

February 23, 2021



Daimler Truck AG and Cummins Inc. Announce Global Plan for Medium Duty Commercial Vehicle Engines

- Memorandum of Understanding to establish a global strategic partnership for medium duty engine systems.
- Additional opportunities for collaboration to be evaluated.
- Cummins Inc. to establish an engine plant within the Mercedes-Benz Mannheim campus to localize medium duty engines compliant with the Euro VII emissions standard for Daimler Trucks and Buses.
- In the future, global medium duty engine systems for Daimler Trucks and Buses all over the world will be provided by Cummins Inc.
- Daimler Truck AG is focused on the development of zero-emission drive technologies and the further development of its own heavy-duty engine platform (HDEP).

STUTTGART, Germany & COLUMBUS, Ind.--(BUSINESS WIRE)-- Today, Daimler Truck AG and global power leader and independent engine manufacturer Cummins Inc. (NYSE: CMI) announced that the companies have signed a memorandum of understanding establishing a global strategic partnership for medium duty engine systems. The companies added that other opportunities for collaboration are also being evaluated.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20210223005185/en/>

As part of the planned strategic partnership, Cummins will invest in the further development of medium duty engine systems for Daimler Trucks and Buses and the global production and delivery of medium duty engines by Cummins for Daimler Trucks and Buses beginning in the second half of the decade.

Martin Daum, Chairman of the Board of Management at Daimler Truck AG and a member of the Board of Management at Daimler AG said, "The memorandum of understanding between Daimler Truck AG and Cummins makes engine production at the Mannheim location fit for the future and at the same time strengthens our competitiveness. With the changeover to Euro VII, we would have to invest considerable resources in the further development of our medium duty engines. We are now freeing up these funds to focus them on the technologies that are crucial to our long-term corporate success in the transformation

of our industry.”

“We are pleased to announce this important strategic partnership with Daimler to provide the medium duty engine systems for Daimler Trucks and Buses in global markets,” said Tom Linebarger, Chairman and CEO, Cummins Inc. “Our partnership is a terrific opportunity for both companies to be more competitive, drive global innovation, expand offerings to customers and reduce emissions. We are looking forward to working with Daimler on this and exploring other potential opportunities to grow our respective companies. As the leading independent global power solutions provider, Cummins is committed to ensuring any customer anywhere has the right solution, by offering them a broad range of power solutions from advanced diesel, near-zero natural gas, fully electric, hydrogen and other technologies.”

Production of medium duty Cummins engines at the Daimler Mannheim plant

Cummins Inc. will establish an engine plant within the Mercedes-Benz Mannheim campus, efficiently utilizing existing resources to produce medium duty engines compliant with the Euro VII emissions standard for Mercedes-Benz and ensuring continued joint success in the medium duty vehicle segment. With this strategic partnership, Daimler Truck AG and Cummins will help maintain employment at the Mannheim plant. Cummins will use its existing footprint and strong production and supply chain networks in all other regions for use in other Daimler Trucks’ brands, including those of Daimler Trucks North America.

“By signing this memorandum of understanding, we are presenting a clear future perspective for the Mannheim site, which produces medium duty engines today and will continue to do so moving forward. This is good for Mannheim,” says Martin Daum. “This will of course bring some changes to the site. Together with the works council, we will shape the changes in the coming years and develop joint solutions, always keeping the interests of our customers, employees and the company in mind.”

Daimler Truck’s focus on alternative drive technologies and heavy-duty commercial vehicle engines

Daimler anticipates the partnership with Cummins will enable Daimler to increase and accelerate its development efforts on alternative and emerging technologies, including non-diesel engines. In the future, Daimler Truck AG will focus on the further progression of zero-emission drive technologies, as well as further development of commercial heavy-duty drivetrains. The production of the current medium duty engine generation (MDEG) by Daimler Truck AG will end with the start of production of the Cummins engines at Mannheim. In a next step, the partners will evaluate a broader global strategic cooperation through identifying potential synergies in areas such as powertrain components and engine system components.

The Daimler heavy-duty engine platform (HDEP) for the heavy-duty vehicle segment of Daimler Trucks and Buses will remain in the Daimler Truck AG portfolio. The HDEP engine family will continue to be manufactured by the global production network in Mannheim and Detroit, Michigan and fitted in heavy-duty trucks, in touring coaches as well as in third-party products worldwide.

About Cummins Inc.

Cummins Inc., a global power leader, is a corporation of complementary business segments that design, manufacture, distribute and service a broad portfolio of power solutions. The company's products range from diesel, natural gas, electric and hybrid powertrains and powertrain-related components including filtration, aftertreatment, turbochargers, fuel systems, controls systems, air handling systems, automated transmissions, electric power generation systems, batteries, electrified power systems, hydrogen generation and fuel cell products. Headquartered in Columbus, Indiana (U.S.), since its founding in 1919, Cummins employs approximately 57,825 people committed to powering a more prosperous world through three global corporate responsibility priorities critical to healthy communities: education, environment and equality of opportunity. Cummins serves its customers online, through a network of company-owned and independent distributor locations, and through thousands of dealer locations worldwide and earned about \$1.8 billion on sales of \$19.8 billion in 2020. See how Cummins is powering a world that's always on by accessing news releases and more information at <https://www.cummins.com/always-on>.

