

DAIMLER TRUCK

Chairman's Letter

Dear Shareholders,

The first public general meeting of our company takes place in difficult times. The pandemic, which has lasted for more than two years, has demanded a lot from all of us. Nevertheless, with great dedication and combined forces, we were able to prevent even worse and achieved a lot. This makes it even more dismaying to see how warlike aggression and humanitarian violence in the midst of Europe, following the pattern of the 20th century, take hold. The human suffering associated with the Russian attack on Ukraine in February shakes us anew every day. We condemn this war and hope for an early end to the violence.

Daimler Truck, your company, acted decisively in this situation. Business in Russia is completely suspended until further notice. I am impressed by the global solidarity and engagement of our employees. I would like to express my sincere thanks to all colleagues who are engaged in such an outstanding way for peace and the people in Ukraine!

As far as the development of our company is concerned, 2021 was undoubtedly an extraordinary year for Daimler Truck. We have worked intensively on our day-to-day business as well as on the technological transformation and also reached a historic milestone for the company. We, the Supervisory Board and the Board of Management, but above all the employees, successfully completed the spin-off from Mercedes-Benz Group AG (formerly Daimler AG) and established Daimler Truck as a fully independent company with a great market debut in December 2021. This outstanding performance was only possible thanks to our strong and dedicated global Daimler Truck Team.

Even though we are the youngest DAX 40 member, technology leadership, a very solid financial basis and more than a hundred years of experience that we can rightly be proud of characterize us.

But first, let us look at the past year in a little more detail.

2021 Review

Once again, the adverse circumstances of the ongoing COVID-19 pandemic were challenging throughout the entire year. Under these difficult circumstances, the health of all of our employees remained our top priority, which is why we continued to consistently follow up on and adapt our safety measures worldwide. Like many other companies all over the world, we were also impacted by the supply chain constraints. Since the demand in all markets remained very strong, the Management Team put all focus and effort into ensuring fastest delivery of our trucks and buses to our customers. Even though we could not meet all market demands due to before mentioned supply chain constraints, Daimler Truck was still able to achieve its volume targets in all business segments – which we are very proud of. Besides the sales numbers and meeting our customers' demands, another main focus was on the continued acceleration of our technology transformation, especially with respect to zero-emission vehicles. Lastly, with the successful listing at the end of last year, we now have our own future in our hands and can shape the allocation of our resources ourselves.

Accelerating zero-emission transport

At Daimler Truck, we do everything we can to make emission-free transport ecologically responsible and economically reasonable. In doing so, we keep an eye on the entire value chain. On our road to zero emission, we are adhering to a dual strategy by focusing on both, battery- and fuel-cell electric vehicles. We are convinced that our industry needs both technologies to make zero-emission transport a success and that both technologies will perfectly complement one another. To further accelerate this transformation while optimizing investment costs, we have established a wide range of strategic partnerships. Transformation is about dedication and the willingness to change the industry, and we are for sure taking our part in doing so!

Becoming an independent company

The entrepreneurial independence and thus the focusing were an important goal for us. Last year, we successfully mastered the legal and organizational challenges of our separation from the Mercedes-Benz Group AG (former Daimler AG) and earned a solid investment grade rating. We have swiftly built up the necessary competencies for governance functions for the Daimler Truck Group. Targets and deadlines for the equal participation of women and men on the Board of Management and the levels below the Board of Management were published not only for Daimler Truck Holding AG, but also and above all for Daimler Truck AG¹. We pursue a sustainable business strategy for which we have established the necessary structures, processes and reporting system within the company. For example, we will comply with the applicable standards regarding ESG reporting (Environment, Social and Governance) and publish a sustainability report in Q2/2022 and a CDP Climate Report (Carbon Disclosure Project) in Q3/2022. On its Capital Market Days, the management published the new financial target system and specified it for each region. From there on, we passed further important milestones: On February 11, 2022, Daimler Truck entered the MDAX, and on March 3, 2022, the company succeeded to qualify for the DAX, the stock market index

¹ Equal Participation (daimlertruck.com)

consisting of the 40 major German blue chip companies trading on the Frankfurt Stock Exchange.

