The following presentation contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to many risks and uncertainties. If the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. For further details, please refer to the disclaimer at the end of the presentation.
Our statement of intent:

We will build the world’s most desirable cars.
We will deliver on this intent with our refocused strategy

- **Think**
  - and act like a luxury brand

- **Focus**
  - on profitable growth

- **Expand**
  - customer base by growing sub-brands

- **Embrace**
  - customers and grow recurrent revenues

- **Lead**
  - in electric drive and car software

- **Lower**
  - cost base and improve industrial footprint

Sustainability as a guiding principle

Driven by a highly qualified and motivated team
Let us begin with our brand promise

Think and act like a luxury brand

Focus on profitable growth

Expand customer base by growing sub-brands

Embrace customers and grow recurrent revenues

Lead in electric drive and car software

Lower cost base and improve industrial footprint

Sustainability as a guiding principle

Driven by a highly qualified and motivated team
Luxury has always been part of our soul – and it’s constantly evolving.

It ties together our values and virtues. It’s who we are. It’s what we do best. Luxury is our home field advantage and our leading edge.
Luxury has always been part of our soul – and it’s constantly evolving.

It’s our job to define it at each moment in time.
Luxury has always been part of our soul – and it’s constantly evolving.

And luxury of the future will be sustainable.
Luxury is where we belong, and luxury is where the growth is

Global # of wealthy individuals
(private investable wealth >$250k, individuals in million)

Per region
(private investable wealth >$250k, individuals in million)

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>52</td>
<td>95</td>
</tr>
<tr>
<td>Western Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater China</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: BCG Analysis September 2020; based on a COVID-19 quick rebound scenario
We will provide the luxury experience across all touchpoints

Brand touchpoints | Product substance | Digital experience
Setting new standards with the S-Class
Luxury is who we are and we will use it to grow economic value.
Now let’s talk about our strategy and execution in the market place

Think
and act like a luxury brand

Focus
on profitable growth

Expand
customer base by growing sub-brands

Embrace
customers and grow recurrent revenues

Lead
in electric drive and car software

Lower
cost base and improve industrial footprint

Sustainability as a guiding principle

Driven by a highly qualified and motivated team
We will focus on profitable growth

**Profit**
Rethink volume ambitions – profitability first

**Price**
Reorientate pricing and channel mix

**Portfolio**
Reshape future product portfolio to optimize returns
Rethink volume ambitions: Profitability first

Reinforce our contribution margins with current portfolio – shifting upwards over time

Ensure volume targets focus on the most profitable models and regions
Reorientate pricing and channel mix

Markets primarily measured on sales contribution growth

Enhance positioning with optimized product substance

Manage residual values to determine new car supply

Get stricter about channel mix

Improve lifecycle pricing
Reshape product portfolio: We will refocus product development resources to grow in the most profitable parts of our relevant segments.

Overall global car market\(^1\) will grow

Premium segment\(^2\) will grow faster

Luxury segment\(^3\) will grow fastest

1.2

1.7

4.2

CAGR sales 2019-2030

CAGR sales 2019-2030

CAGR sales 2019-2030

\(^1\) Total global LV market; \(^2\) Top 20 premium definition; \(^3\) Large luxury vehicles over approx. US$ 70k (w/o tax); Source: IHS 08/2020
We will pursue higher portfolio profitability.
Let us explain how we will further target profitable customer segments.

Think and act like a luxury brand.

Focus on profitable growth.

Expand customer base by growing sub-brands.

Embrace customers and grow recurrent revenues.

Lead in electric drive and car software.

Lower cost base and improve industrial footprint.

Sustainability as a guiding principle.

