

VOLKSWAGEN
AKTIENGESELLSCHAFT

VOLKSWAGEN

Leading the Transformation.

Unicredit Automotive Credit Conference
22-23 June 2022

AKTIENGESELLSCHAFT

VOLKSWAGEN

Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast.

At the time of preparing these presentations, it is not yet possible to conclusively assess the specific effects of the latest developments in the Russia-Ukraine conflict on the Volkswagen Group's business, nor is it possible to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2022.

Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or commodities relevant to the Volkswagen Group or the supply with parts, or deviations in the actual effects of the Covid-19 pandemic from the scenario presented will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Leading the Transformation.

Key Financials, Q1 2022, Funding Details and Rating

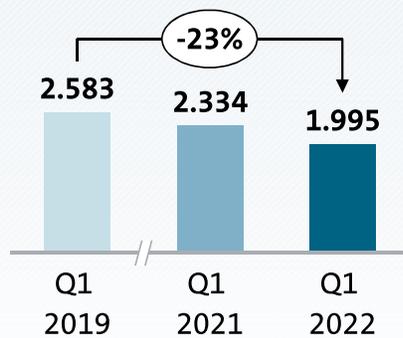


Solid Trend despite Lower Vehicle Sales are Testimony to our Robust Business Model

January to March 2019 vs. 2021 vs. 2022

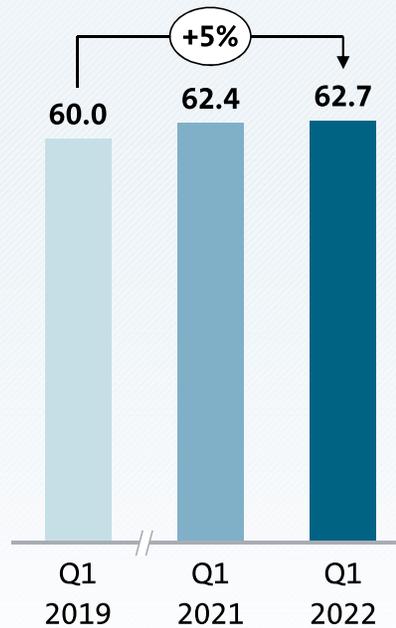
Vehicles Sales

[m vehicles]



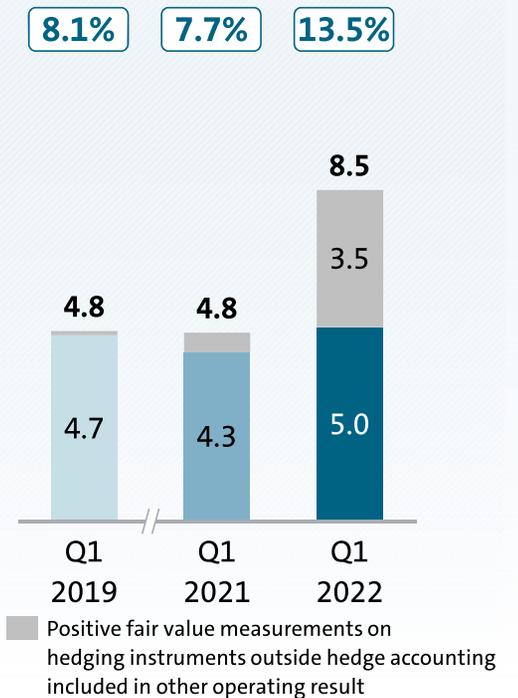
Sales Revenue

[€ bn]



Operating Profit and Margin

[€ bn] Margin [%]



**Automotive Clean Net Cash in Q1 impacted by negative Changes in Working Capital;
January to March 2019 vs. 2021 vs. 2022**

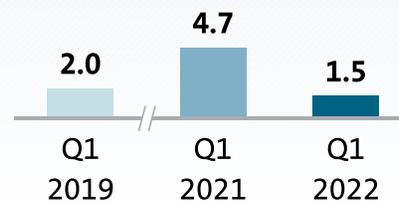
'Clean' Net Cash Flow ^{1,2}

[€ bn]



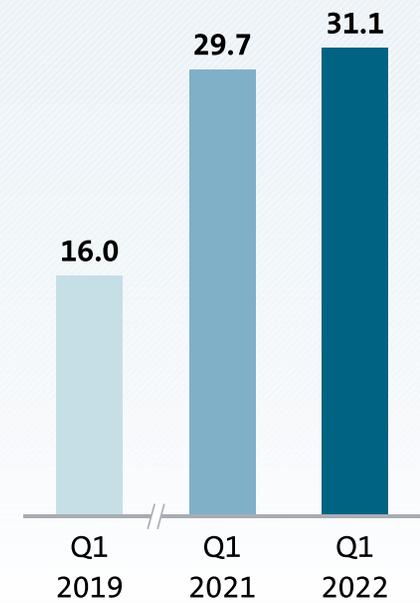
Reported Net Cash Flow ¹

[€ bn]



Net Liquidity ¹

[€ bn]



Automotive Division

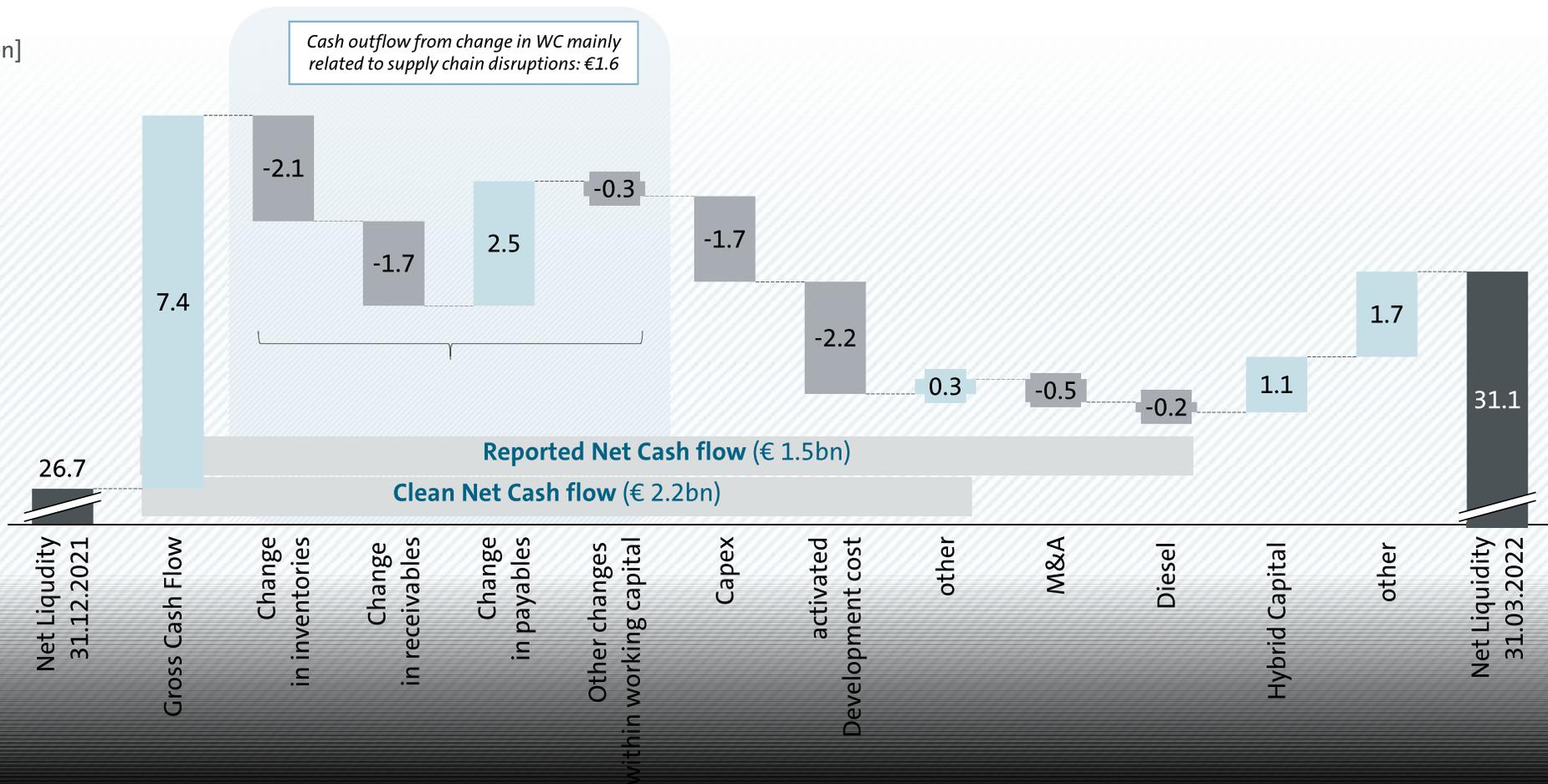
² Reported net cash flow before M&A and Diesel payments

Net Liquidity Bridge and Cash Flow Automotive Division

Solid Clean Net Cash Flow and DCM Activity drive Net Liquidity Position

[€ bn]

Cash outflow from change in WC mainly related to supply chain disruptions: €1.6



Volkswagen Group – Well Diversified Funding Mix totaling €226bn as of March 31, 2022



Other Direkt Banking Deposits Leasing Loans Bank Loans Schuldschein Bonds Commercial Papers ABS

