Leading the Transformation.

Volkswagen Group Nordic Investor Update
Volkswagen AG & Volkswagen Financial Services
Investor Webcast with SEB, 4. December 2020
The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning. These statements are based on assumptions, 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. These assumptions relate in particular to the development of the economies of individual countries and markets, the regulatory framework and the development of the automotive industry. Therefore the estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

The recent outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted and may continue to impact economic and social conditions in some of Volkswagen's primary markets, including China and Europe, as public, private, and government entities implement containment and quarantine measures. The continued spread of COVID-19 may cause shortages of necessary materials and parts from suppliers directly or indirectly affected by the outbreak and may cause operational disruptions and interruptions at Volkswagen's production facilities, leading to significant production downtimes.

A negative development relating to ongoing claims or investigations, the continuation of COVID-19, an unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, and trade disputes among major trading partners will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

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.

Deliveries to Customers
Development World Car Market vs. Volkswagen Group Car Deliveries to Customers by Regions ¹)
(Growth y-o-y, January to October 2020 vs. 2019)

¹) Volkswagen Group Passenger Cars excl. Volkswagen Commercial Vehicles
²) incl. LCV in North America & South America
Volkswagen Group – Deliveries to Customers by Brands ¹)
(January to October 2020 vs. 2019)

[thsd. units]

Volume
-18.9%

Premium
-10.3%

Sport & Luxury
-5.3%

Truck & Bus
-26.5%

¹) Volkswagen Group excl. Ducati
Revised Dividend Proposal: Prudent Approach in light of circumstances

### Dividend 2019

<table>
<thead>
<tr>
<th></th>
<th>Ords</th>
<th>Prefs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-out ratio</td>
<td>€4.80</td>
<td>20.4%</td>
</tr>
</tbody>
</table>

### Dividend 2020 proposal as of February

<table>
<thead>
<tr>
<th></th>
<th>Ords</th>
<th>Prefs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-out ratio</td>
<td>€6.50</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

### Dividend 2020 revised proposal as of July

<table>
<thead>
<tr>
<th></th>
<th>Ords</th>
<th>Prefs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay-out ratio</td>
<td>€4.80</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

Carry over of remaining net retained profit of 855 million Euro to 2021
Volkswagen AG still fully committed to the strategic target of a 30% payout ratio!
Volkswagen Group – Analysis by Business Line 1) (January to September 2020)

<table>
<thead>
<tr>
<th></th>
<th>Vehicle sales</th>
<th>Sales revenue</th>
<th>Operating profit</th>
<th>Operating margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen Passenger Cars</td>
<td>1,896</td>
<td>2,754</td>
<td>47,184</td>
<td>65,447</td>
</tr>
<tr>
<td>Audi</td>
<td>682</td>
<td>900</td>
<td>33,264</td>
<td>41,332</td>
</tr>
<tr>
<td>SKODA</td>
<td>596</td>
<td>805</td>
<td>12,038</td>
<td>14,811</td>
</tr>
<tr>
<td>SEAT</td>
<td>319</td>
<td>517</td>
<td>6,043</td>
<td>8,828</td>
</tr>
<tr>
<td>Bentley</td>
<td>8</td>
<td>7</td>
<td>1,397</td>
<td>1,306</td>
</tr>
<tr>
<td>Porsche Automotive 2)</td>
<td>181</td>
<td>205</td>
<td>17,482</td>
<td>18,666</td>
</tr>
<tr>
<td>Volkswagen Commercial Vehicles</td>
<td>250</td>
<td>344</td>
<td>6,674</td>
<td>8,756</td>
</tr>
<tr>
<td>Scania 3)</td>
<td>49</td>
<td>76</td>
<td>8,094</td>
<td>10,427</td>
</tr>
<tr>
<td>MAN Commercial Vehicles</td>
<td>80</td>
<td>104</td>
<td>7,461</td>
<td>9,175</td>
</tr>
<tr>
<td>Power Engineering</td>
<td>–</td>
<td>–</td>
<td>2,749</td>
<td>2,873</td>
</tr>
<tr>
<td>VW China 4)</td>
<td>2,462</td>
<td>2,815</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Volkswagen Financial Services</td>
<td>–</td>
<td>–</td>
<td>28,595</td>
<td>27,946</td>
</tr>
<tr>
<td>Volkswagen Group before Special Items</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Special Items</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Volkswagen Group</td>
<td>6,311</td>
<td>7,983</td>
<td>155,486</td>
<td>186,617</td>
</tr>
<tr>
<td>Automotive Division 6)</td>
<td>6,311</td>
<td>7,983</td>
<td>125,301</td>
<td>157,031</td>
</tr>
<tr>
<td>of which: Passenger Cars</td>
<td>6,182</td>
<td>7,803</td>
<td>107,132</td>
<td>134,666</td>
</tr>
<tr>
<td>of which: Commercial Vehicles</td>
<td>129</td>
<td>180</td>
<td>15,419</td>
<td>19,491</td>
</tr>
<tr>
<td>of which: Power Engineering</td>
<td>–</td>
<td>–</td>
<td>2,749</td>
<td>2,873</td>
</tr>
<tr>
<td>Financial Services Division</td>
<td>–</td>
<td>–</td>
<td>30,185</td>
<td>29,587</td>
</tr>
</tbody>
</table>

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. 2) Porsche (Automotive and Financial Services): sales revenue € 19,406 (20,490) million, operating profit € 2,011 (3,346) million. 3) Scania (Automotive and Financial Services): sales revenue € 8,414 (10,762) million, operating profit € 501 (1,314) million. 4) The sales revenue and operating profits of the joint venture companies in China are not included in the figures for the Group. These Chinese companies are accounted for using the equity method and recorded a proportionate operating profit of € 2,632 (3,187) million. 5) In operating profit mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation for Scania, Porsche Holding Salzburg, MAN and Porsche. 6) Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
Volkswagen Group – Analysis of Operating Profit ¹)
(January to September 2020)

[€ billion]

¹) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. *) without FS **) including PPA
Automotive Division – Net Cash Flow ¹)
(January to September 2020)

[€ billion]

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>8.6</th>
<th>1.2</th>
<th>0.6</th>
<th>10.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash flow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>including</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diesel payments</td>
<td>1.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and M&amp;A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diesel outflow</td>
<td></td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aquisition</td>
<td></td>
<td></td>
<td>1.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and disposal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of equity</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>investments</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Net Cash flow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>underlying</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>business</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

¹) Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
### Automotive Division – Net Cash Flow Development ¹)
(January to September 2020)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from</td>
<td>13.2</td>
<td>20.9</td>
<td>-8.2</td>
<td>-3.7</td>
<td>0.2</td>
<td>9.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>operating activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalized</td>
<td>-4.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>development costs</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Other</td>
<td>0.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash flow before</td>
<td>9.2</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>equity investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1.1</td>
</tr>
<tr>
<td>and disposal of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>equity investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash flow</td>
<td>1.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) All figures shown are rounded, minor discrepancies may arise from addition of these amounts. Including allocation of consolidation adjustments between Automotive and Financial Services divisions.
Automotive Division – Analysis of Net Liquidity ¹)
(January to September 2020)

[€ billion]

¹) All figures shown are rounded, minor discrepancies may arise from addition of these amounts.