Driven by a highly qualified and motivated team.
Mercedes-Benz is our master brand and will always be our guiding star

World’s most valuable luxury car brand\(^1\)

\(^1\) Interbrand ranking “Best Global Brands 2019”
Rapid and highly profitable growth

Sales volume in k units

- **2011**:
  - Maybach: 6
  - G: 17
  - AMG: 6

- **2015**:
  - Maybach: 9
  - G: 62
  - AMG: 15

- **2019**:
  - Maybach: 12
  - G: 113
  - AMG: 32

**CAGR 2011-2019**

- Maybach: 7%
- G: 23%
- AMG: 27%

---

1. G-Class without model 461
2. AMG without G63
4. CAGR of AMG and G-Class with G63 (double counting)
Now it's time to accelerate the growth

**Global opportunity**

**Increasing demand**

**Conquest potential**
Our sub-brands will allow us to target specific “tribes” better

“Brands need to light the fire we can gather around...”

JP Kuehlwein
We will unlock the potential of our sub-brands

Mercedes-Benz

AMG
Performance Luxury

MAYBACH
Sophisticated Luxury

G
Adventurous Luxury

EQ
Progressive Luxury
Clear growth plan for every sub-brand

- Addressing a new audience
- Taking it to the next level
- Unlocking the potential
- Growing the legend

Brand Maturity

Time
AMG: Significant growth and high-performance electrification
In 2021, the links between AMG and Formula 1 will intensify
Maybach: Global opportunity, double in size, go electric
G: Grow the legend, go electric
EQ: Addressing a new audience
Summing up pillar 3

We will seek substantial EBIT growth via our sub-brands.
Pillar number four – our lifetime approach to customers

Think and act like a luxury brand

Focus on profitable growth

Expand customer base by growing sub-brands

Embrace customers and grow recurrent revenues

Lead in electric drive and car software

Lower cost base and improve industrial footprint

Sustainability as a guiding principle

Driven by a highly qualified and motivated team
The value of monogamy: Life-long relationships with our customers
It’s about owning the customer relationship and leveraging our car parc and customer base.

**Embrace customers**
- Physical retail
  - Luxury experience, greater concentration
- Direct sales
  - Significant acceleration
- Data-driven connection
  - Personalized relationships

**Grow recurrent revenues**
- Service & parts business
  - Still significant profit growth ahead
- Digital services business
  - OTA upgrades
It’s about owning the customer relationship and leveraging our car parc and customer base.

Embrace customers:
- Physical retail: 67%
- Direct sales: 25%
- Data-driven connection: +20%

Grow recurrent revenues:
- Service & parts business: 80%
- Digital services business: 1 bn.
- Online sales target in 2025: 25%
- Data driven workshop business target in 2025: +20%
- € EBIT target by 2025: 1 bn.

1 UK trial

67% would pay more for a great experience

+20% customer leads

80% data driven workshop business target in 2025

1 bn. € EBIT target by 2025
We have one of the world’s most valuable customer bases – we intend to make the most of it.
Now let’s talk about our technology strategy

- **Think** and act like a luxury brand
- **Focus** on profitable growth
- **Expand** customer base by growing sub-brands
- **Embrace** customers and grow recurrent revenues
- **Lead** in electric drive and car software
- **Lower** cost base and improve industrial footprint

Sustainability as a guiding principle

Driven by a highly qualified and motivated team
Ambition 2039: Our societal responsibility

<table>
<thead>
<tr>
<th>2022</th>
<th>2030</th>
<th>2039</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon-neutral production globally</td>
<td>&gt;50% xEV share</td>
<td>Carbon-neutral</td>
</tr>
</tbody>
</table>

... and our supply chain will follow our ambition
Our economic responsibility

<table>
<thead>
<tr>
<th>Our challenge</th>
<th>Our answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution margins on EVs</td>
<td>Driving down powertrain costs</td>
</tr>
<tr>
<td>Technology and eDrive investments</td>
<td>Intelligent platform strategy</td>
</tr>
<tr>
<td>Legacy activities</td>
<td>Clear plan for the transition</td>
</tr>
</tbody>
</table>
Our path to higher EV profitability

Costs of batteries coming down faster than originally expected

(€/kWh)

- **Other measures**
  - Significantly below €100/kWh system level by mid-decade (cell/module/system)
  - Simplified Modular Strategy will drive economies of scale
  - Partnerships and supply secured beyond 2025
  - Targeting strong contribution margins for all new architectures from 2025
  - New high-end EQ products target solid profitability from the start