Capital Market Borrowings

in Billion EUR

2/3

Totals	150.9
> ABS	44.1
> Commercial Papers	7.3
∨ Bonds	99.6
> Bond/MTN	84.2
> Bonds Hybrid	15.4

Money Market Borrowings

in Billion EUR

1/3

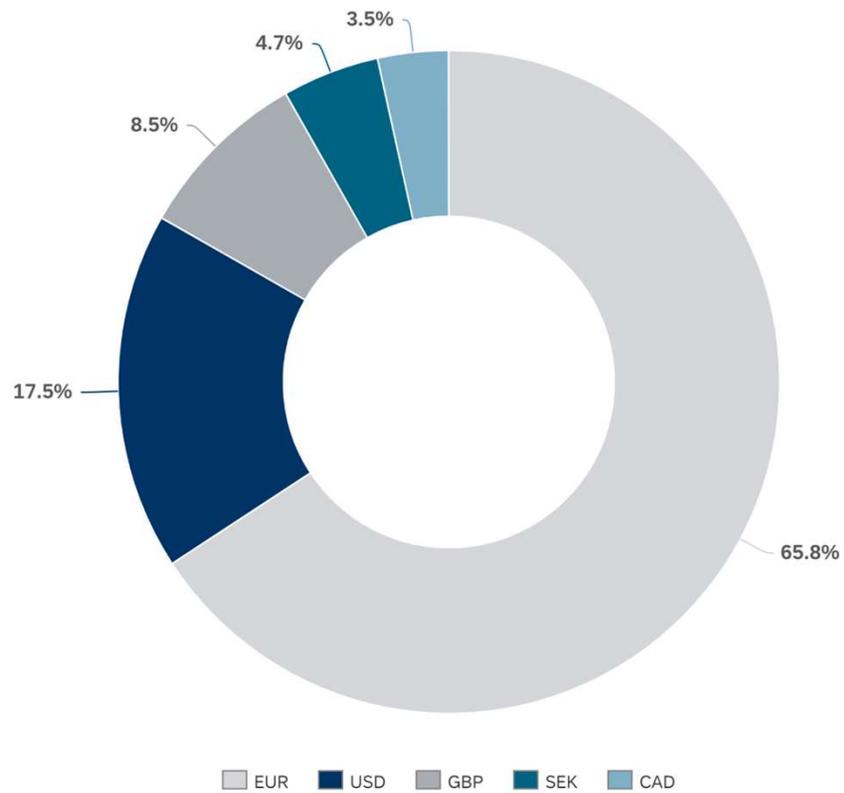
Totals	74.4
> Bank Loans	38.1
> Direkt Banking Deposits	25.8
> Leasing Loans	5.8
> Schuldschein	4.2
> Other	0.6

Sums may differ due to rounding effects. | Source: Volkswagen AG

Volkswagen Group Funding – CM Borrowings Diversification of unsecured funding as of March 31, 2022

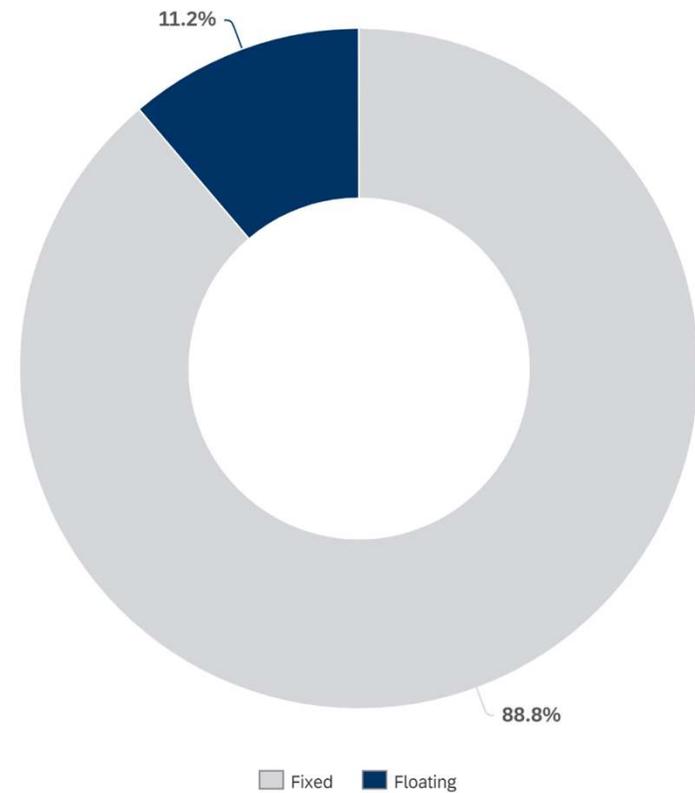
Top 5 Currency Breakdown Commercial Paper and Bonds (excl. Hybrid)

in EUR



Fix vs. Float Bonds (excl. Hybrid)

in EUR



Sums may differ due to rounding effects. | Source: Volkswagen AG

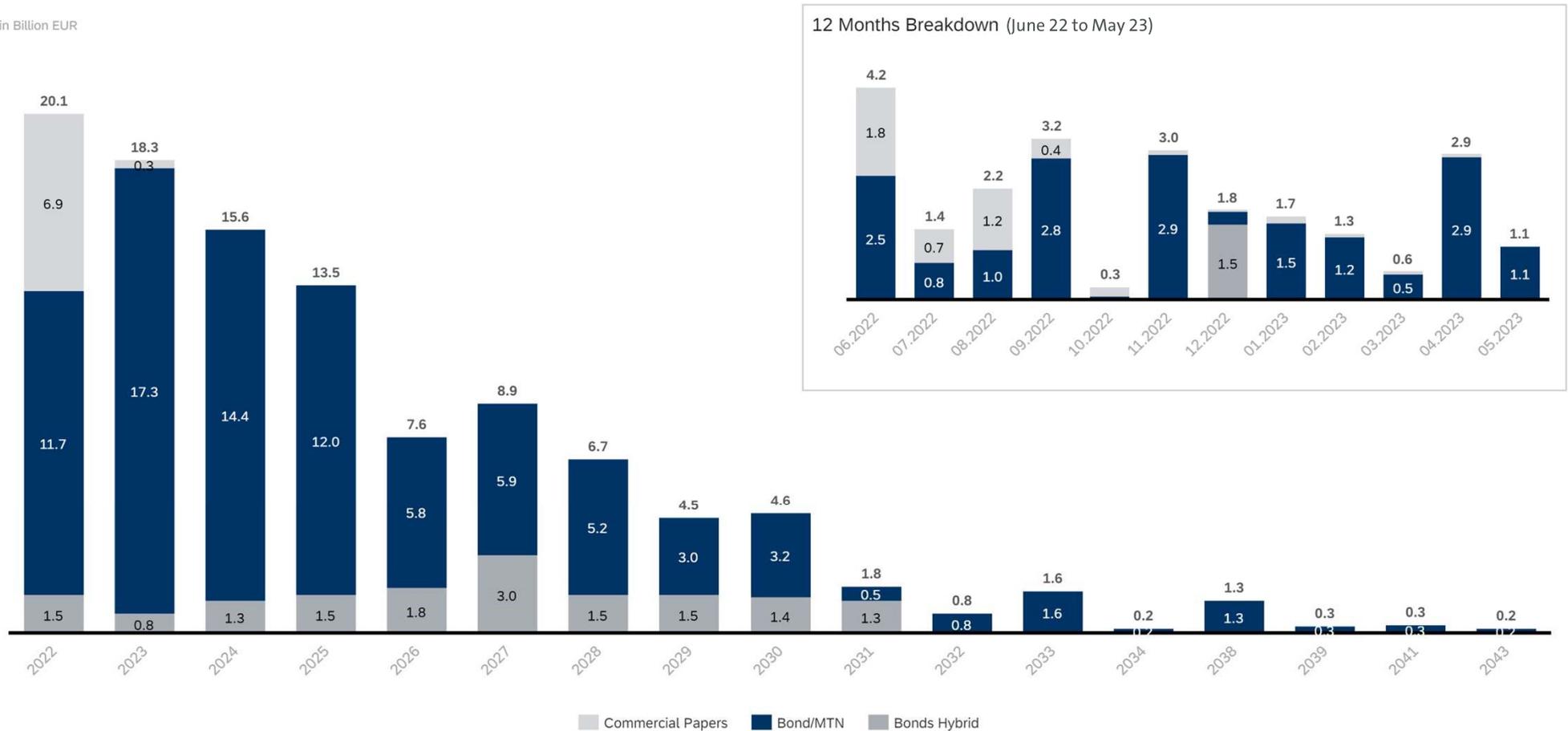
Volkswagen Group Funding – Bond Maturity Profile (including CPs) as of March 31, 2022

0-3y: 55.7bn (52%)

4-6y: 29.2bn (27%)

>6y: 22.3bn (21%)

in Billion EUR



Sums may differ due to rounding effects. | Source: Volkswagen AG

Volkswagen Group – Second Green Bond Deal Review

Volkswagen is committed to complying with the United Nations' Paris Agreement. The goal is to become a company with a carbon-neutral footprint by 2050. As early as by 2025, the Group plans to reduce the total life-cycle greenhouse gas emissions from passenger cars and light commercial vehicles by 30% compared to 2015. In addition, the Group has set a decarbonization target confirmed by the Science Based Targets initiative (SBTi), which envisages a reduction of 30% from 2018 to 2030 without offsetting. SBTi confirmed in April 2022 after a scientific review that Volkswagen Group's new scope 1 and 2 emissions reduction targets are aligned with the ambition to limit global warming to 1.5 degrees.