12/2019 Diesel Outflow M&A China Dividend Operating Business Leasing Payment / Change in Liabilities Hybrid Bond Other 09/2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Diesel Outflow</th>
<th>M&amp;A</th>
<th>China Dividend</th>
<th>Operating Business</th>
<th>Leasing Payment / Change in Liabilities</th>
<th>Hybrid Bond</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.4</td>
<td>-2.0</td>
<td>-1.1</td>
<td>2.0</td>
<td>2.5</td>
<td>-0.5</td>
<td>3.0</td>
<td>-0.4</td>
<td>24.8</td>
</tr>
<tr>
<td>21.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net Cash flow (€ 1.4 bn)
Clean Net Cash flow before Diesel and M&A (€ 4.5 bn)
<table>
<thead>
<tr>
<th>Money and Capital Markets</th>
<th>In € billion</th>
<th>Borrowings</th>
<th>In € billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Papers</td>
<td>8.0</td>
<td>Bank Borrowings</td>
<td>36.0</td>
</tr>
<tr>
<td>Bonds</td>
<td>95.0</td>
<td>Direct Banking Deposits</td>
<td>30.6</td>
</tr>
<tr>
<td>thereof: Hybrid Bonds</td>
<td>15.5</td>
<td>Financial Leases</td>
<td>5.6</td>
</tr>
<tr>
<td>ABS</td>
<td>41.3</td>
<td>Other</td>
<td>6.3</td>
</tr>
</tbody>
</table>
Volkswagen Group – Funding Sources & Currency Mix
As of September 30, 2020

Funding Sources in €bn

- Bonds: 36%
- ABS: 18%
- Commercial Paper: 4%
- Hybrid Bonds: 14%
- Bank Borrowings: 2%
- Direct Banking Deposits: 3%
- Financial Leases: 2%
- Other: 7%

Currency Breakdown in %
(ABS, Commercial Paper and Bonds, ex. Hybrid Bonds)

- EUR: 60%
- USD: 16%
- GBP: 11%
- SEK: 3%
- CAD: 2%
- AUD: 4%
- Other: 4%
Volkswagen Group – Bond Maturity Profile
As of September 30, 2020 (in € million)

Source: Volkswagen Group
Volkswagen Green Finance Framework
Summary of the Framework & Second Party Opinion

Use of Proceeds – Clean Transportation
- Projects related to the manufacture of electric vehicles
- Dedicated e-charging infrastructure

Project Evaluation and Selection
- Cross-departmental Green Finance Committee responsible for overseeing the process of selecting, evaluating, and monitoring Eligible Green Projects
- Look-back period of up to three preceding full fiscal years from the date of issuance

Management of Proceeds
- Allocation for the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Debt Instruments
  - Unallocated proceeds can be invested in cash or other liquid marketable instruments

Reporting
- Yearly updated reporting with limited assurance on use of proceeds
  - Impact metrics such as Life Cycle Assessment

Second-Party Opinion
Volkswagen Green Finance Framework

Evaluation Summary
Sustainalytics is of the opinion that the Volkswagen Green Finance Framework is credible and important and aligns with the four core components of the ICMA Green Bond Principles 2016 and LMA Green Loan Principles 2018. This assessment is based on the following:

USE OF PROCEEDS
The eligible category for the use of proceeds is aligned with those recognized by the Green Bond Principles and Green Loan Principles. Sustainalytics considers that Clean Transportation will lead to positive environmental impacts and advance the UN Sustainable Development Goals 9 and 11.

PROJECT EVALUATION / SELECTION
Volkswagen’s Green Finance Committee (GFC) will evaluate and select the eligible green projects to approve whether the projects are aligned with the Framework. The GFC is comprised of cross-functional representatives from Group Treasury, Sustainability Department, Group Accounting, Group Controlling, Group Legal and business units developing eligible projects. This process is in line with market practice.

MANAGEMENT OF PROCEEDS
Volkswagen will allocate the proceeds to an Eligible Green Project Portfolio. Volkswagen will track expenditure and development costs using internal reporting systems. Pending full allocation or reallocation, the unallocated proceeds will be invested in cash or other liquid marketable instruments. This process is in line with market practice.

REPORTING
Volkswagen intends to annually publish allocation and impact reporting of proceeds on the Volkswagen Group’s website until full allocation. Allocation reporting will include the balance of allocated and unallocated proceeds as well as the number of new and existing projects. In addition, impact reporting will disclose data of CO₂ emissions avoided in the use and production phases, along with the description of the green projects and results of Life Cycle Assessment. Sustainalytics views Volkswagen’s allocation and impact reporting plans to be aligned with market practice.
Frank Witter, Member of the Group Board of Management responsible for Finance and IT:

“With the issuance of our first Green Bonds, we are giving investors the opportunity to make sustainable investments in the future of e-mobility. It is a strategic milestone in our financing strategy, which we combine with our corporate target of CO2 neutrality in 2050.”

In 2018, the Volkswagen Group was the first automaker to commit to the Paris climate goals. Last year, the Group presented its new environmental mission statement "goTOzero". The aim of the mission statement is to operate the company as environmentally compatible as possible and to achieve a neutral CO2 balance by 2050.

