

Investor Relations Release

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World premier of the "Factory 56" – the most modern car production in the world

- **"Digital, flexible, green" - latest production technologies are integrated at "Factory 56". Main focus is on the people.**
- **"Our 'Factory 56' will define a new way of building cars. With its 'Factory 56', Mercedes-Benz Cars is creating the car plant of the future. It combines three trend-setting features: It is consistently digital and flexible - and it brings the term 'green production' to life. As the inventor of the car, we are reinventing production," says Markus Schäfer, Member of the Divisional Board of Mercedes-Benz Cars, Production and Supply Chain.**
- **The foundation stone for the "Factory 56" production hall in the Mercedes-Benz plant in Sindelfingen is laid by high-ranking representatives from politics and business.**

Sindelfingen - Mercedes-Benz Cars presents its "Factory 56", the world's most modern car production. "Our 'Factory 56' will define a new way of building cars. With its 'Factory 56', Mercedes-Benz Cars is creating the car plant of the future. It combines three trend-setting features: It is consistently digital and flexible - and it brings the term 'green production' to life. As the inventor of the car, we are reinventing production," says Markus Schäfer, Member of the Divisional Board of Mercedes-Benz Cars, Production and Supply Chain.

To mark the laying of the cornerstone for the new assembly hall on 20th of February, high-ranking representatives from the worlds of politics and business came together at the Mercedes-Benz plant in Sindelfingen. Alongside Markus Schäfer, Dr. Nicole Hoffmeister-Kraut, Minister of Economics, Work and Housing Construction of Baden-Württemberg, Dr. Bernd Vöhringer, Lord Mayor of the City of Sindelfingen, Michael Bauer, Site Manager of the Mercedes-Benz Sindelfingen plant and Head of Production, as well as Ergun Lümali, Chairman of the Mercedes-Benz Sindelfingen Works Council, also took part in the celebrations.

Dr. Nicole Hoffmeister-Kraut emphasized that the laying of the cornerstone is also an essential element for a good future of Baden-Württemberg as an automotive location: "The 'Factory 56' will bring together two global megatrends that are of crucial importance for our country in particular: the digitalization of production and vehicle models of the future." Baden-Württemberg will only be able to defend its reputation as a premium location for industry in the long term and secure the country's prosperity if the manufacturers provide the right

answers in both fields, production and mobility of the future, she said. The task of the state would be to support this path by supporting innovation.

In 2020, the "Factory 56" will already start production of upper- and luxury-class cars and electric vehicles at the Mercedes-Benz Sindelfingen plant. Passenger cars, electric vehicles of the upper and luxury class and robo-taxis will be produced. These include the new generation of the S-Class as well as the first electric vehicle of the product and technology brand EQ "made in Sindelfingen". For the construction site 700,000m³ earth was moved. The area is 220,000 m². This corresponds to about 30 football pitches. Approximately 6,400 tons of steel are used for the steel construction – almost as much as for the Parisian Eiffel Tower.

"Factory 56" – latest production technologies in series

The production concept of the "Factory 56" is setting new standards. This includes man-machine-cooperations and digitally supported processes including work organization as well as logistics and quality assurance. The plant is not only digitised consistently according to Industry 4.0, it is also connected to other productions in the global production network.

The 360 degree linkage along the whole value chain is an essential feature – from the suppliers, through to the development department, design and our production and to our customers. In the future, for example, the finished vehicles shall drive off the line automated to the loading station. Under "Digital Anticipation" in the Mercedes me App and online, customers purchasing new vehicles can already today gain exclusive insights into the production of their vehicles and thus have a much more enjoyable wait for delivery.

In the assembly hall itself state-of-the-art Industry 4.0 technologies are used. Driverless transport systems (DTS) with product baskets support logistics in the assembly and ensure the seamless supply of the required materials for the employees at the line. Innovative Radio Frequency Identification-technologies (RFID) are integrated into the "Factory 56". Components and vehicles can thus be digitally tracked and linked with one another.

Artificial Intelligence, Big Data analyses and Predictive Maintenance guarantee high transparency and support in production planning, control and also in quality assurance. Through the analysis of existing production data, for instance, predictions on potential faults or due maintenance work can be made in advance.

The human at the centre

The human is at the centre of all activities in the "Factory 56". The employees work at ergonomically optimised workstations and are optimally supported in their tasks by digital tools. The focus is on the use of intelligent, flexible technology. A new work organisation

provides for flexible and modern working time models. The break areas are designed according to the latest standards – for example with a pantry, couch and info screen.

"Factory 56" is sustainable and energy-efficient

Modular building structures are characteristic for the "Factory 56", with a design that is both energy-efficient and green, so environmentally friendly. The assembly uses renewable energies and reduces CO₂ production, water consumption and waste significantly.

On the roof of "Factory 56" there is a photovoltaic system which feeds green electricity into the production supply. This leads to a reduction of yearly 5,000 MWh of electricity. An electric vehicle of the product and technology brand EQ, for example the electric SUV EQC, could be charged 72,000 times a year with this. That corresponds to around 36 million kilometres mileage a year. CO₂ emissions at the "Factory 56" will be reduced by 75 percent compared to today's S-Class production in Sindelfingen.

The construction of the assembly hall is very translucent. The Blue Sky architecture supports a pleasant working climate for the employees in daylight. In addition, the temperature of the hall can be set at up to seven degrees below the outside temperature.

About Mercedes-Benz Cars Operations

Mercedes-Benz Cars Operations is responsible for passenger car production at over 30 locations around the world. Three of them are currently being established. Within a flexible and efficient production network with around 78,000 employees it includes the central functions of production planning, TECFACTORY, logistics, and quality. Mercedes-Benz Cars produced more than 2.4 million Mercedes-Benz and smart passenger cars last year, marking the seventh record in a row. The network is based on the product architectures of front-wheel drive (compact cars) and rear-wheel drive (for example the S-Class, E-Class, and C-Class) as well as the SUV and sports car architectures. In addition, there is a powertrain production compound (engines, transmissions, axles and components). Each of these production compounds is grouped around a lead plant that serves as a center of competence for the ramp-up of new products, technology and quality assurance. Mercedes-Benz Cars is ready for the electro mobility: Around the globe electro hubs are built for the production of electric vehicles and batteries. The focus of day-to-day work is on the continuous improvement and refinement of state-of-the-art production methods, which allow future high-tech vehicles to be produced in a way that is efficient, flexible and environmentally friendly, according to the typical Mercedes-Benz quality standards. All of this revolves around the employees and their expertise, whose work is systematically supported by ergonomic workplace design and intelligent automation. In addition to its own production plants, Mercedes-Benz is increasingly leveraging partnerships and utilizing capacities at contract manufacturers as part of its growth strategy.

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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