The Volkswagen Group believes that Green Debt Instruments are effective tools to channel investments to projects that have demonstrated climate benefits and thereby contribute to the achievement of the Paris Climate Agreement and the United Nations' Sustainable Development Goals ("UN SDGs").

Summary of Terms and Conditions

Pricing / Settlement	21 June 2022 / 28 June 2022	
Tranche	EUR 2.75yrs Fixed	EUR 5.25yrs Fixed
Size	EUR 750m	EUR 750m
Coupon	3.125%, annual	3.75%, annual
Final Spread	EUR MS +115bps	EUR MS +155bps
Re-offer price	99.939%	99.546%
Use of Proceeds	Funds to be used for the modular electric drive matrix (MEB) and the BEV models ID.3 ¹ and ID.4 ²	
External Review	Certified by the Climate Bonds Initiative (CBI)	

¹ID.3 - ID.3 Electricity consumption combined 15.4 - 14.5 kWh/100 km; CO₂ emissions combined 0g/km, efficiency class: A+
²ID.4 – Electricity consumption combined 16.9-15.5 kWh/100 km; CO₂ emissions combined 0g/km, efficiency class: A+

Long Term Rating Volkswagen Group and Competitors as of 14.06.2022



MOODY'S

S&P Global
Ratings

Investment grade	Aaa	
	Aa1	
	Aa2	
	Aa3	
	A1	
	A2	
	A3	VW AG (S), VW FS AG (S), VW Bank (S) ¹⁾
	Baa1	
	Baa2	TRATON (S)
	Baa3	

Investment grade	AAA	
	AA+	
	AA	
	AA-	
	A+	
	A	
	A-	
	BBB+	VW AG (S), VW FS AG (S), VW Bank (S)
	BBB	TRATON (S)
	BBB-	

Subinvestment grade	Ba1	
	Ba2	
	Ba3	
	B1	
	B2	
	B3	

Subinvestment grade	BB+	
	BB	
	BB-	
	B+	
	B	
	B-	

Outlook: (P)ositive, (S)table, (N)egative, RfD = Rating under review for Downgrade, RfU = Rating under review for Upgrade

¹⁾ Moody's unsecured debt rating for Volkswagen Bank GmbH; Deposit and issuer ratings: A1 (stable)

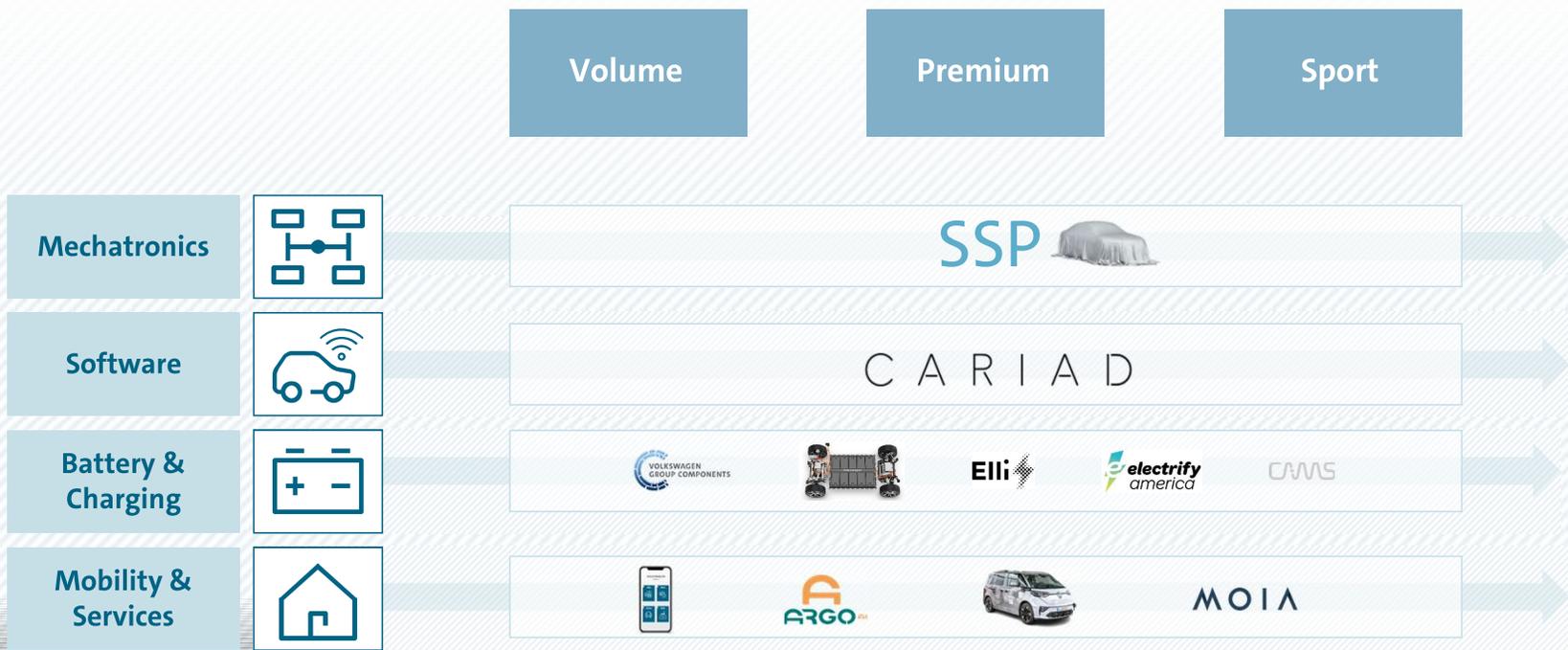
Leading the Transformation.

Outlook, Strategy, Funding requirements and EU taxonomy

Robust business case

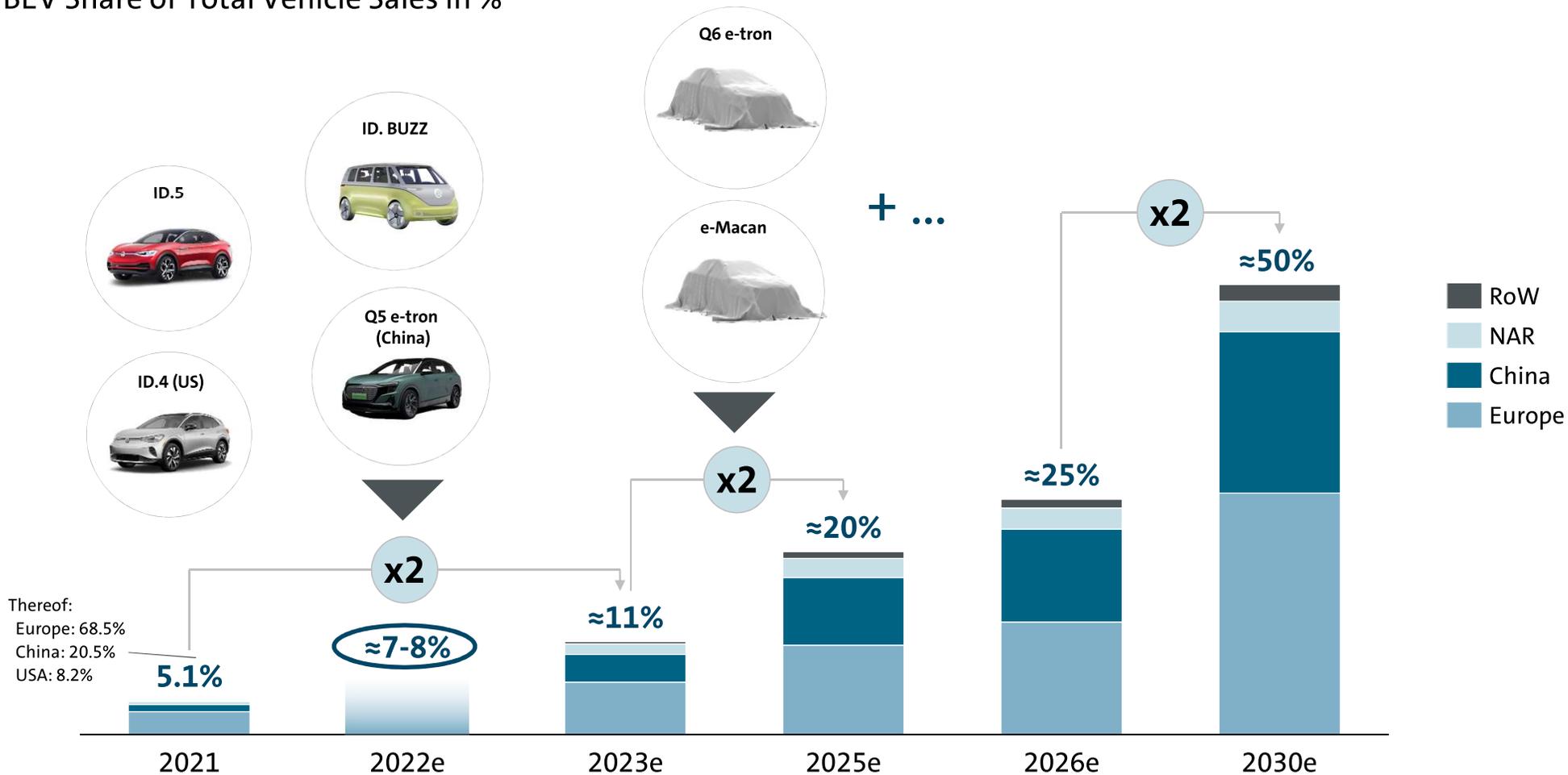
Key financial targets		2019 Actual	2020 Actual	2021 Actual	2022 Targets	2025/26 Strategic Targets
Operating return on sales before Special Items		7.6	4.8	8.0	7.0-8.5	8-9
Return on investment Automotive Division before Special Items	Percent	12.6	7.1	10.8	12-15	>15
Capex ratio Automotive Division		6.6	6.1	5.1	~5.5	~5
R&D cost ratio Automotive Division		6.7	8.0	7.6	~7	~6
Cash Automotive Division		EUR billions	13.5	10.0	15.5	13-15
a) Clean Net Cashflow Automotive Division w/o Diesel and M&A						
b) Net Liquidity		21.3	26.8	26.7	up to 15% above prior year	~10% of Group sales revenue