Summary of Terms and Conditions

<table>
<thead>
<tr>
<th>Pricing / Settlement</th>
<th>16 September 2020 / 23 September 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche</td>
<td>EUR 8yr Fixed</td>
</tr>
<tr>
<td></td>
<td>EUR 12yr Fixed</td>
</tr>
<tr>
<td>Size</td>
<td>EUR 1,250m</td>
</tr>
<tr>
<td></td>
<td>EUR 750m</td>
</tr>
<tr>
<td>Coupon</td>
<td>0.875%, annual</td>
</tr>
<tr>
<td></td>
<td>1.250%, annual</td>
</tr>
<tr>
<td>Final Spread</td>
<td>EUR MS +125bps</td>
</tr>
<tr>
<td></td>
<td>EUR MS +150bps</td>
</tr>
<tr>
<td>Re-offer price</td>
<td>99.471%</td>
</tr>
<tr>
<td></td>
<td>98.724%</td>
</tr>
<tr>
<td>Use of Proceeds</td>
<td>Funds to be used for the modular electric drive matrix (MEB) and the new BEV models ID.31 and ID.42</td>
</tr>
<tr>
<td>External Review</td>
<td>Certified by the Climate Bonds Initiative (CBI)</td>
</tr>
</tbody>
</table>

1 ID.3, 150 kW: power consumption, combined, kWh/120 km: 16.9 – 15.4 (WLTP), 15.4 – 14.5 (NEDC), CO2 emissions, combined, g/km: 0.
2 ID.4: This model is not yet available for sale in Europe.
Volkswagen Group – Funding Strategy
Major Issuances till today

March: EUR 2.15bn Volkswagen Financial Services AG

May: USD 4.00bn Volkswagen Group of America Finance, LLC

June: EUR 3.00bn Volkswagen International Finance N.V. - Hybrid Bond

September: EUR 2.00bn Volkswagen International Finance N.V. - Green Bond

November: USD 4.00bn Volkswagen Group of America Finance, LLC
Leading the Transformation.

Outlook & Operative Excellence
Volkswagen Group – Outlook for 2020

1) Before Special Items.

Deliveries to customers
('000 vehicles)

<table>
<thead>
<tr>
<th>Year</th>
<th>Deliveries to Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>10.8</td>
</tr>
<tr>
<td>2019</td>
<td>11.0</td>
</tr>
</tbody>
</table>

Sales revenue
(€ billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>235.8</td>
</tr>
<tr>
<td>2019</td>
<td>252.6</td>
</tr>
</tbody>
</table>

Operating return on sales
(%)  

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Return on Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>7.3 1)</td>
</tr>
<tr>
<td>2019</td>
<td>7.6 1)</td>
</tr>
</tbody>
</table>

Significantly below prior year 2020

Operating result (before and including Special Items) severely below prior year

However, positive 2020

with exception of Financial Services:
on similar level as prior year 2020
Strategic Group KPI’s – Back to normalization in 2022/23 with upside potential

### Key financial targets

<table>
<thead>
<tr>
<th></th>
<th>2017 Actual</th>
<th>2018 Actual</th>
<th>2019 Actual</th>
<th>2020 Outlook</th>
<th>2022 Interim Strategic Targets</th>
<th>2025 Strategic Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating return on sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Before Special Items</td>
<td>7.4%</td>
<td>7.3%</td>
<td>7.6%</td>
<td>positive</td>
<td>6.0-7.0%</td>
<td>7-8%</td>
</tr>
<tr>
<td><strong>Return on investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division before Special Items</td>
<td>14.4%</td>
<td>13.1%</td>
<td>11.2%</td>
<td>positive</td>
<td>10-12%</td>
<td>&gt;14%</td>
</tr>
<tr>
<td><strong>Capex ratio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>6.4%</td>
<td>6.6%</td>
<td>6.6%</td>
<td>at previous year's level</td>
<td>6.0-6.5%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>R&amp;D cost ratio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division</td>
<td>6.7%</td>
<td>6.8%</td>
<td>6.7%</td>
<td>will exceed 2019</td>
<td>6.5-7.0%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive Division a) Net Cashflow(^1)</td>
<td>€ 10.3 bn</td>
<td>€ 5.6 bn</td>
<td>€13.5 bn</td>
<td>positive</td>
<td>&gt; € 10 bn</td>
<td>&gt; € 10 bn</td>
</tr>
<tr>
<td>b) Net Liquidity</td>
<td>€ 22.4 bn</td>
<td>€ 19.4 bn</td>
<td>€ 21.3 bn</td>
<td>at previous year's level</td>
<td>&gt; € 20 bn</td>
<td>~10% of Group turnover</td>
</tr>
</tbody>
</table>

\(^1\) Excluding Diesel payments and M&A. Please note, Navistar not yet included. The transaction is targeted to close in mid 2021, and is subject to Navistar shareholder approval, customary closing conditions as well as regulatory approvals.
Proportion of “Future Technologies” rising within total investments

- Digital technology: ~ € 73 bn (~50%)
  - ~ 27 bn (~18%)
- Hybrid powertrains: ~ € 60 bn (~40%)
  - ~ 14 bn (~10%)
- Electrification: ~ € 44 bn (~30%)
  - ~ 32 bn (~21%)
  - ~ 4 bn (~3%)
Passenger Car Total Markets by Region – External Outlook
The recovery path after the COVID-19 pandemic varies across markets depending on their economic situation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North America (incl. LCV)</strong></td>
<td>20.2</td>
<td>16.6</td>
<td>17.8</td>
<td>18.8</td>
<td>19.7</td>
</tr>
<tr>
<td>Growth YoY</td>
<td>-1.5%</td>
<td>-18.1%</td>
<td>+7.1%</td>
<td>+5.8%</td>
<td>+4.7%</td>
</tr>
<tr>
<td><strong>Western Europe</strong></td>
<td>14.4</td>
<td>10.9</td>
<td>12.3</td>
<td>13.0</td>
<td>13.3</td>
</tr>
<tr>
<td>Growth YoY</td>
<td>+0.6%</td>
<td>-24.1%</td>
<td>+12.2%</td>
<td>+6.1%</td>
<td>+1.8%</td>
</tr>
<tr>
<td><strong>Central and Eastern Europe</strong></td>
<td>3.3</td>
<td>2.8</td>
<td>3.1</td>
<td>3.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Growth YoY</td>
<td>+2.3%</td>
<td>-16.1%</td>
<td>+12.7%</td>
<td>+5.6%</td>
<td>+12.9%</td>
</tr>
<tr>
<td><strong>South America 1) (incl. LCV)</strong></td>
<td>3.5</td>
<td>2.5</td>
<td>3.0</td>
<td>3.2</td>
<td>3.9</td>
</tr>
<tr>
<td>Growth YoY</td>
<td>-5.9%</td>
<td>-28.9%</td>
<td>+20.3%</td>
<td>+9.1%</td>
<td>+20.5%</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td>77.2</td>
<td>64.9</td>
<td>71.1</td>
<td>75.2</td>
<td>82.3</td>
</tr>
<tr>
<td>Growth YoY</td>
<td>-2.9%</td>
<td>-15.9%</td>
<td>+9.6%</td>
<td>+5.7%</td>
<td>+9.5%</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>21.0</td>
<td>19.3</td>
<td>20.9</td>
<td>22.0</td>
<td>25.4</td>
</tr>
<tr>
<td>Growth YoY</td>
<td>-3.3%</td>
<td>-8.2%</td>
<td>+8.5%</td>
<td>+5.4%</td>
<td>+15.1%</td>
</tr>
</tbody>
</table>