1 Without governmental incentives
Our aim is to lead in electric drive

- We will rapidly expand our portfolio of luxury xEVs
- We will accelerate range and efficiency
- We will offer a state of the art charging experience

We will build the world’s most desirable electric cars
Aiming to take the lead in EV with a true Mercedes-Benz luxury experience – the combination of aesthetics and technology

| Quality & craftsmanship | Luxury refinement | Sublime ride & drive | World class safety | Exceptional digital experience |
An electric future: We will rapidly expand our electric portfolio

- xEV share >50%
- with very high flexibility

Increase of xEV models\(^1\)

- 2021: >5 BEV, >20 PHEV
- 2025: >10 BEV, >25 PHEV
- 2030: >20 BEV, <25 PHEV

\(^1\) MB xEV models, incl. EQV and T-Class, w/o smart
An electric future: We will significantly reduce our combustion engine variants.

- Reduction in variants of combustion engines:
  - 2020: Reduced by -40%
  - 2025: Reduced by -70%
  - 2030: (Graphical representation)

Reduction in variants of combustion engines
Attractive PHEV products will support reaching CO₂ targets

- **Compact Class**: 74km
- **GLE-Class**: 98km
- **E-Class (China)**: ~100km
- **S-Class**: ~100km

Charging:
- Alternating current (AC)
- High Speed Charging (DC)

---

<sup>1</sup> Worldwide harmonized light vehicles test procedure – low, equivalent all electric range - combined
We are fully committed to dedicated electric architectures

Powertrain flexible architecture

Dedicated large electric platform (EVA)

Dedicated compact and mid-size electric platform (MMA)\(^1\)

Stay tuned!

\(^1\)“Electric First” skateboard, intelligent modular strategy with body variants for electrified ICE
Launching in 2021: Our dedicated EVA platform for large cars will deliver high-tech performance and luxury

- Dedicated electric skateboard architecture
- Proprietary Mercedes e-drive technology
- Production in Germany, China and U.S.
- True luxury experience; exceptionally quiet ride
- >700 km WLTP range
- Up to 500kw
The next step: MMA compact and mid-size car electric platform – uncompromising ‘Electric First’ EV-architecture and modules

- Exceptional range
- Benchmark high power charging
- Highly energy efficient drivetrain & vehicle
- Optimized investment & cost structure
- Very competitive e-drivetrain costs
- Luxury: aiming to offer best noise and comfort in the industry
- State-of-the-art digital experience
Range through efficiency: Focus on all relevant levers and total vehicle optimization

- Drivetrain efficiency
- Rolling resistance
- mass
- Auxiliaries
- $C_d$ & front surface
Next generation of our e-drive unit developed in-house

**Electric-motor**
- PMSM-technology
- Increase active diameter
- Optimized oil cooling concept
- Scalable e-motor length

**SiC-Inverter**
- Reduction of switching loss (specific transistor)
- Combined control unit - saves costs & weight
- Variable switching frequency

**2 speed gearbox**
- Best cost-efficiency-ratio on system level
- In 2nd gear one planetary gear active
- Dog clutch to reduce drag loss

**800V**
- Reduction of current & energy losses with same power output
  for cost & weight savings

---

1 PMSM = Permanent-magnet synchronous motor
Mercedes-Benz has extensive in-house battery R&D, and also works closely with key strategic development partners.

**Next-gen battery development**

**Cell format and production**
- Continuous assessment of different cell architectures
- Internal design of new manufacturing techniques and joint development of processes with strategic partners

**Anode - increase energy density**
- Silicon based anodes: strategic partnership with (specific anode material, capacity, and energy density)
- Lithium metal anodes (specific energy density on cell level)

**Simulation - speed up battery development**
Improvement of simulation methods by digital twin simulation (physic based models, matching model vs. reality, multilevel simulations)

**Cathode - sustainability and cost reduction**
- Reduction of cobalt as our contribution to sustainability by increase of nickel-rich cathodes
- LFP cathodes as cost optimized entry type option