NEW AUTO strategy: Towards a Vertically Integrated Mobility Company



Targeting BEV Podium Position by 2025

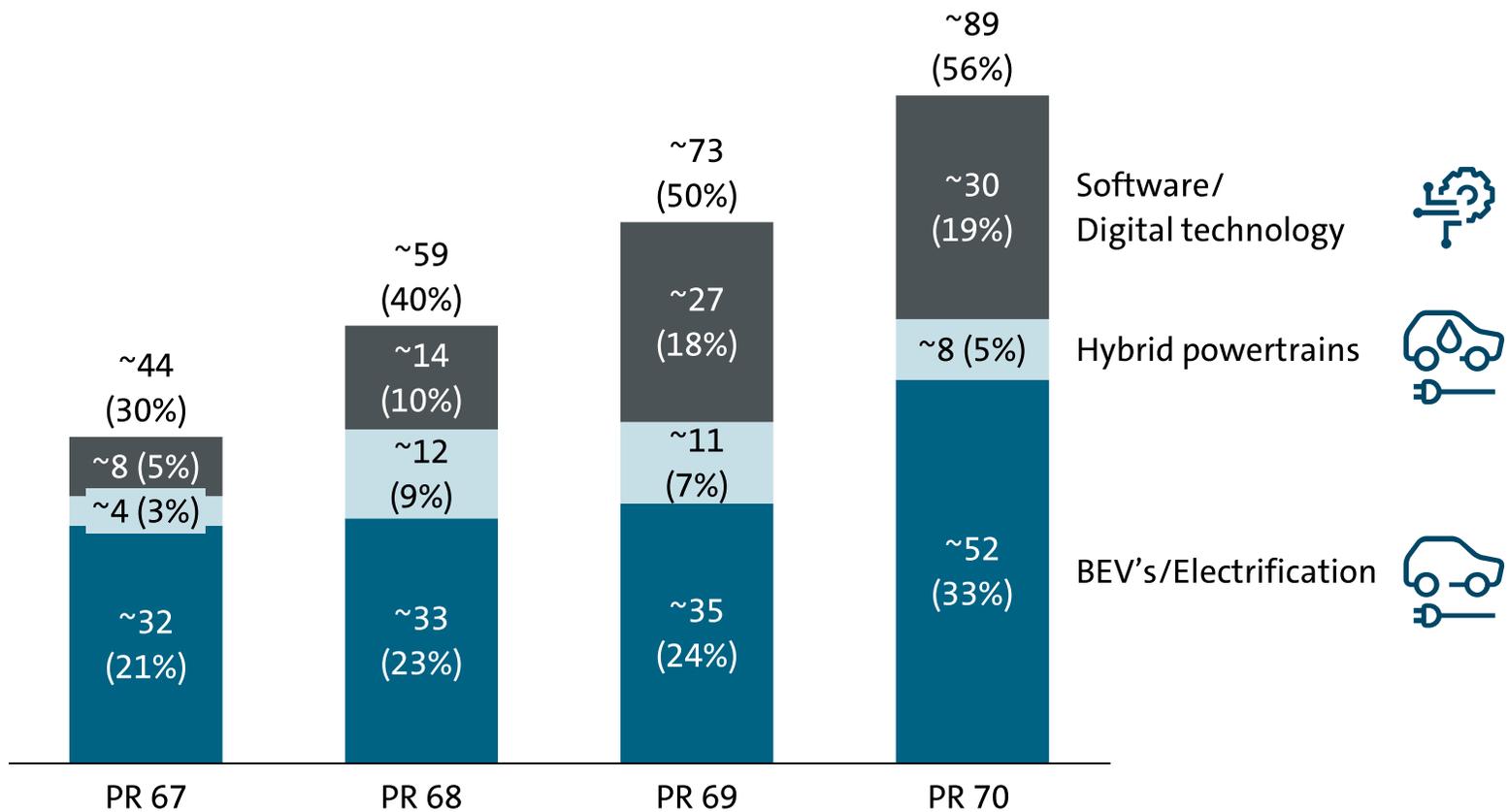
BEV Share of Total Vehicle Sales in %



Volkswagen ID.Buzz/ID.5: Vehicles are near-production concept cars
 Volkswagen ID.4: Power consumption combined: 16.3-15.6 kWh/100km (NEDC), CO₂ emissions combined: 0g/km, CO₂ efficiency class: A+++
 Audi Q5 e-tron: Vehicle sold outside Germany

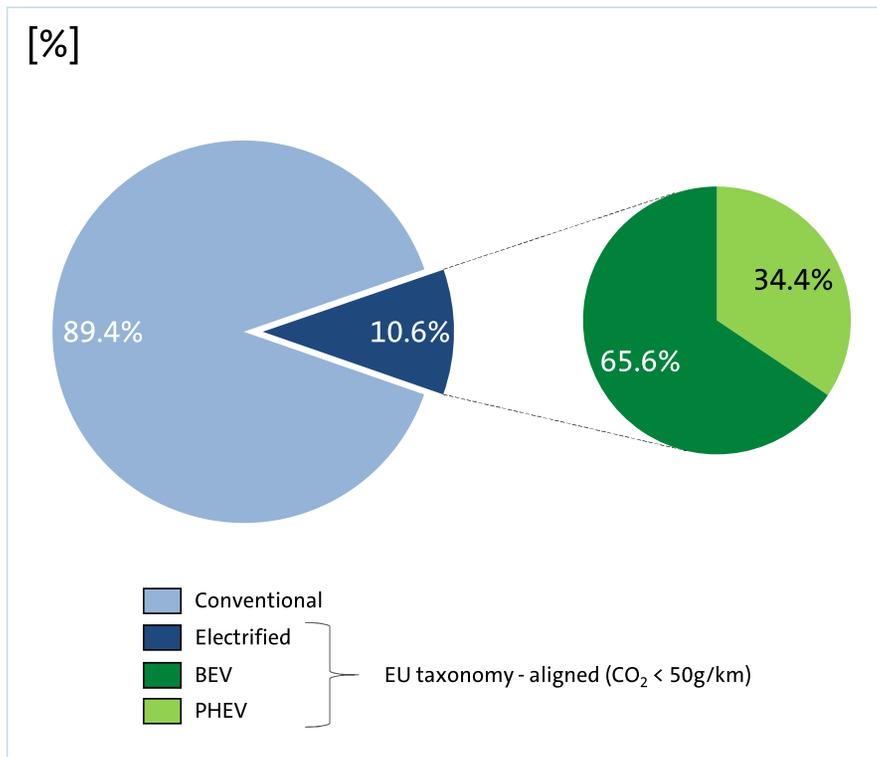
PR 70 Focus on the future – Investments in R&D and Capex 2022-2026
Significant investments planned for a successful transformation of the business

EUR billions

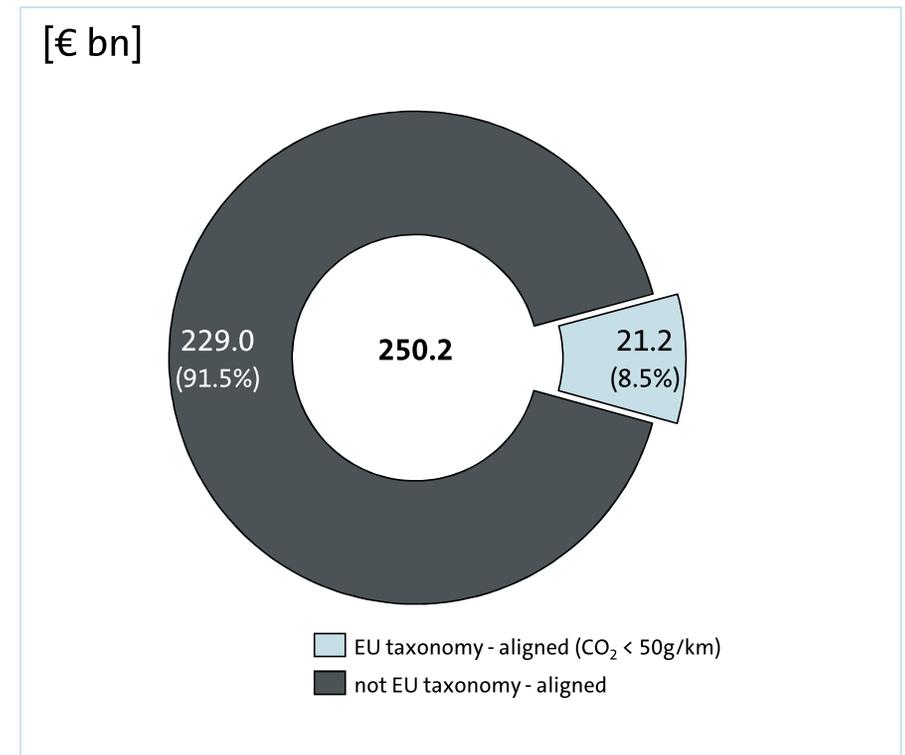


Passenger Car (PC) and Light Commercial Vehicles (LCV) Sales according to EU Taxonomy already above 10% of total Sales ¹ January to December 2021

