vans will build its first purely electric vehicle plant in the world at its existing site in Jawor, Poland. The new plant will focus solely on the production of all-electric vans. Plans call for the closed-body models in the segment for large all-electric vans to be produced in Jawor in the future on the basis of the modular VAN.EA platform. Mercedes-Benz Vans and Rivian Automotive, Inc. (Rivian) signed a memorandum of understanding for a strategic partnership in the third quarter of 2022. In the agreement, the two companies stated their intention to invest in and jointly operate a factory in Central or Eastern Europe as part of a joint venture. The option to expand the factory further with Rivian in order to include production of large all-electric vans has been terminated for now by Rivian due to its reprioritization of projects in December 2022.

In January 2023, Mercedes-Benz Group AG announced 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.

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. Completion of the transaction is subject to authorities' approval, which have not yet been fully granted, and the implementation of the contractually agreed conditions.

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, Mercedes-Benz plans to build its own branded navigation MB.OS using new in-car geospatial data and navigation capabilities from Google Maps Platform. With this partnership, Mercedes-Benz plans to be the first automaker to build its own branded navigation experience based on new in-car data and navigation capabilities from Google Maps Platform.

**C. Amendments to the section commencing on page 260 of the Prospectus which is entitled "*Documents Incorporated by Reference*"**

On March 14, 2023, MBG published its "Mercedes-Benz Group Annual Report 2022", containing, *inter alia*, the audited consolidated financial statements of MBG as of and for the financial year ended December 31, 2022 (the "**MBG Annual Report 2022**"). A copy of the MBG Annual Report 2022 has been filed with the *Commission de Surveillance du Secteur Financier*.

By virtue of this Supplement, the MBG Annual Report 2022 shall be incorporated by reference in, 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 MBG Annual Report 2022 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 260 of the Prospectus which is entitled "*Documents Incorporated by Reference*".

**The following subsection "A.3" shall be added after the subsection "A.2" to the table commencing on page 260 of the Prospectus which is entitled "*Table of Documents Incorporated by Reference*" (as amended by Supplement No. 1 and Supplement No. 2) as follows:**

<b>Document</b>	<b>Section Incorporated by Reference</b>
A.3 MBG Annual Report 2022 (containing the Annual Consolidated Financial Statements 2022, which have been prepared in accordance with Section 315e of the German Commercial Code ( <i>Handelsgesetzbuch</i> ) and comply with IFRS as adopted by the EU), including	
- Consolidated Statement of Income	Page 196
- Consolidated Statement of Comprehensive Income/Loss	Page 197
- Consolidated Statement of Financial Position	Pages 198 – 199
- Consolidated Statement of Cash Flows	Page 200
- Consolidated Statement of Changes in Equity	Pages 201 – 202
- Notes to the Consolidated Financial Statements	Pages 203 – 243
- Independent Auditor's Report	Pages 348 – 359
<a href="https://dl.bourse.lu/dlp/10d550dd28f39c457883f05fc28dcda31e">https://dl.bourse.lu/dlp/10d550dd28f39c457883f05fc28dcda31e</a>	

## **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 March 21, 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

in the case of Notes issued by Mercedes-Benz Group AG

Mercedes-Benz Group AG  
Mercedesstraße 120  
70372 Stuttgart  
Germany

Telephone: +49 711 17 96497  
Email: [capitalmarkets@mercedes-benz.com](mailto:capitalmarkets@mercedes-benz.com)

in the case of Notes issued by Mercedes-Benz Australia/Pacific Pty Ltd

Mercedes-Benz Australia/Pacific Pty Ltd  
44 Lexia Place  
Mulgrave Victoria 3170  
Australia

Telephone: +61 3 9566 6285  
Email: [capitalmarkets@mercedes-benz.com](mailto:capitalmarkets@mercedes-benz.com)

in the case of Notes issued by Mercedes-Benz International Finance B.V.

Mercedes-Benz International Finance B.V.  
Ravenswade 4  
3439 LD Nieuwegein  
The Netherlands

Telephone: +31 30 605 9316  
Email: [capitalmarkets@mercedes-benz.com](mailto:capitalmarkets@mercedes-benz.com)

in the case of Notes issued by Mercedes-Benz Finance Canada Inc.

Mercedes-Benz Finance Canada Inc.  
1 Place Ville Marie  
37 Floor  
Montréal, Québec H3B 3P4  
Canada

Telephone: +1 248 991 6668  
Email: [capitalmarkets@mercedes-benz.com](mailto:capitalmarkets@mercedes-benz.com)

in the case of Notes issued by Mercedes-Benz Finance North America LLC

Mercedes-Benz Finance North America LLC  
35555 W.12 Mile Road, Suite 100  
Farmington Hills  
Michigan 48331  
USA

Telephone: +1 248 991 6668  
Email: capitalmarkets@mercedes-benz.com

and in the case of Notes issued by Mercedes-Benz Finance Co., Ltd.

Mercedes-Benz Finance Co. Ltd.  
12-4, Higashi Shinagawa 4-chome, Shinagawa-ku  
Tokyo 140-0002  
Japan.

Telephone: +81 3 6369 7710  
Email: capitalmarkets@mercedes-benz.com

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