

Investor Relations Release

March 28, 2018

BMW Group and Daimler AG agree to combine mobility services

- **Automotive pioneers and innovation leaders to shape sustainable urban mobility of the future**
- **Strong alliance to create unique customer offering: seamless, multimodal, fast and readily available**
- **Ecosystem for on-demand mobility: single source for CarSharing, Ride-Hailing, Parking, Charging and Multimodality**
- **Sustainable solutions for challenges of urban mobility and better quality of life in big cities**
- **Joint-venture concept will ensure expansion of digital business models at both companies**

Munich/Stuttgart. The BMW Group and Daimler AG are joining forces to offer customers a single source for sustainable urban mobility services. The two companies today signed an agreement to merge their mobility services business units. Subject to examination and approval by the responsible competition authorities, the BMW Group and Daimler AG plan to combine and strategically expand their existing on-demand mobility offering in the areas of CarSharing, Ride-Hailing, Parking, Charging and Multimodality. Each company will hold a 50-percent stake in a joint-venture model comprising both companies' mobility services. The two companies will remain competitors in their respective core businesses.

The aim of this transaction is to become a leading provider of innovative mobility services. Both automotive manufacturers aim to shape the mobility of the future to be able to offer their customers unique experiences and support their partners, such as cities and communes, in achieving sustainable urban mobility.

The partners intend to offer their customers a holistic ecosystem of intelligent, seamlessly connected mobility services, available at the tap of a finger. Together, the BMW Group and Daimler AG plan to grow this new business model sustainably and enable rapid global scaling of services. Working as partners, both companies are thereby addressing the challenges arising from urban mobility and changing customer wishes, and cooperating with cities, municipalities and other interest groups to improve quality of life in major cities. The merger will promote electromobility, for example, by offering electrified CarSharing vehicles, as well as easy access to charging and parking options. As a result, it will become even easier to experience and use sustainable mobility services.

“The BMW Group is shaping future mobility – and striking out in new directions to do so. Our Strategy NUMBER ONE > NEXT provides the BMW Group with a roadmap to a digital and emission-free future,” said Harald Krüger, Chairman of the Board of Management of BMW AG. “Combining our mobility services as planned will create a unique digital ecosystem. This alliance will make it easier for our customers to discover the emission-free mobility of the future. We remain competitors when it comes to the best premium vehicles. The planned merger of our mobility services will pool our resources and sends a strong signal to our new competitors,” added Krüger.

“As pioneers in automotive engineering, we will not leave the task of shaping future urban mobility to others. There will be more people than ever before without a car who will still want to be extremely mobile. We want to combine our expertise and experience to develop a unique, sustainable ecosystem for urban mobility,” said Dieter Zetsche, Chairman of the Board of Management of Daimler AG and head of Mercedes-Benz Cars. “At Daimler, we are vigorously and systematically pursuing our transformation from automobile manufacturer to provider of mobility services with our CASE strategy. CASE stands for connectivity, automated driving, sharing & services and electric mobility.”

“The future of mobility lies in cities: The key to more liveable cities is in intelligent and seamless services that are easy to use and combine sustainable modes of transport and mobility services,” said Peter Schwarzenbauer, member of the Board of Management of BMW AG, responsible for MINI, Rolls-Royce, BMW Motorrad, Customer Engagement and Digital Business Innovation BMW Group. “The pioneering work and commitment of the employees who provide our services have laid a valuable foundation. I would like to thank them very much indeed for all that they have done,” Schwarzenbauer continued.

“The sustainable mobility of tomorrow is flexible and connected – a vision we share with our partner, the BMW Group,” explained Bodo Uebber, member of the Board of Management of Daimler AG, responsible for Finance & Controlling and Daimler Financial Services. “Together, we can offer millions of customers highly-attractive products and services to make their lives easier and their environment a better place to live. The options offered by the planned joint venture-concept will complement mobility services offered by cities.”

The equally-owned joint venture model is designed to combine services in the following five areas:

- 1) Multimodal and on-demand mobility with moovel and ReachNow: Intelligent and seamless connectivity between different mobility offerings – including booking and payment – will create significant added value for users. It will also offer possible solutions for the challenges of urban private transport.
- 2) CarSharing with Car2Go and DriveNow: Car2Go and DriveNow operate a total of 20,000 vehicles in 31 major international cities. CarSharing enables better utilisation of vehicles and thus helps reduce the total number of vehicles in cities. More than four million customers already use these CarSharing services.

- 3) Ride-Hailing with mytaxi, Chauffeur Privé, Clever Taxi and Beat: With Europe's largest taxi app, simply order a taxi or use a licensed driver in France for a ride in the French metropolises. In total, 13 million customers and some 140,000 drivers are already using the modern, practical and fast way of Ride-Hailing with mytaxi, Clever Taxi and Beat or private hire vehicle service Chauffeur Privé. Innovative offers such as mytaximatch, in which people not known to each other share a taxi at a fingertip, make an important contribution to reducing inner-city traffic by eliminating numerous individual trips in the urban space.
- 4) Parking with ParkNow and Parkmobile Group/Parkmobile LLC: Ticketless, cashless on-street parking or help finding, reserving and paying for off-street parking in a garage. Innovative digital parking services reduce the time and the amount of driving involved in finding a parking space. This will reduce traffic significantly, as cars searching for parking spaces currently account for around 30% of road traffic.
- 5) Charging with ChargeNow and Digital Charging Solutions: Easy access (incl. location, charging and payment) to the world's largest network of public charging stations with more than 143,000 charging points worldwide. Combined with parking privileges in cities, this will support the expansion of electromobility, by helping people get to know this drive technology and integrate it easily into their mobility needs.

The formation of the joint venture will produce a significant valuation and earnings effect at Daimler Financial Services. If the approval of the competition authorities is received this year, following adjustments will be made to the group outlook for Daimler AG: The company expects EBIT for Daimler Financial Services to be significantly higher than the previous year; for the Group as a whole, this means EBIT is likely to be slightly higher than the previous year.

If approved by the relevant authorities in the course of this year, the formation of the joint venture will trigger a one-time valuation and earnings effect in the BMW AG's group financial statement and thus lead to an adjustment of the company's guidance: Under these circumstances, pre-tax earnings on Group level would increase slightly in 2018 compared with the previous year. The valuation and earnings effect would have no impact on the EBIT margin in the automotive segment.

The joint project is subject to examination and approval by the respective competition authorities. The best-possible customer experience is already the focus of both partners' services. Therefore, initially nothing will change for the millions of customers, with existing services still being provided to the same extent and with the same level of quality.

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.

If you have any questions, please contact our Investor Relations Team:

Bjoern Scheib

Tel. +49/711-17-95256

Lutz Deus

Tel. +49/711-17-92261

Christian Crusen

Tel. +49/711-17-97778

Rolf Bassermann

Tel. +49/711-17-95277

Julian Krell

Tel. +49/711-17-99320

Edith Callsen

Tel. +49/711-17-97366

Daniel Eichele

Tel. +49/711-17-92104

Johannes Schmalzriedt

Tel. +49/711-17-70314

E-mail: ir.dai@daimler.com

For an overview of major roadshows and conferences please see:

<https://www.daimler.com/investors/events/roadshows>