Sales in % according to EU Taxonomy



Sales Revenues PC and LCV according to EU Taxonomy



¹ excluding Chinese Joint Ventures

Capital Expenditure according to EU Taxonomy – Passenger Cars (PC) and Light Commercial Vehicles (LCV)

January to December 2021

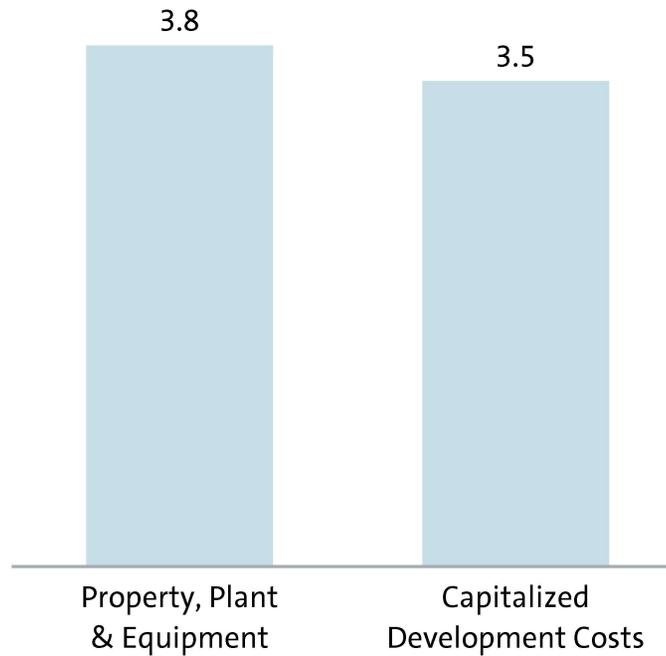
[€ bn]



■ EU taxonomy - aligned (CO₂ < 50g/km)¹
■ not EU taxonomy - aligned

¹ Capital expenditure for BEV und PHEV (CO₂ < 50g/km)

Taxonomy - aligned Capital Expenditure for BEV only



A nighttime cityscape featuring several illuminated skyscrapers and a street with light trails from moving vehicles. The scene is dominated by blue and white light trails, with some yellow streetlights visible on the right side. The buildings are lit up, showing windows and architectural details.

**VOLKSWAGEN
FINANCIAL SERVICES**
THE KEY TO MOBILITY

The Key to Mobility Creating Value with Volkswagen Financial Services

Investor Update

Volkswagen Financial Services AG and Volkswagen Bank GmbH

Unicredit Automotive Credit Conference, 22 - 23 June 2022

Disclaimer

The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast.

At the time of preparing these presentations, it is not yet possible to conclusively assess the specific effects of the latest developments in the Russia-Ukraine conflict on the Volkswagen Group's business, nor is it possible to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2022.

Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates or commodities relevant to the Volkswagen Group or the supply with parts, or deviations in the actual effects of the Covid-19 pandemic from the scenario presented will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

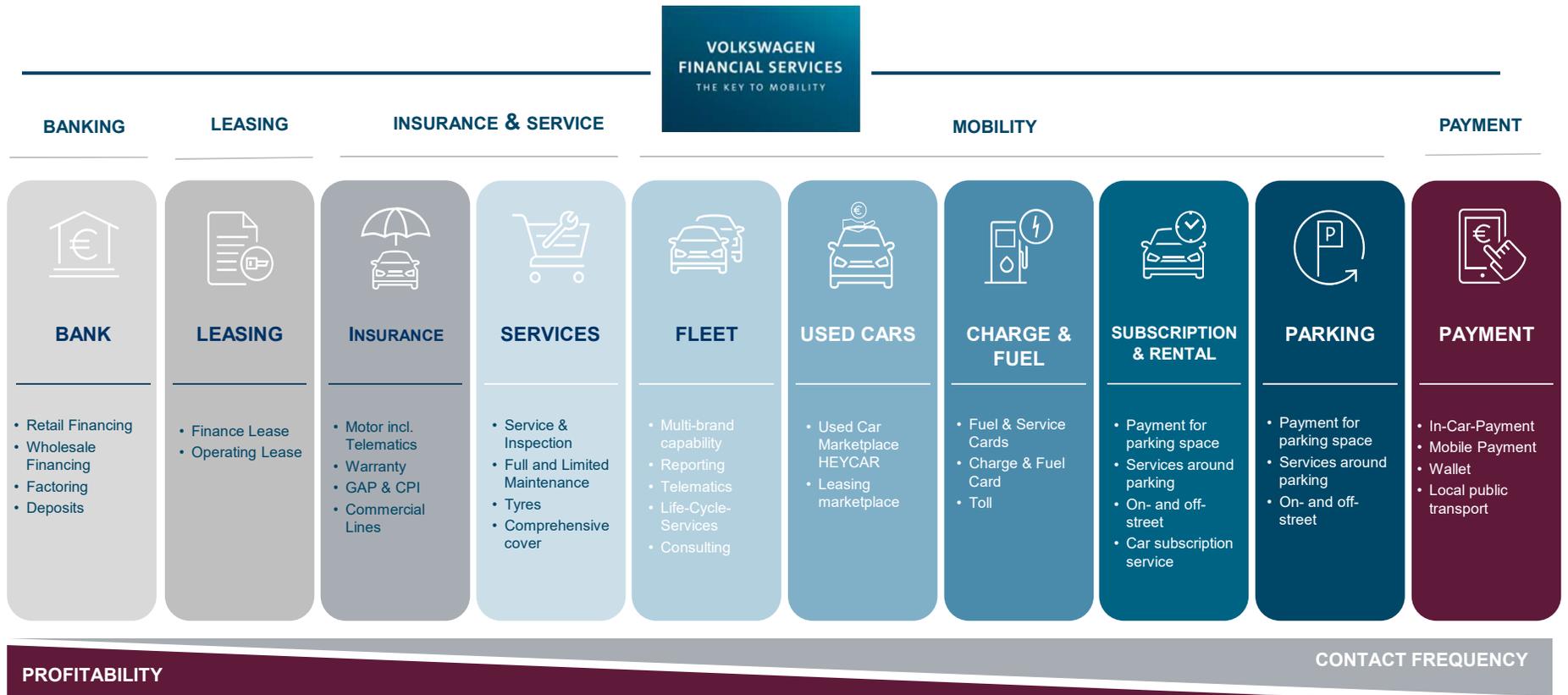
This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Under the brand "Volkswagen Financial Services – the key to mobility" the subsidiaries of Volkswagen Financial Services AG as well as its sister company Volkswagen Bank GmbH render various services under the joint brand "Volkswagen Financial Services". Such services are banking services (through Volkswagen Bank GmbH), leasing services (through Volkswagen Leasing GmbH), insurance services (through Volkswagen Versicherung AG, Volkswagen Autoversicherung AG) as well as mobility services (inter alia through Volkswagen Leasing GmbH). In addition, insurance products of other providers are offered.

Volkswagen Financial Services – organisational structure



We offer the whole range of services under one roof*



* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.