**Electrolyte - increase safety**
Optimized electrolytes to significantly improve overall cell performance (lifetime, power) and solid-state electrolyte for high energy density chemistries and intrinsic stability
Careful capital allocation: We drive innovation via in-house R&D and partnerships – but leverage strategic suppliers for cell production.
Our software delivers a seamless and easy EV-charging experience

80% of public infrastructure is accessible via Mercedes me in almost all markets

Over 350,000 charging stations worldwide one contract, one invoice
The new EQS will offer high speed charging, enabling long distance capability

>250 km

in 15 min

1 Preliminary forecast based on WLTP indicated range
CHALLENGE TO OUR ENGINEERS:

• The most efficient EV ever build
• 4-door Mercedes-Benz design
• <10 kWh/100km
• Ultra sophisticated eDrive
• Halo Car as early enabler for series
• New high-speed working model in RD
• Cooperation with Formula 1/E (UK)
• Pioneering IGBT

Range: Towards the next frontier

VISION EQXX
Now let us explain our software strategy

Think and act like a luxury brand
Focus on profitable growth
Expand customer base by growing sub-brands
Embrace customers and grow recurrent revenues
Lead in electric drive and car software
Lower cost base and improve industrial footprint

Sustainability as a guiding principle
Driven by a highly qualified and motivated team
We have already made huge strides in our software competence and technology offer.
The digital user experience in the S-Class sets new standards

- Crystal clear OLED display and 3D instrument cluster
- Biometric authentication for personalized settings
- Over the Air updates
- Augmented Reality head-up display
- Intuitive gesture control
- Natural voice interaction in 27 languages
- Personalized infotainment on each seat
In 2021, we aim to take automated driving to the next level

**L3 Drive Pilot**
- OTA-based learning
- Automated Driving functions

**L4-ready Parking System:**
- Intelligent Park Pilot incl. 3D view
- Augmented Reality
- Automated Driving experience

---

1. L3 System according to ALKS, planned for Germany first; 2. This parking function will be available for use on public roads as soon as regulations and infrastructure allow.
L3 S-Class: Technology suite including LIDAR and high definition maps

- Precise HD maps and positioning
- Benchmark cameras
- LiDAR sensors
- Redundant actuation
- Road condition sensor and service
- Long range / short range radars
- Microphone
Decision time for the industry: Which software path to choose?
Our own proprietary operating system will deliver an extraordinary customer experience.

Compelling luxury experience
Speed of execution
Higher customer loyalty

Scalable, lower variable costs
Lower complexity
Recurrent revenues
What exactly is MB.OS? And what will Mercedes-Benz develop?

### Vehicle software

<table>
<thead>
<tr>
<th>Layer</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frontend Layer</td>
<td>100% in-house</td>
</tr>
<tr>
<td>Applications Layer</td>
<td>Mainly in-house¹</td>
</tr>
<tr>
<td>Middleware Layer</td>
<td>Partially in-house</td>
</tr>
<tr>
<td>Infrastructure Layer</td>
<td>Partially in-house</td>
</tr>
</tbody>
</table>

### 5 domains:

- Drive train
- Autonomous Drive
- Infotainment
- Body control
- Communications

### Cloud/ IoT

- Full integration by Mercedes-Benz

### Vehicle hardware

- Sourced from suppliers but chipset specifications defined by Mercedes-Benz (key strategic partners)
- Consolidated hardware strategy away from many ECUs

¹ Automated Driving co-developed with Nvidia
We will deliver MB.OS by 2024 by further expanding our international software development network – but remember “smart teams are better than big teams”
Co-inventing: Teaming up with the best
Leadership in electric drive and proprietary car software will be essential for our future success.
Finally, let’s talk about our financial framework.

- **Think** and act like a luxury brand.
- **Focus** on profitable growth.
- **Expand** customer base by growing sub-brands.
- **Embrace** customers and grow recurrent revenues.
- **Lead** in electric drive and car software.
- **Lower** cost base and improve industrial footprint.

Sustainability as a guiding principle.

Driven by a highly qualified and motivated team.
The challenges are clear

Our initial challenge ...