1) South America includes Brazil, Argentina, Chile and Venezuela.
Source: IHS Markit Automotive, MarketInsight New Registration data, 11/2020
Our worldwide SUV mix is expected to increase strongly.
Leading the Transformation.

Strategy – Shaping e-mobility
“Go to zero” Transformation of portfolio underway

Paris Implications and Transformations Path

Conventional platforms → SOP → Conventional projects

Conventional projects → SOP → Conventional platforms

SOP → EOP → >10 years Fleet renewal

Broad product portfolio

Transformation

CO₂ neutral cars

CO₂-Emissions

BEV

2020

2050

New business model

„Zero Emission“ in the existing fleet
Significant increase in BEV deliveries will support our CO₂ compliance
Volkswagen Group – BEV volume by regions 2019 - 2030 | (BEV share of total Group deliveries in %)

1) Target  2) Green Deal need to be reflected.
Fully on track towards electrification by entering the next phase of global ramp-up

1. Start of Transformation electro mobility
   - Development and tooling up of electrified platforms MEB and PPE
   - Closed cycled start of productions

2. Volume ramp-up and internationalization
   - Scaling up MEB und PPE – Base for volume ramp up
   - Internationalization of BEVs starting with compact SUVs

3. Variety of models and segment coverage
   - Coverage of core markets and segments
   - Fully prepared for Green Deal
   - Connected car fleet

Capital Market Day 2019
The aim of the ID. Family is to provide the net-climate neutral mobility choice to all customers. The order of entry is based on maximum brand impact, maximum CO2 impact and maximum financial results.
Starting in Zwickau – the MEB factories scale up world wide

**North America**
- **Chattanooga:** SOP 2022

**Europe**
- **Zwickau:** SOP 2019
- **Dresden:** SOP 2020
- **Emden:** SOP 2022
- **Hannover:** SOP 2022

**China**
- **Anting:** SOP 2020
- **Foshan:** SOP 2020

SOP = Start of Production
In our MEB portfolio we enlarge our synergy approach “also group-wide...”

<table>
<thead>
<tr>
<th>Platform synergy</th>
<th>Synergy in top hats</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW ID.3</td>
<td>Cupra el Born</td>
</tr>
<tr>
<td>Skoda Enyaq</td>
<td>Audi Q4 e-tron</td>
</tr>
<tr>
<td>VW ID.4</td>
<td></td>
</tr>
</tbody>
</table>

### MEB
Reduced complexity offering of hardware to enable software lifetime business

### ID.3 10 click easy offer

<table>
<thead>
<tr>
<th>Range (#3-4)</th>
<th>Pure</th>
<th>Pro</th>
<th>Pro S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine (#2)</td>
<td>Standard</td>
<td>Perform.</td>
<td></td>
</tr>
<tr>
<td>Packages (#5x2)</td>
<td>P1</td>
<td>P2</td>
<td>P3</td>
</tr>
<tr>
<td></td>
<td>P1+</td>
<td>P2+</td>
<td>P3+</td>
</tr>
<tr>
<td>Seats (#4)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior (#2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Color (#6+1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wheels (#7)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Fast Track Models

Pre-configured models (derived from Customer Demand Spaces):

- ID. Comfort
- ID. Tech
- ID. Fun

- ID. Family
- ID. Style
- ID. Tour

### Customer benefits

- Easier to configure/ less mistakes
- Package with price advantage
- Stronger residual values
- Faster delivery times

### System benefits

- 99% reduced complexity to develop, build, maintain, train, sell
- Scale effects
- Restructuring supply chain
- Enabler digital lifecycle management and lifetime business
Holistic Battery-Strategy: Building competencies and further cooperations

Supplier

• The Group maintains strategic relations with several producers to secure its battery supplies in all world regions:
  – Europe: LG Chem, Samsung, SKI and CATL
  – China: CATL
  – US: SKI
• In Europe and NAR, Volkswagen expects annual demand of over 150 gigawatt hours from 2025, with demand in Asia at a similar level

Joint ventures

• Joint venture with Northvolt established in 2019
• Initial investment of some €450 mn for joint battery factory
• Large-scale production of lithium-ion batteries in Salzgitter, Germany
• Battery cell production is scheduled to commence in early 2024
• Initial production capacity of 16 gigawatt hours
• Northvolt will also deliver cells for Scania’s battery assembly plant in Södertälje, starting production in 2023
• Volkswagen will acquire a 26% stake of Gotion High-Tech for around €1 bn
• Secure future demand for batteries for Chinese e-models
• Planned to complete the deal by the end of 2020
• Non-exclusive relationship with Volkswagen dates back to 2012
• Volkswagen is committed of more than 300 million dollars in funding, and committed of additional dollars to help fund the manufacturing joint venture
• Goal is industrial-level production of solid-state batteries, start of production is targeted in mid 2020’s
We are striving for high recovery rates of Raw Material (Nickel, Cobalt, Mangan, Lithium). For this reason, a pilot plant for battery recycling is currently being set up at the Salzgitter factory, Germany.
With a strong product portfolio, new distribution concepts and a fast start to e-mobility, we are well prepared to bear the challenges of this crisis!
ADAC confirms: ID.3 with best total cost of ownership (expected similar for ID.4)