Volkswagen Financial Services – in a nutshell



At a glance as of 31.12.2021

Volkswagen Bank GmbH

Total assets	€ 67.3 billion
Equity	€ 10.9 billion
Customer deposits	€ 26.5 billion
Operating profit	€ 1,137 million
Contracts (units)	3.3 million
Employees	1,906



Volkswagen Financial Services AG

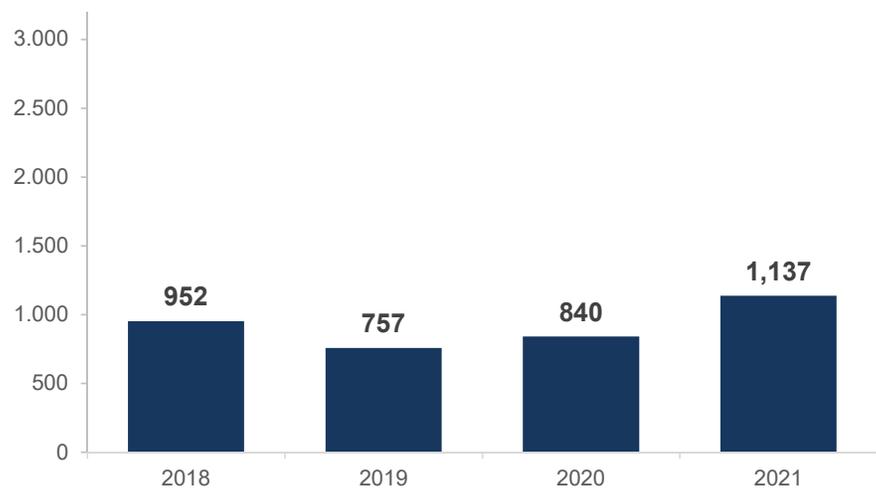
Total assets	€ 124.6 billion
Equity	€ 14.4 billion
Operating profit	€ 2,987 million
Contracts (units)	15.8 million
Employees	11,021



Operating income

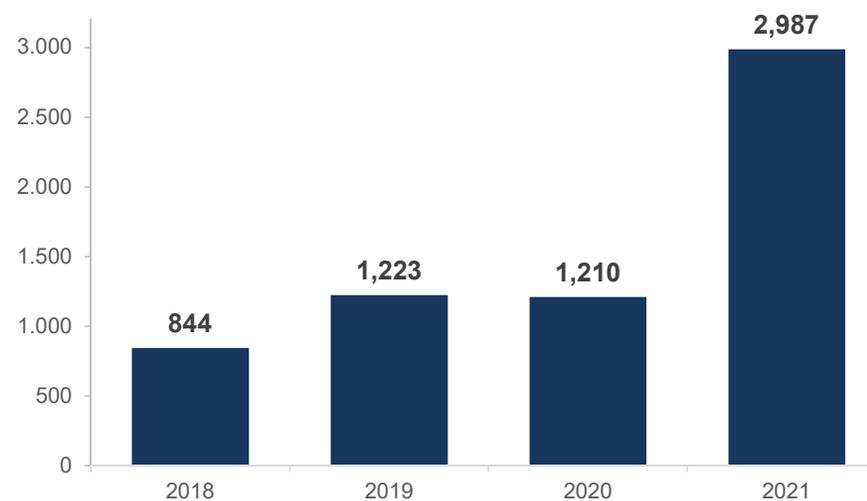
Volkswagen Bank GmbH

€ m



Volkswagen Financial Services AG

€ m



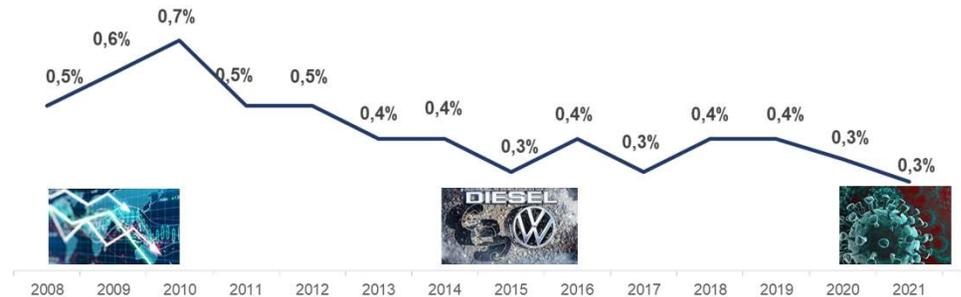
Credit risk management at Volkswagen Financial Services

- The Covid-19 pandemic has not significantly influenced the credit risk development of the VW FS.
- In history and until today our credit losses (dynamic loss ratio = drawings on provisions including direct write-offs relative to the average volume of receivables) have been on a very low level (**0.27% as of 31.03.2022**).
- The credit risks are appropriately covered by provisions.

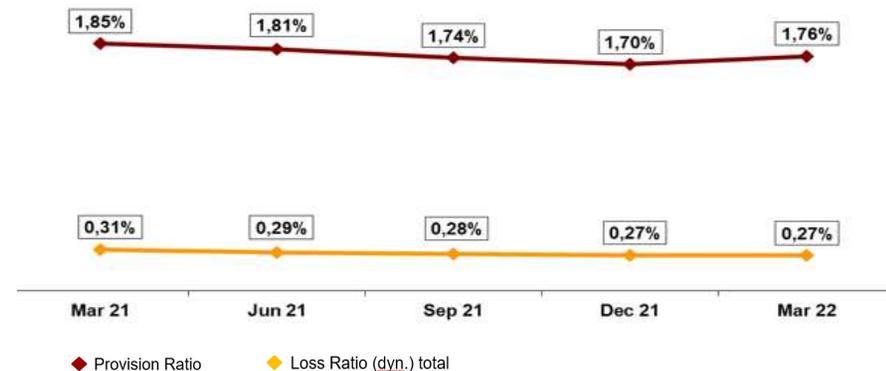
Forecast:

The risk situation will remain challenging because of the ongoing Corona pandemic, the crisis situation in the Ukraine as well as expected increasing interest rates.

Credit loss ratio historically on a very low level



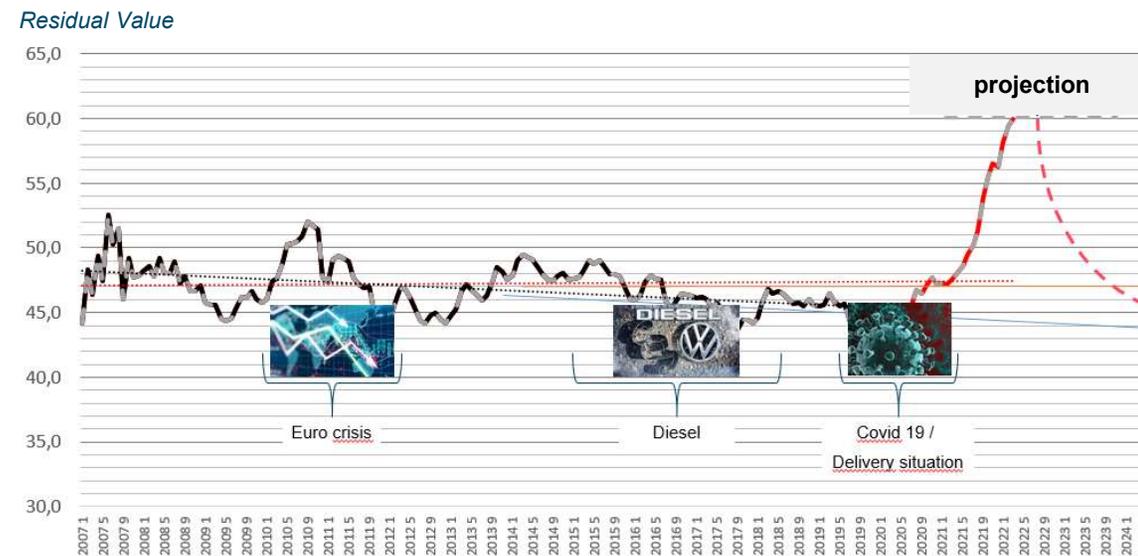
Provision- vs. Loss Ratio



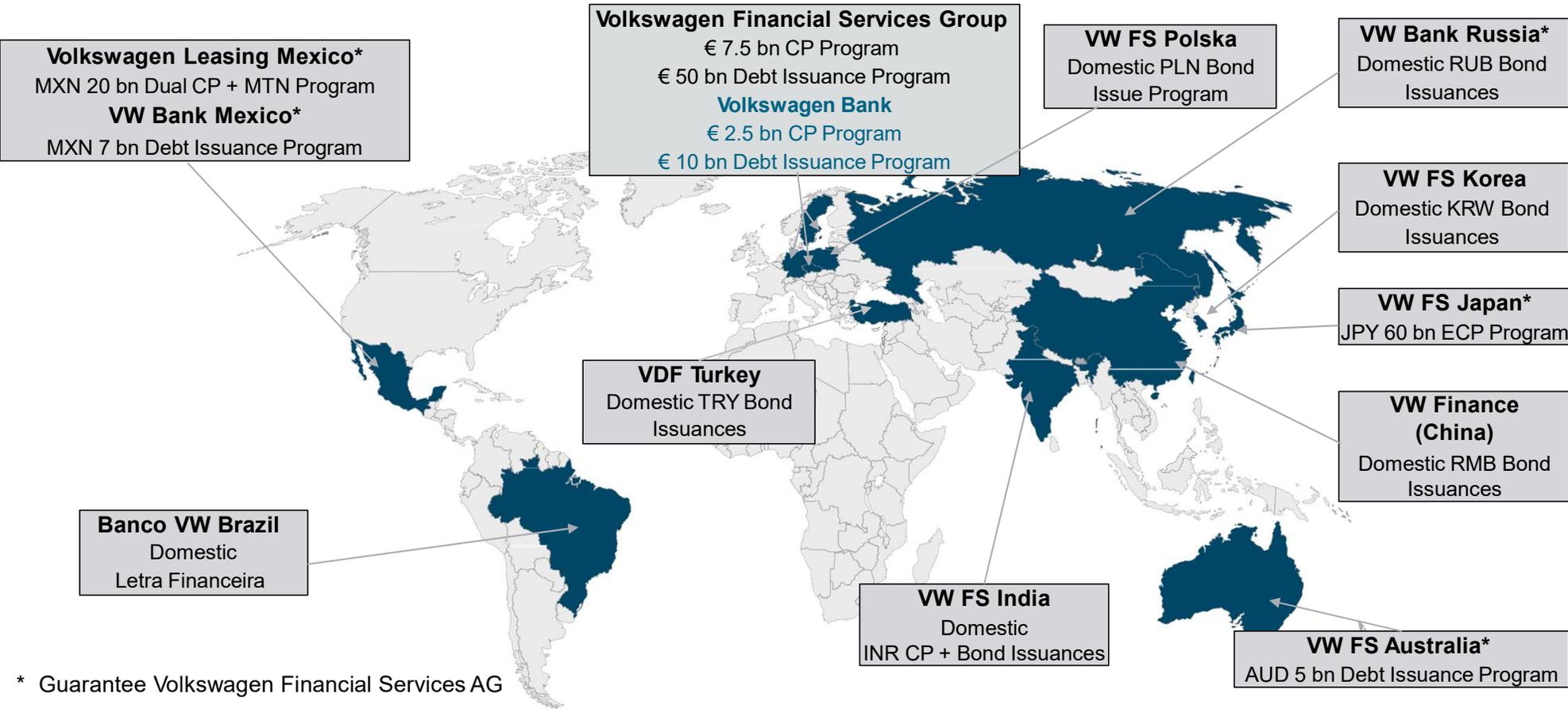
Residual value risk management at Volkswagen Financial Services