... got reinforced ...

... and amplified.

Revenue vs Cost & Capacity Growth

COVID-19

Electrification & CO₂ measures
Our break-even point is too high.

Sales MB cars in units

EBIT MB cars adjusted in bn. €

Pre-/post-COVID-19 measures

2011

2020
Significant short-term cost reduction and cash preservation measures implemented and being continued

Substantial cost reduction and capacity adjustment measures to lower break-even point initiated:
- CAPEX and R&D
- Fixed costs
- Variable costs (internal & external)
- Capacity adjustment and powertrain transformation

Driving continuous performance improvement culture
Indicators of change

**Accelerating headcount reduction**
Headcount (rounded)

<table>
<thead>
<tr>
<th>Date</th>
<th>12/2019</th>
<th>08/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>173,400</td>
<td></td>
<td>169,600</td>
</tr>
<tr>
<td>-3,800</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Increase in exit packages signed**
Contracts signed, cumulated

<table>
<thead>
<tr>
<th>Date</th>
<th>03/20</th>
<th>06/20</th>
<th>08/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>530</td>
<td>1,100</td>
<td></td>
</tr>
</tbody>
</table>

**Fixed costs coming down**
Ytd Jan-Aug 2019 vs. 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>08/2019</th>
<th>08/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>409,000</td>
<td></td>
<td>365,500</td>
</tr>
<tr>
<td>-29% vs. py</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Reducing external spend** (purchase requisition)
Indirect spend, Jan-Aug 2019 vs. 2020

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1</th>
<th>Q2</th>
<th>Jul/Aug</th>
</tr>
</thead>
<tbody>
<tr>
<td>173,400</td>
<td>154,600</td>
<td>150,500</td>
<td></td>
</tr>
</tbody>
</table>
We will lower CAPEX and R&D

Key levers
Reduction of platforms/portfolio, and vehicle complexity

Reduced spending on conventional powertrain and highly standardized EV architectures

Streamlined industrial footprint

Absolute € budgets year by year for CAPEX and R&D (not % of sales targets)

Note: refers to Capex, R&D and non-recurring expenses – cash flow view
We will significantly reduce our fixed costs

Comprehensive fixed cost optimization scope, including

Absolute fixed cost reduction

Personnel cost reduction targets continued through to 2025

Adjustment of production capacity

Structural change in marketing & sales

Sustainable implementation of COVID-19 learnings, e.g. travel, consulting, facility management, etc.
We will reduce variable costs to mitigate CO$_2$ burden

Comprehensive optimization of all external and internal variable cost levers, including

- Increased saving targets for material costs
- Ambitious targets for variable manufacturing costs
- Reduction of variable sales costs

Before mix change from xEV
We have initiated a series of transformational actions to drive down costs

Lower cost base and improve industrial footprint

- Operational footprint
- Supply strategy
- Portfolio and complexity reduction
- Performance culture
- Future sales setup
- Powertrain transformation
- Global engineering footprint
- E2E processes and organizational complexity
- IT and full digital value
- Governance and admin
Our financial ambitions for MB AG 2025

Market environment/revenues

Contribution margin

Profitable growth

Fixed costs

> -20% vs. 2019

> -20% vs. 2019

> -20% vs. 2019

CAPEX and R&D (CF impact)

> -20% vs. 2019

> -20% vs. 2019

> -20% vs. 2019

RoS MB AG

Mid to high single digit

High single digit

Double digit

Cash conversion

0.7 – 0.9x
In summary: Our refocused strategy

**Think**
and act like a luxury brand

**Focus**
on profitable growth

**Expand**
customer base by growing sub-brands

**Embrace**
customers and grow recurrent revenues

**Lead**
in electric drive and car software

**Lower**
cost base and improve industrial footprint

Grow economic value
Higher portfolio profitability
Substantial EBIT growth
Significant profit streams
Leverage technology
Absolute cost reduction
In summary: Our refocused strategy

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Sustainability as a guiding principle

Driven by a highly qualified and motivated team
Disclaimer

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