The VW ID.3 in cost comparison

<table>
<thead>
<tr>
<th>Model</th>
<th>Base price (€)</th>
<th>Depreciation¹</th>
<th>Fixed costs¹</th>
<th>Operation costs¹</th>
<th>Service and Tire costs¹</th>
<th>Total costs¹</th>
<th>Total costs¹ (Cent/km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW ID.3 1st Pro Performance (58 kWh), 150 kW</td>
<td>38.987*</td>
<td>295</td>
<td>78</td>
<td>91</td>
<td>56</td>
<td>520</td>
<td>41,6</td>
</tr>
<tr>
<td>VW Golf 1.5 eTSI Style DSG, 110 kW</td>
<td>31.905</td>
<td>353/296*</td>
<td>99</td>
<td>119</td>
<td>61</td>
<td>632/574**</td>
<td>50,5/46**</td>
</tr>
<tr>
<td>VW Golf 2.0 TDI Style DSG, 110 kW</td>
<td>34.425</td>
<td>390/329**</td>
<td>123</td>
<td>94</td>
<td>66</td>
<td>673/611**</td>
<td>53,8/48,9**</td>
</tr>
<tr>
<td>Tesla Model 3 Standard Range Plus, 236 kW</td>
<td>43.880*</td>
<td>337</td>
<td>148</td>
<td>85</td>
<td>86</td>
<td>656</td>
<td>52,5</td>
</tr>
<tr>
<td>Nissan Leaf (62 kWh) e+ Acenta, 160 kW</td>
<td>37.237*</td>
<td>320</td>
<td>105</td>
<td>104</td>
<td>63***</td>
<td>592</td>
<td>47,4</td>
</tr>
<tr>
<td>Hyundai IONIQ Elektro Style, 100 kW</td>
<td>39.284*</td>
<td>337</td>
<td>101</td>
<td>83</td>
<td>56</td>
<td>576</td>
<td>46,1</td>
</tr>
</tbody>
</table>

Prices / costs in the table including 16% VAT - rounded (small rounding differences possible) ¹(€/month)
*Current incentive on electric vehicles is taken into account and deducted from the purchase price when calculating. ** Calculation with list price / with 10% discount
*** The workshop costs are based on empirical values, as we do not (yet) have the necessary manufacturer information
Volkswagen and Ford: Alliance delivers significant strategic and economic benefits

Collaboration Projects

- Production of up to 8m units of the three commercial vehicles starting around 2022
- Through the cooperation, existing facilities will be much better utilized; e.g. City Van to be build in Poznan (VW plant)

- VW to supply MEB platform to Ford (Modular Electric Toolkit)
- 600k MEB platforms and associated components delivered by VW
- $10-20bn deal value

- Projects in autonomous driving with Argo AI aims for industry leading Self-Driving System platform
Leading the Transformation.

Strategy – Software-enabled car company
Industrial Cloud: Transforms fragmented IT landscape to integrated platform architecture

Covers 124 Group Plants

Current state: fragmented IT/OT landscape

Target state: integrated platform architecture

Industrial Cloud Marketplace & App Store

Platform & Data Management

Our vw.os and E/E architecture will be evolutionary.
Driving forward Strategy: New collaborative approach

Market/ Product
- Ford
- JAC Motors
- Jetta

E-Mobility services
- Elli
- IONITY

Software
- Microsoft
- WirelessCar
- Volkswagen We
- AWS
- Siemens

Technology
- Quantum Scape
- Northvolt
- Gotion

New Scale dimensions
Leading the Transformation.

Strong brands & global footprint
Volkswagen Financial Services 1): global, well diversified and successful

**Strong global presence**

**Rising penetration rates (without China)**

**Continuous portfolio expansion**

<table>
<thead>
<tr>
<th>Year</th>
<th>Financing</th>
<th>Leasing</th>
<th>Insurance / Services</th>
<th>Total Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6,322</td>
<td>2,518</td>
<td>5,833</td>
<td>21,647</td>
</tr>
<tr>
<td>2016</td>
<td>7,218</td>
<td>2,760</td>
<td>6,155</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>7,641</td>
<td>3,921</td>
<td>5,672</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>7,717</td>
<td>4,149</td>
<td>5,935</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>10,297</td>
<td>4,616</td>
<td>6,585</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>10,392</td>
<td>4,656</td>
<td>6,599</td>
<td></td>
</tr>
</tbody>
</table>

1% Reclassification Finance / Lease contracts **) contracts from international JVs included

**Diversified funding structure**

- **31%** Customer deposits
- **37%** Bonds, Commercial Paper, liabilities to financial institutions
- **14%** Asset backed securitization
- **18%** Other

30.09.2020: € 223.9 bn

---

1) Excl. activities of Scania and Porsche Holding Salzburg; incl. Financial Services of Porsche AG and MAN Financial Services.
### Volkswagen Group – Main Ratings 1)

<table>
<thead>
<tr>
<th>Entity</th>
<th>Long Term / Short Term</th>
<th>Long Term / Short Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen AG</td>
<td>A3 (N) / P-2</td>
<td>BBB+ (N) / A-2</td>
</tr>
<tr>
<td>Volkswagen Financial Services AG</td>
<td>A3 (N) / P-2</td>
<td>BBB+ (N) / A-2</td>
</tr>
<tr>
<td>Volkswagen Bank GmbH 2)</td>
<td>A1 (N) / P-1</td>
<td>A- (N) / A-2</td>
</tr>
</tbody>
</table>

1) As of June 30, 2020  
2) Senior Unsecured Ratings  
Outlook: (P)ositive, (S)table, (N)egative, RFD = Ratings under review for Downgrade, RFU = Ratings under review for Upgrade
Volkswagen Brand – Turnaround in the US expected for 2021

- **Focus on efficient local production and logistics**
  - > 90% of US sales produced in North America
  - Lower material costs and one-offs due to less complexity
  - MQB share up from 20% in 2015 to >80% in 2020
  - First local production on MEB platform from 2022

- **Product portfolio based on market demand**
  - Significant reduction in incentive spend
  - Improved model mix, mainly SUVs

- **Fix costs improvements**

Deliveries to US customers, '000 units / Market share in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Deliveries '000</th>
<th>Market Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0</td>
<td>1.8</td>
</tr>
<tr>
<td>2013</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>2014</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>2015</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>2016</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>2017</td>
<td>2.0</td>
<td>2.1</td>
</tr>
<tr>
<td>2018</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>2019</td>
<td>2.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Nov 20</td>
<td>2.2</td>
<td></td>
</tr>
</tbody>
</table>

**New 2020**
- Atlas PA
- Atlas Cross Sport

**New 2021**
- New Compact SUV
- New Golf GTI
- Tiguan PA
- Jetta PA

**New 2022/2023**
- Localized Compact SUV
- Atlas PA2
- Cross Sport PA
Volkswagen Group China performance
(January to October 2020)

Proportionate operating profit, January to September

€ 3.2 bn € 2.6 bn
1-9/2019 1-9/2020

-17.4%

[thsd. units]
-9.2% -10.3%
3,344 3,036
2,492 2,236
+5.4% -35.7% -0.7%
551 581 221 142 72 71

[units]
January – October 2019 January – October 2020

-34.3% +61.9% -83.0%
703 462 1,928
1,191 528

1) Incl. Hong Kong, excl. Ducati. Group numbers incl. Volkswagen Commercial Vehicles, Scania and MAN.
Leading the Transformation.