- The current positive trend in the development of used car prices is related to an **increased demand in the used car market**, driven by the current shortage of new car deliveries due to the chip shortage and the current crisis situation in the Ukraine. We assume this trend to be a **short term effect** only.
- As soon as the situation will relax we do expect the demand on used cars to **step-by-step return to prior crisis level**. This is why **we did not adapt** our Residual Values for new business.
- Even in **2022** the **still high used car prices** will have a positive effect on our operating profit but this will be lower than in 2021.

Re-marketing situation used car center

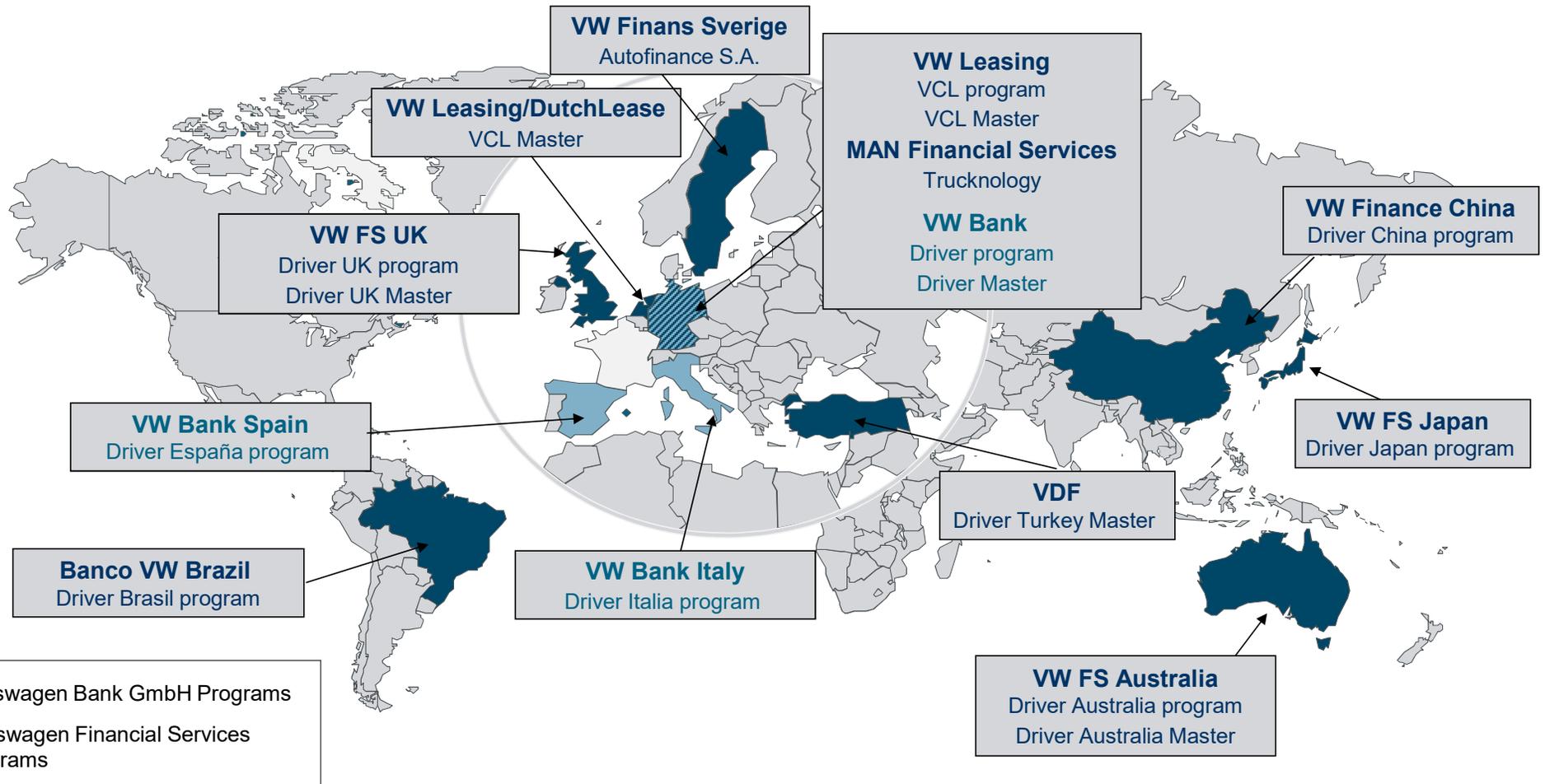


Worldwide capital market activities



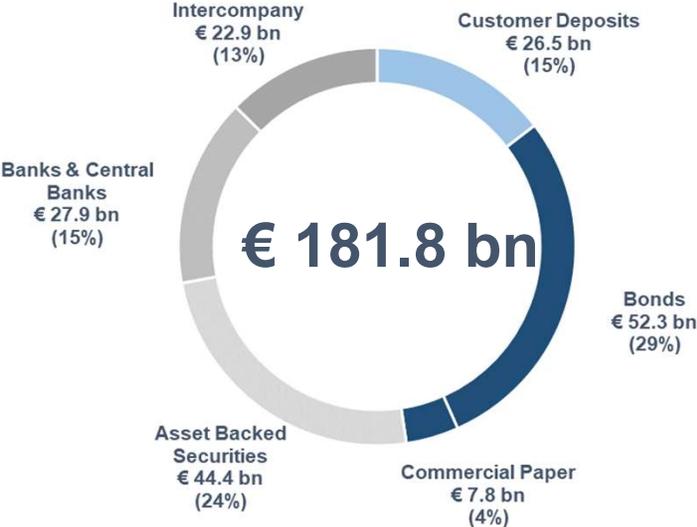
* Guarantee Volkswagen Financial Services AG

Worldwide ABS activities

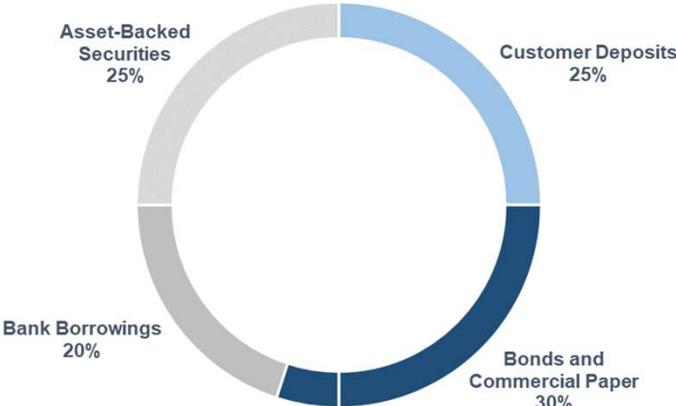


Funding allocation of segment Volkswagen Financial Services as of 31.12.2021

Volkswagen Financial Services



Strategic Funding Mix



Changing customer preferences reduce the dependency on dealerships and lead to direct sales and cross-country competition and solutions



Changing customer behavior ...