New governance structure

As part of the separation process, Daimler Truck successfully established its own corporate governance structure and the associated management bodies. In the process, we succeeded in recruiting a strong Supervisory Board. In the selection process, we attached great importance to the following characteristics: leadership and industry experience, diversity and internationality, experience in compliance and governance. The proposed Supervisory Board candidates for election at the 2022 Annual General Meeting reflect these characteristics to a high degree in our view. You can see for yourself on our website². The candidates Renata Jungo Brüngger and Harald Wilhelm are both members of the Board of Management of our largest shareholder Mercedes-Benz Group AG. Michael Brosnan, Jacques Esculier, Akihiro Eto, Laura Ipsen, John Krafcik, Martin Richenhagen, Marie Wieck and I are independent within the meaning of the German Corporate Governance Code. As the current Chairman of the Supervisory Board, I would like to assume the role as Chairman again following the election at the Annual General Meeting. I assure you that I will carry out my mandate as Chairman of the Supervisory Board prudently and for the benefit of the company and its shareholders. Overall, I am confident that all Supervisory Board members with their excellent expertise, skills and professional experience in various key areas such as digitization, internationalization, sustainability and transformation can make a significant contribution to the future success of Daimler Truck.

I am also looking forward to working with the employee representatives on the Supervisory Board. Constructive co-determination is an important element of corporate development and responsible corporate governance.

An important element of the work of the Supervisory Board is an appropriate remuneration system for the Executive Board. Here, the Supervisory Board initially agreed to retain the system used at the former Daimler AG, which was accepted by the shareholders there with a large majority. In terms of content, we set incentives for the sustainable increase in profitability of Daimler Truck and the successful implementation of the corporate strategy as well as for ESG focus topics as part of the short and medium-term goals.

The system is reviewed on an ongoing basis to determine whether there is a need for adjustments with regard to transparency, compatibility of interests with shareholder goals, and the expansion of so-called ESG goals in the target system of short- and medium-term corporate development.

Dividend payout

Since Daimler Truck operated as one of the business units of the Mercedes-Benz Group until the beginning of December last year, no dividend distribution is planned for the short financial year 2021 as an independent company. As already announced, newly issued shares in Daimler Truck Holding AG will participate in the company's profits as part of the separation from Mercedes-Benz Group AG to shareholders from 2022 onwards. We are clearly committed to an attractive dividend policy that provides for a distribution of around 40 percent of net profit to our shareholders, if this is covered by sufficient free cash flow in our industrial business.

Annual General Meeting 2022

As the pandemic environment was volatile and unpredictable at the time of the decision, we decided to hold the first Annual General Meeting of Daimler Truck Holding AG as a virtual event on June 22, 2022. This is in line with the German COVID-19 Act, the validity of which has been extended until the end of August 2022. Shareholders have the opportunity to ask questions up to one day before the Annual General Meeting. To facilitate the exercise of this right, Daimler Truck will publish the speech of the Chairman of the Board of Management and my own speech before the deadline for submitting questions. In addition, shareholders will be able to submit written statements and video messages prior to the 2022 Annual General Meeting, which we will then make available to all shareholders.

Outlook

The ongoing geopolitical tensions, the military conflict in Ukraine and the ongoing uncertainties caused by the pandemic will have an impact that is very difficult to quantify today. These can be supply chain or inflation risks, but also changes in demand behavior. The environment will therefore remain volatile in 2022. We are adapting to this to the best of our ability. Overall, we are confident that our first year as an independent company will be a successful year if today's conditions do not deteriorate. What is in our hands, we will tackle with great dedication. In 2022 and beyond, our priorities will be to execute our sustainable business strategy and our ambition to lead our industry towards zero-emission transportation. Thanks to our strong product pipeline, dedicated leadership and global team, focused strategy and solid financial position, we are confident about the future of our company. We look forward to your support and to the regular exchange with you throughout the year.

Sincerely yours,



Joe Kaeser