Integrity & Compliance
Together4Integrity: Group-wide integrity and compliance program in full swing

**Strategy**

Ethics and compliance is central to business strategy

**Risk Management**

Ethics and compliance risks are identified, owned, managed and mitigated

**Speak-up Environment**

The organization encourages, protects and values the reporting of concerns and suspected wrongdoing

**Culture of Integrity**

Leaders at all levels across the organization build and sustain a culture of integrity

**Resolute Accountability**

The organization takes action and holds itself accountable when wrongdoing occurs

---

1) Group entities covered; as of October 2020; Current coverage 71 countries, >55,000 employees reached through T4I dialogue formats
Leading the Transformation.

Commitment
We are convinced that we have a strong Investment Proposition

**Shaping mobility – for generations to come.**

- Strong brands with clear positioning and great products that inspire customers
- A leading position in China with global footprint and value creating growth
- Fully committed to "Go to Zero" and shaping e-mobility
- Transforming to one of the leading automotive software players
- Business portfolio optimisation and rigorous allocation of capital
- Taking complexity out and pushing for industry-leading economies of scale
- Delivering on demanding financial targets and committed to dividend pay out ratio

**Unleash value**

**Integrity as the foundation of a successful business**
Investor Relations Team
We are pleased to answer your inquiries regarding Volkswagen shares and other capital market related questions.

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Leading the Transformation.

Appendix
The Shareholder Structure, Supervisory and Management Board

**Shareholder Structure of Volkswagen AG**

- **Number of Outstanding Shares**
  - Preferred shares: 206,205,445 (58.9%)
  - Ordinary shares: 295,089,818 (41.1%)

- **Current Voting Rights Distribution**
  - Others: 17.0%
  - Qatar Holding: 9.9%
  - State of Lower Saxony, Hanover: 20.0%
  - Porsche SE, Stuttgart: 53.1%

- **(as at December 31, 2019)**

**Supervisory Board of Volkswagen AG**

- **Chairman**
  - Hans Dieter Pötsch

- **Members**
  - Dr. Hussain Ali Al Abdulla
  - Dr. Hessa Sultan Al Jaber
  - Dr. Bernd Althusmann
  - Dr. Hans-Peter Fischer
  - Marianne Heiß
  - Jörg Hofmann
  - Johan Järvklo
  - Ulrike Jakob
  - Dr. Louise Kiesling
  - Peter Mosch
  - Bertina Murkovic
  - Bernd Osterloh
  - Dr. jur. Hans Michel Piëch
  - Dr. jur. Ferdinand Oliver Porsche
  - Dr. rer. comm. Wolfgang Porsche
  - Conny Schönhardt
  - Athanasios Stimoniaris
  - Stephan Weil
  - Werner Weresch

**Board of Management of Volkswagen AG**

- **Chairman of the Board of Management of Volkswagen AG**
  - Dr. Herbert Diess

- **Members**
  - Dr. Oliver Blume
  - Markus Duesmann
  - Gunnar Kilian
  - Hiltrud D. Werner
  - Frank Witter

- **Functional Responsibility**
  - ‘Sport & Luxury’
  - ‘Premium’
  - ‘Human Resources’ and Brand Group ‘Truck & Bus’
  - ‘Integrity and Legal Affairs’
  - ‘Finance and IT’
  - ‘Components and Procurement’

**Notes**

1) Each Board Member is responsible for one or more functions within the Volkswagen Group. The work of the Board of Management of Volkswagen AG is supported by the boards of the brands and regions as well as by the other group business units and holdings.

2) On May 12, 2020, Porsche SE announced an increase in voting rights to 53.3%. Exact figure not disclosed.
## Diesel issue: Special Items & payments

<table>
<thead>
<tr>
<th>€ (bn)</th>
<th>Diesel special items</th>
<th>Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Legal</td>
<td>Payments</td>
</tr>
<tr>
<td></td>
<td>Other items</td>
<td>Payments</td>
</tr>
<tr>
<td>2015</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>9.2</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>16.2</strong></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>~3.0</td>
</tr>
<tr>
<td></td>
<td>Mainly legal risks</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>6.4</strong></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td>~16.1</td>
</tr>
<tr>
<td></td>
<td>Buyback/retrofit program</td>
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</tr>
<tr>
<td></td>
<td>Legal</td>
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<tr>
<td></td>
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<tr>
<td></td>
<td>Mainly legal risks</td>
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<tr>
<td></td>
<td><strong>3.2</strong></td>
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<tr>
<td>2018</td>
<td>Mainly legal risks</td>
<td>~5.3</td>
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<tr>
<td></td>
<td><strong>3.2</strong></td>
<td></td>
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<tr>
<td>2019</td>
<td>Mainly legal risks</td>
<td>~1.9</td>
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<td><strong>2.3</strong></td>
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<tr>
<td>as of 9m 2020</td>
<td>Mainly legal risks</td>
<td>~2.0</td>
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<tr>
<td></td>
<td><strong>0.7</strong></td>
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<tr>
<td>Total</td>
<td></td>
<td>~28.3</td>
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<tr>
<td></td>
<td><strong>32.0</strong></td>
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</table>
The Key to Mobility
Creating Value with Financial Services
Investor Update –
Volkswagen Financial Services AG & Volkswagen Bank GmbH
# Volkswagen Group: management model