... is being actively addressed by many market players

Strong trend towards fully **digital transactions** in **consumer business**



Digital vehicle purchase and financing

Direct Customer contact and **sales** in **European fleet business**



International conditions and multi-brand

Calls for digital easy-to-use **used car reselling options**

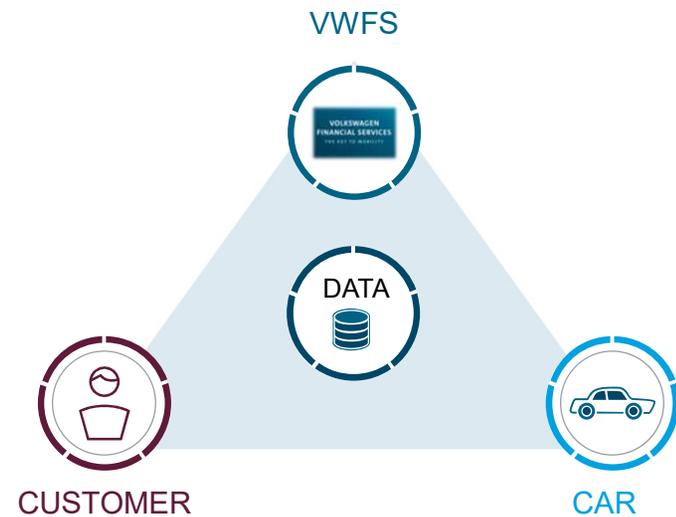


European platforms

In the existing business model, VW FS has mainly indirect contact to customers, therefore we are adding a “Digital & Direct” channel

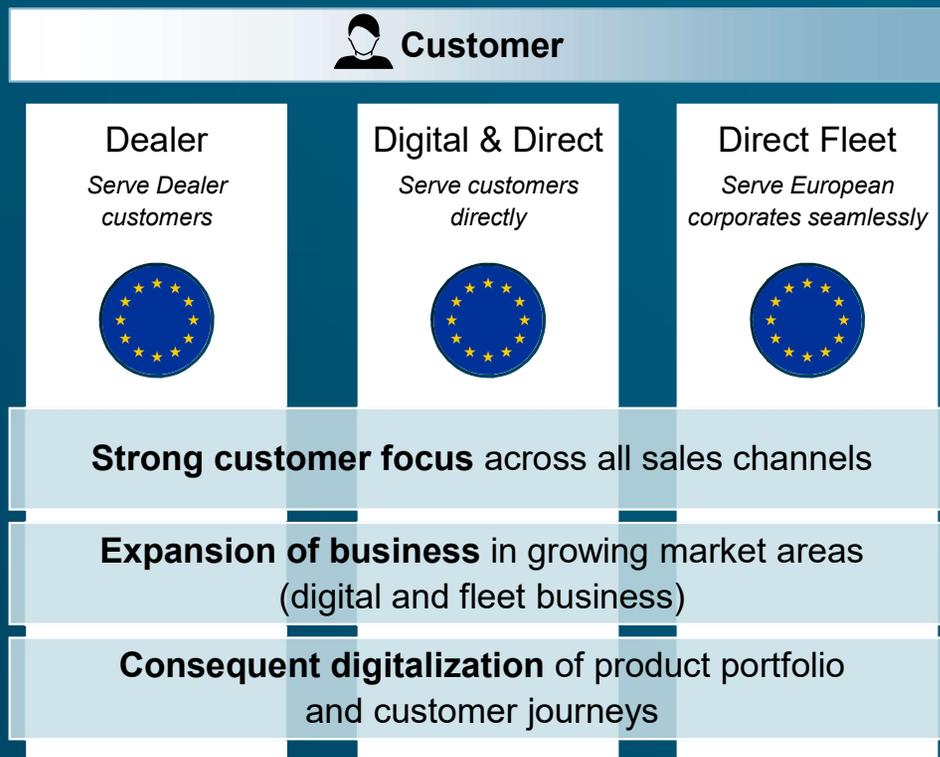


» Enabler Model «



» Digital & Direct «

ETOM lays the organizational foundation for customer centricity along three Sales channels



We rely on the strong foundation of our strengths ...



... and consequently explore new business areas at the same time

A person stands on a mountain peak with their arms raised in triumph, overlooking a vast landscape of snow-capped mountains and a large lake. The scene is dramatic, with a cloudy sky and a misty atmosphere.

We aim to be #1 in Dealer, #1 in Digital & Direct and #1 in Fleet

#1
in Dealer

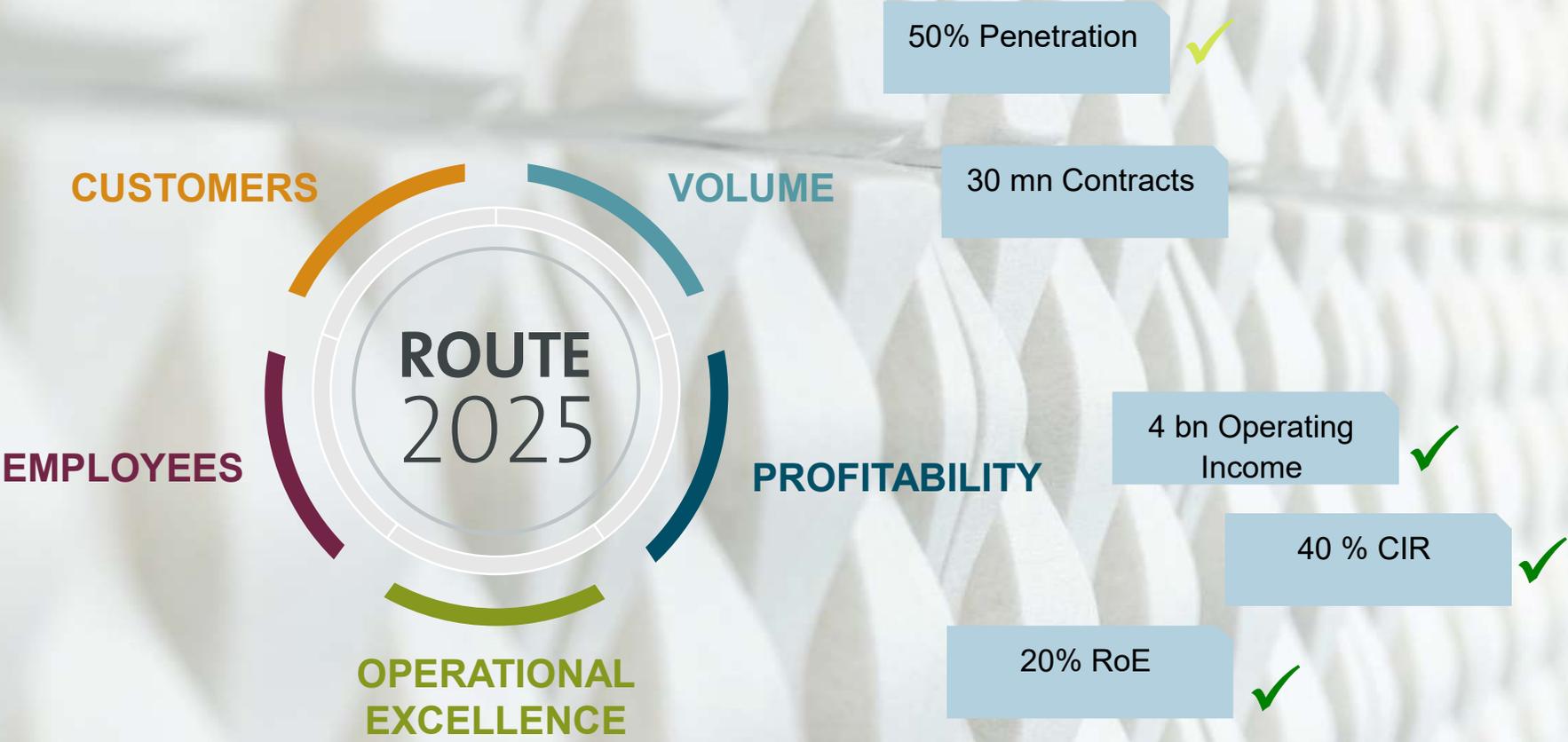
#1
in Digital & Direct

#1
in Fleet

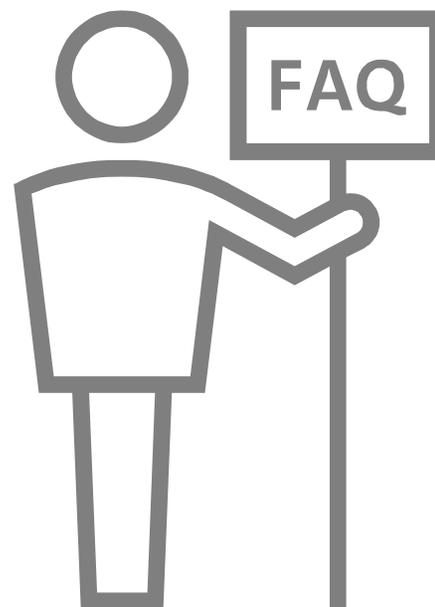
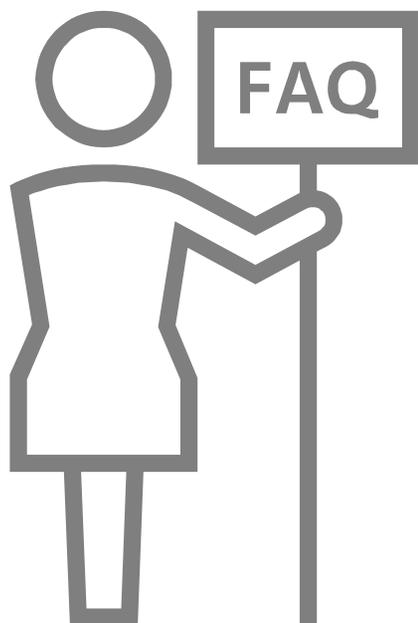
Vision and targets of Route2025



Route 2025 – almost there!



Questions?



**VOLKSWAGEN
FINANCIAL SERVICES**

THE KEY TO MOBILITY

Thank you!

Volkswagen Financial Services AG
Investor Relations
Gifhorner Str. 57
38112 Braunschweig
katja.hauer@vwfs.com
+49(0)531.212 84608



Leading the Transformation.