Investor Relations Release

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Daimler and Bosch: San José targeted to become the pilot city for an automated on-demand ride-hailing service

- **Test area will be San Carlos/Stevens Creek corridor between downtown and west San José**
- **The on-demand ride hailing service app will offer an automated driving experience to a selected user community**

Stuttgart/San José – Located on the southern shore of San Francisco Bay in Silicon Valley, and with more than 1 million inhabitants, San José is the third biggest city in California. It is planned to be the pilot city for trials, targeted to begin during the second half of 2019, of the highly and fully automated driving (SAE Level 4/5) on-demand ride-hailing service recently announced by Daimler and Bosch. The three parties have signed a memorandum of understanding to pursue and finalize this activity. Using automated Mercedes-Benz S-Class vehicles, Daimler and Bosch propose to offer the service to a selected user community in the San Carlos/Stevens Creek corridor between downtown and west San José. With its population expected to grow 40 percent in the next two decades, the metropolitan area faces growing transportation challenges. Moreover, San José wants to prepare itself for a future in which autonomous cars hit the streets.

“The pilot project is an opportunity to explore how autonomous vehicles can help us better meet future transportation needs,” says Sam Liccardo, mayor of San José. “Since many years we consequently push autonomous driving. With this pilot we will generate valuable insights to connect fully automated vehicles in the best way with users of future mobility services,” says Dr. Michael Hafner, Vice President Drive Technologies and Automated Driving at Daimler AG. “ We have to rethink urban transportation. Automated driving will help us complete the picture of future urban traffic,” says Dr. Stephan Hönle, senior vice president of the Automated Driving business unit at Robert Bosch GmbH.

The on-demand ride-hailing service app operated by Daimler Mobility Services will demonstrate how mobility services such as car sharing (car2go), ride-hailing (mytaxi) and multi-modal platforms (moovel) can be intelligently connected. The test operation will provide information about how highly and fully automated vehicles can

be integrated into a multi-modal transportation network. The intent is to provide a seamless digital experience, in which a selected user community will have the opportunity to hail a self-driving car, monitored by a safety driver, from a designated pick-up location and drive automatically to their destination.

Automated vehicles make urban mobility more attractive

With their joint development work on highly and fully automated driving (SAE level 4/5) in urban environments, Daimler and Bosch aim to improve the flow of traffic in cities, enhance road safety, and provide an important building block for the way traffic will work in the future. Among other things, with cars coming to drivers, not the other way around, the technology will boost the attraction of car sharing. Without compromising driving safety, it will allow people to make the best possible use of their time they spend in their vehicles, and open up new mobility opportunities for people without a driver's licence.

Daimler and Bosch associates share the same office space

Daimler and Bosch associates involved in the development project work together in teams in two regions: in the greater Stuttgart area in Germany and, in the United States, around Sunnyvale in Silicon Valley between San José and of San Francisco. Since they share the same office space, rapid communication across working disciplines is ensured and decision-making paths are short. At the same time they can draw on the combined know-how of their colleagues in the parent companies.

The companies`associates are jointly developing the concepts and algorithms for the highly and fully automated drive system. Daimler's task is to bring the drive system into the car. The company is providing the necessary development vehicles, test facilities, and vehicles for the test fleet. Bosch is responsible for the components specified during the development work, such as sensors, actuators, and control units. For test purposes, the partners use their laboratories and test rigs, plus their respective test sites in Germany. Since obtaining its Autonomous Vehicle Testing Permit from the California Department of Motor Vehicles in 2014, Mercedes-Benz has been testing automated vehicles in the Sunnyvale/California region. And since 2016, it has had similar approval for the greater Stuttgart area in Germany. In early 2013, Bosch was the world's first automotive supplier to test automated driving (SAE level 3) on public roads in Germany and in the United States.

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 and tariff regulations; 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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https://www.daimler.com/investors/services/contacts.html

E-mail: ir.dai@daimler.com
Fax: +49 (0) 711 17 94075

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