<table>
<thead>
<tr>
<th>Management holding</th>
<th>Financial holding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger Cars</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Volume</strong></td>
<td></td>
</tr>
<tr>
<td>🍒 Volkswagen</td>
<td></td>
</tr>
<tr>
<td>🍒 Škoda</td>
<td></td>
</tr>
<tr>
<td>🍒 SEAT</td>
<td></td>
</tr>
<tr>
<td>🍒 Commercial Vehicles</td>
<td></td>
</tr>
<tr>
<td><strong>Premium</strong></td>
<td></td>
</tr>
<tr>
<td>🎁 Audi</td>
<td>🎁 Porsche</td>
</tr>
<tr>
<td>🎁 Bentley</td>
<td>🎁 MAN</td>
</tr>
<tr>
<td>🎁 Ducati</td>
<td>🎁 SCI</td>
</tr>
<tr>
<td>🎁 RIO</td>
<td></td>
</tr>
<tr>
<td><strong>Sport &amp; Luxury</strong></td>
<td></td>
</tr>
<tr>
<td>🎁 SEAT</td>
<td>🎁 Skoda</td>
</tr>
<tr>
<td>🎁 Bentley</td>
<td>🎁 MAN</td>
</tr>
<tr>
<td>🎁 Škoda</td>
<td>🎁 SCI</td>
</tr>
<tr>
<td>🎁 RIO</td>
<td></td>
</tr>
<tr>
<td><strong>Components</strong></td>
<td></td>
</tr>
<tr>
<td>🍒 Volkswagen Group Components</td>
<td>☑️ TRATON GROUP</td>
</tr>
<tr>
<td>🍒 Škoda Components</td>
<td></td>
</tr>
<tr>
<td>🍒 SEAT Components</td>
<td></td>
</tr>
<tr>
<td>🍒 Commercial Vehicles Components</td>
<td>☑️ CAMINRIEGER</td>
</tr>
<tr>
<td>🍒 Škoda</td>
<td>🍒 Skoda</td>
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<td>🍒 SEAT</td>
<td>🍒 SEAT</td>
</tr>
<tr>
<td>🍒 Commercial Vehicles</td>
<td>☑️ CAMINRIEGER</td>
</tr>
</tbody>
</table>

1) Allocation to be verified
As of 04.09.2019
Our business model interfaces customers, automotive brands and dealers
We offer the whole range of services under one roof*

---

**BANK**
- Retail Financing
- Wholesale Financing
- Factoring
- Deposits

**LEASING**
- Finance Lease
- Operating Lease
- Motor incl. Telematics
- Warranty
- GAP & CPI
- Commercial Lines

**INSURANCE & SERVICE**
- Service & Inspection
- Full and Limited Maintenance
- Tyres
- Multi-brand capability
- Reporting
- Telematics
- Life-Cycle-Services
- Consulting

**SERVICES**

**FLEET**

**USED CAR**
- Used Car Platform HEYCAR

**CHARGE & FUEL**
- Fuel & Service Cards
- Charge & Fuel Card
- Tolling

**RENTAL**
- Long-term Rental
- Short-term Rental
- Micro Rental | Car sharing

**PAYMENT**
- In-Car-Payment
- Mobile Payment
- Wallet

**PAYMENT**

---

* Displayed portfolio depends on the market; products offered or mediated by different operative subsidiaries.
### At a glance as of 30.06.2020

#### Volkswagen Bank GmbH

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 68.8 billion</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 10.0 billion</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 31.8 billion</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 471 million</td>
</tr>
<tr>
<td>Employees</td>
<td>1,887</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>3.7 million</td>
</tr>
</tbody>
</table>

#### Volkswagen Financial Services AG

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 112.4 billion</td>
</tr>
<tr>
<td>Equity</td>
<td>€ 11.9 billion</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>€ 55.0 million</td>
</tr>
<tr>
<td>Operating profit</td>
<td>€ 528 million</td>
</tr>
<tr>
<td>Employees</td>
<td>10,773</td>
</tr>
<tr>
<td>Contracts (units)</td>
<td>14.9 million</td>
</tr>
</tbody>
</table>

#### Volkswagen Financial Services

- **BUSINESS VOLUME**: € 49.6 bn (DEALER FINANCING: € 12.8 bn, 25.8%)
- **RAIL FINANCING**: € 34 bn, 68.6%
- **LEASING**: € 2.75 bn, 5.5%

- **BUSINESS VOLUME**: € 85.9 bn (DEALER FINANCING: € 4.5 bn, 72.8%)
- **RAIL FINANCING**: € 18.8 bn...
- **LEASING**: € 62.5 bn, 72.8%
Operating income

Volkswagen Bank GmbH

<table>
<thead>
<tr>
<th>Year</th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>446</td>
</tr>
<tr>
<td>2015</td>
<td>539</td>
</tr>
<tr>
<td>2016</td>
<td>757</td>
</tr>
<tr>
<td>2017</td>
<td>994</td>
</tr>
<tr>
<td>2018</td>
<td>952</td>
</tr>
<tr>
<td>2019</td>
<td>757</td>
</tr>
<tr>
<td>H1 2020</td>
<td>471</td>
</tr>
</tbody>
</table>

Volkswagen Financial Services AG*

<table>
<thead>
<tr>
<th>Year</th>
<th>€ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1293</td>
</tr>
<tr>
<td>2015</td>
<td>1416</td>
</tr>
<tr>
<td>2016</td>
<td>1641</td>
</tr>
<tr>
<td>2017</td>
<td>609</td>
</tr>
<tr>
<td>2018</td>
<td>844</td>
</tr>
<tr>
<td>2019</td>
<td>1223</td>
</tr>
<tr>
<td>H1 2020</td>
<td>528</td>
</tr>
</tbody>
</table>

* Figures of Volkswagen Bank GmbH consolidated within Volkswagen Financial Services AG until 2016
Portfolio structure Volkswagen Financial Services

Credit Risk
The predominant risk type whereof the major share is originated from well diversified retail business with a low risk profile.

Residual Value Risk
Residual values are monitored closely and regularly adjusted to the current market situation for new business. Completely covered by provisions and equity according to IAS 36.

Other substantial risk types:
- Earnings Risk
- Operational Risk
- Marketprice Risk
- Shareholder Risk

as of 12/31/2019
Impact of COVID-19

**Dealer Support Package**
In close cooperation with Volkswagen Group brands.

**Retail Customer Measures**
E.g. deferrals granted, attractive financial services packages.

**Residual Value Risk**
Currently some pressure. Extraordinary write downs only in USA and Germany in H1.

**Credit Risks**
Historically very low. Measures implemented. Increasing losses likely.

**Funding**
Both VW Bank GmbH as well as VW FS AG sufficiently capitalized.
Credit risk management at Volkswagen Financial Services

- Portfolio **conservatively managed** and comfortably provisioned.
- **Some pressure** on credit risk due to current COVID-19 crisis.
- In history VWFS credit losses on a **very low level**.
- Extremely **low exposure to subprime**.
- **Tailor made services** offered in Corona crisis e.g. bridge financing for our dealer partners or insurance offers for our retail customers supported risk development.
- Payment freeze for customers possible on an individual basis. Until now only low one digit percentage **payment holidays** granted.
- **We are monitoring the current risk situation closely.**
- Increasing losses likely.
- **Extraordinary provisioning in the 1st half of 2020 only in the US.**

![Credit loss ratio historically on a very low level](chart.png)
Residual value risk management at Volkswagen Financial Services

- Priority of Volkswagen Financial Services is to support the sales of the Volkswagen group brands and to **keep the residual values stable** by offering attractive financial service products.

