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AutoGravity: Daimler Financial Services investing in smartphone app for vehicle financing

- **AutoGravity offers first-of-its-kind comparison app for vehicle shopping and financing in 46 U.S. states**
- **Financing for multiple vehicle brands and models offered on AutoGravity platform**
- **“With our investment in AutoGravity, we are now taking the strategic step of preparing the conventional financing and leasing business for digital sales channels,” said Bodo Uebber, Member of the Board of Management of Daimler AG, responsible for Financing & Controlling and Daimler Financial Services.**

Daimler Financial Services AG is maintaining its growth strategy with digital financing and mobility services by announcing today its investment in AutoGravity, a startup founded in late 2015 in Irvine, California. In conjunction with Daimler Financial Services, AutoGravity has launched a national rollout across 46 states in the U.S. The announcement was made in London at the capital market day to investors and analysts.

The customer-focused comparison app for buying and financing vehicles provides users with up to four tailored, binding offers within a few minutes. AutoGravity features multiple vehicle brands and models, and enables various financial services providers and automotive manufacturers the opportunity to offer vehicle financing and leasing via smartphone.

“With our investment in AutoGravity, we are now taking the strategic step of preparing the conventional financing and leasing business for digital sales channels,” said Bodo Uebber, Member of the Board of Management of Daimler AG, responsible for Financing & Controlling and Daimler Financial Services. “We believe AutoGravity and its technology have the potential to revolutionize the sector for online financing while, at the same time, offering

a digital platform for other financial services providers and automotive manufacturers.”

Over 150,000 downloads since launch

AutoGravity initially piloted its digital financing platform in the state of California in mid-2016 in conjunction with Mercedes-Benz Financial Services USA LLC. Since that time, additional finance providers have been integrated into the platform. Plus, AutoGravity has extended its offering to include leases and used-car financing.

“In AutoGravity, we see a new star rising in the digital world. Customers are able to find the best financing deal for their vehicle in real time. The comparison app acts as a digital interface between the customer, dealerships and various financial service providers,” explains Klaus Entenmann, Chairman of the Board of Management of Daimler Financial Services AG.

Using a smartphone, customers are able to browse and select vehicles from different manufacturers and then choose one of up to four binding finance offers. AutoGravity meets customer requirements in the swiftly growing online automotive market for fair, transparent and customized offers, which can be obtained quickly and easily via smartphone. The platform is available in the United States through iOS, Android and Web applications. AutoGravity’s apps have surpassed 150,000 downloads since the launch of its pilot.

Pioneering digital mobility and financing services

The investment in AutoGravity underlines Daimler Financial Services’ pioneering role in the digital financing and mobility services sector. The launch of car2go in 2008 marked the beginning of present competition in car sharing. The mytaxi app is currently Europe’s number one e-hailing company with more than six million subscribers in nine countries. By announcing the acquisition of electronic payment provider PayCash last month and investing in AutoGravity in the U.S., the company now strategically adds digital services to its financing portfolio.

“After being in the auto financing business for more than 50 years, our goal is to continue offering customers a suite of digital tools for a more innovative financing and mobility experience, ” said Entenmann.

In the U.S., the AutoGravity financing app is already working with other banks, manufacturers, and dealerships. Consideration is also being given to rolling out AutoGravity in other markets.

Record year in 2016

Daimler Financial Services concluded 2016 with 1.6 million new financing and leasing contracts worth a total of €61.8 billion. The total value of all new contracts rose by 7% compared to the previous year. The sales and leasing activities at Daimler Financial Services supported approximately half of all new-vehicle sales by our automotive divisions. More than 4.3 million financed or leased vehicles were booked, resulting in a 14% increase in contract volume totaling €132.6 billion. The acquisition of Athlon Car Lease International accounted for €3.7 billion of the increase in contract volume. Adjusted for Athlon and exchange-rate effects, the increase amounted to 10%. EBIT rose to a new high of €1.739 billion, compared to €1.619 billion in 2015.

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

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