Forward-looking disclosure statement

Information provided in this release that is not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our forecasts, guidance, preliminary results, expectations, hopes, beliefs and intentions on strategies regarding the future. These forward-looking statements include, without limitation, statements relating to our plans and expectations for our revenues and EBITDA. Our actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including, but not limited to: any adverse results of our internal review into our emissions certification process and compliance with emission standards; increased scrutiny from regulatory agencies, as well as unpredictability in the adoption, implementation and enforcement of emission standards around the world; policy changes in international trade; the U.K.'s exit from the European Union (EU); changes in taxation; global legal and ethical compliance costs and risks; increasingly stringent environmental laws and regulations; future bans or limitations on the use of diesel-powered products; supply shortages and supplier financial risk, particularly from any of our single-sourced suppliers, including suppliers that may be impacted by the COVID-19 pandemic; market slowdown due to the impacts from the COVID-19 pandemic, other public health crises, epidemics or pandemics; impacts to manufacturing and supply chain abilities from an extended shutdown or disruption of our operations due to the COVID-19 pandemic; supply shortages and supplier financial risk, particularly from any of our single-sourced suppliers, including suppliers that may be impacted by the COVID-19 pandemic; aligning our capacity and production with our demand, including impacts of COVID-19; large truck manufacturers and original equipment manufacturers (OEMs) customers discontinuing outsourcing their engine supply needs or experiencing financial distress, particularly related to the COVID-19 pandemic, bankruptcy or change in control; a slowdown in infrastructure development and/or depressed commodity prices; failure to realize expected results from our investment in Eaton Cummins Automated Transmission Technologies joint venture; the actions of, and income from, joint ventures and other investees that we do not directly control; product recalls; the development of new technologies that reduce demand for our current products and services; lower than expected acceptance of new or existing products or services; variability in material and commodity costs; product liability claims; our sales mix of products; protection and validity of our patent and other intellectual property rights; disruptions in global credit and financial markets as the

result of the COVID-19 pandemic; labor relations or work stoppages; reliance on our executive leadership team and other key personnel; climate change and global warming; our plan to reposition our portfolio of product offerings through exploration of strategic acquisitions and divestitures and related uncertainties of entering such transactions; exposure to potential security breaches or other disruptions to our information technology systems and data security; political, economic and other risks from operations in numerous countries; competitor activity; increasing competition, including increased global competition among our customers in emerging markets; foreign currency exchange rate changes; the performance of our pension plan assets and volatility of discount rates, particularly those related to the sustained slowdown of the global economy due to the COVID-19 pandemic; the price and availability of energy; the outcome of pending and future litigation and governmental proceedings; continued availability of financing, financial instruments and financial resources in the amounts, at the times and on the terms required to support our future business; and other risks detailed from time to time in our SEC filings, including particularly in the Risk Factors section of our 2020 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the SEC, which are available at <http://www.sec.gov> or at <http://www.cummins.com> in the Investor Relations section of our website.

About the Mercedes-Benz Mannheim plant

Mercedes-Benz and Mannheim are linked by a very special history. On January 29, 1886, this is where engineer Carl Benz invented the world's first automobile with the patent number 37435 – the Benz Patent Motor Car. What is now the Mercedes-Benz Mannheim plant was founded first in Luzenberg, Mannheim-Waldhof in 1908. The site has over 5,000 employees working on the production of engines and associated components for all categories of commercial vehicles worldwide. The plant's foundry is one of the world's leading producers of cast-iron vehicle components. In addition, engines for commercial vehicles as well as passenger cars are remanufactured in the "European Center for Reconditioned Engine Production." In the Competence Center for Zero-Emission Mobility (KEM), the company has also been accompanying the drive systems of the future for all vehicle categories from prototype to series production for over 25 years. Training and securing new talent are also equally important in Mannheim, where more than 11,000 young people have completed their apprenticeships in its over 100 years of operation.

Daimler Trucks & Buses

Daimler Trucks & Buses is one of the world's largest commercial vehicle manufacturers, with more than 35 primary locations around the world and approximately 100,000 employees. The company brings together seven vehicle brands under one roof: Mercedes-Benz (light, medium and heavy trucks as well as city, intercity and touring coaches) and Setra (intercity, long-distance and premium coaches) are our traditional European brands; our U.S. brands Freightliner Trucks (trucks in weight classes 5 to 8 for a wide range of commercial vehicle

applications), Western Star (heavy trucks for specialized and long-haul transports) and Thomas Built Buses (light to medium duty buses); and our Asian brands Bharat Benz, based in Chennai, India (trucks in the weight classes 10 to 55 t and medium and heavy-duty buses) and FUSO with its headquarters in Japan (trucks and buses for Asia, the Middle East, Africa, Europe and Latin America). This allows Daimler Trucks & Buses to offer its customers around the globe a broad spectrum of commercial vehicles, ranging from minibuses to heavy-duty trucks for special-purpose transport applications – in short: products and solutions for everyone who keeps the world moving. Gottlieb Daimler and Carl Benz laid the foundation for the modern transport industry more than 120 years ago. Over the past decades, Daimler's truck and bus divisions have consistently set standards for the entire transportation industry – in terms of safety, fuel efficiency and driver and passenger comfort. It is now time for the next evolutionary step: emission-free, automated and connected driving. Daimler Trucks & Buses is working to bring these important technologies to high-volume series production, across brands, divisions and regions. In this way the company intends to take a major step closer to realising its vision of CO₂-neutral transport and accident-free driving whilst also contributing to the sustainability of global goods and passenger transport. In 2020, a total of 378,500 trucks and buses were delivered. Revenue was €34.7 billion. EBIT amounted to €525 million. Further information from Daimler Trucks is available online: www.media.daimler.com and www.daimler-truck.com.

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