- **Currently some pressure** on residual values due to Corona Crisis.

- Volkswagen Financial Services is offering attractive products for used car financing and operates the **used car platform Heycar**.

- We are experts in residual value management - **more data points** available than at external data providers.

- Provisioning is done **very conservatively**. All residual value risks completely covered by risk provisions and equity.

- **Extraordinary write downs conducted in 1st half of 2020 only in the US and Germany.**
International used car brokerage safeguards residual values

Currently 12 Volkswagen Financial Services countries participating
Volkswagen Financial Services organisational structure and guarantee scheme

Volkswagen Financial Services AG
Rating: BBB+ (n) / A3 (n)¹
100% Shareholder
Control and Profit & Loss Transfer Agreement

Volkswagen Bank GmbH
Rating: A- (n) / A1 (n)¹

Guarantee

Volkswagen Financial Services Australia
Volkswagen Financial Services Japan
Volkswagen Financial Services N.V.
Volkswagen Leasing GmbH

¹Credit Ratings from Standard&Poors / Moody’s as per 16 June 2019; (n) Outlook negative, (s) Outlook stable, (RfD) Under Review for Downgrade
**Worldwide capital market activities**

- **Volkswagen Financial Services Group**
  - € 5 bn CP Program
  - € 35 bn Debt Issuance Program
  - **Volkswagen Bank**
    - € 2.5 bn CP Program
    - € 10 bn Debt Issuance Program

- **Volkswagen Leasing Mexico**
  - MXN 20 bn Dual CP + MTN Program
- **VW Bank Mexico**
  - MXN 7 bn Debt Issuance Program

- **Banco VW Brazil**
  - Domestic Letra Financeira

- **VW FS India**
  - Domestic INR CP + Bond Issuances

- **VDF Turkey**
  - Domestic TRY Bond Issuances

- **VW Bank Russia**
  - Domestic 100bn RUB Bond Program

- **VW FS Korea**
  - Domestic KRW Bond Issuances

- **VW FS Japan**
  - JPY 60 bn ECP Program

- **VW Finance (China)**
  - Domestic RMB Bond Issuances

- **VW FS Australia**
  - AUD 5 bn Debt Issuance Program

* Guarantee Volkswagen Financial Services AG
Worldwide ABS activities

- **VW Leasing/DutchLease**
  - VCL program
  - VCL Master
- **MAN Financial Services**
  - Trucknology
- **VW Bank**
  - Driver program
  - Driver Master
- **VW Bank Spain**
  - Driver España program
- **Banco VW Brazil**
  - Driver Brasil program
- **VW FS UK**
  - Driver UK program
  - Driver UK Master
- **VW Bank Italy**
  - Driver Italia program
- **VDF Turkey**
  - Driver Turkey Master
- **VW Finans Sverige**
  - Autofinance S.A.
- **VW FS Australia**
  - Driver Australia program
  - Driver Australia Master
- **Volkswagen Bank GmbH Programs**
- **Volkswagen Financial Services Programs**
Strategic funding allocation as of 30.06.2020

Volkswagen Bank GmbH

- Intercompany refinancing: €7.8 bn (11.3%)
- Credit lines: €6.3 bn (9.2%)
- Asset-Backed Securities: €2.1 bn (3.1%)
- Commercial Papers: €0.1 bn (0.1%)
- Bonds: €7.2 bn (10.5%)
- Other facilities: €3.5 bn (5.1%)

Total: €68.8 bn

Strategic Funding Mix

Volkswagen Financial Services AG

- Intercompany refinancing: €15.5 bn (13.8%)
- Credit lines: €13.4 bn (11.9%)
- Asset-Backed Securities: €24.6 bn (21.9%)
- Commercial Papers: €4.5 bn (4.0%)
- Other facilities: €7.9 bn (7.1%)

Total: €112.4 bn

Strategic Funding Mix
ROUTE 2025 | Our focus topics

Digitalization

Operational Excellence

Mobility services

Used Car Business
Volkswagen Financial Services will digitalize all core products by 2020 and extends its distribution channels.

Past: single channel

By 2020: multi channel

By 2025: omni channel

Digitalization
Electrification creates new challenges for automotive financial service providers

**Challenges**
- Uncertainties and delays (technology and complexity)
- Investment risk

**Customers**
- Take over the risks and uncertainties
- Offer an attractive financial services product portfolio

**Financial service providers**
- Reduced margin due to changed product portfolio
- Keeping the residual values stable

**Targets**
- Securing the residual values
- Customer loyalty: Accompanying the customer and the vehicle "for a lifetime"

**Solutions**
- Customized leasing offers for EV new and used cars
- Packages and after-sales offers for EV new and used cars

**Holistic sales approach**
Volkswagen Financial Services Lifetime Concept | Stabilizing residual values and increasing customer loyalty
Vision and targets of Route2025

WE ARE THE BEST AUTOMOTIVE FINANCIAL SERVICES GROUP IN THE WORLD

VISION

WHAT

CUSTOMERS
• Excited Customers

EMPLOYEES
• Top Employer
• Top Employees

OPERATIONAL EXCELLENCE
• Compliance & Governance
• Process Efficiency
• IT Excellence

PROFITABILITY
• Total Operating Income
• 20% ROE
• 40% CIR

VOLUME
• 30M Contracts
• 50% Extended Penetration
ROUTE2025 - Target of 30 mn contracts* in portfolio in 2025
Major driver: used cars

2019 2025

Target

8.5 mn
Main drivers:
Digitalization
Used Car Business
Multibrand

21.5 mn

30 mn

ROUTE 2025

* Contract portfolio including contracts of non-consolidated companies
Questions?
Thank You.
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38112 Braunschweig
Germany

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