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 (especially semiconductors), 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 Such statements are valid on the date of publication and can be superseded.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.

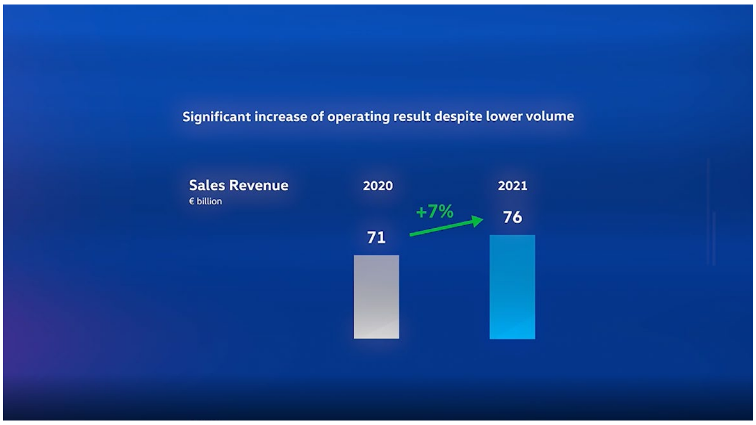
Ladies and gentlemen,

I too would like to extend a warm welcome to our Annual Media Conference.

Ralf Brandstätter has just presented the key successes and milestones of the past fiscal year. I would now like to show you how our financial figures developed over the same period. Unit sales for the Volkswagen brand in 2021 amounted to 2.7 million vehicles (excl. China). Once again, that represents a fall compared with the previous year.

Sales excluding China

The main reason was the limited supply of semiconductors. We could not produce enough vehicles to meet demand from customers. The order backlog was higher than ever before, which shows that demand for our products remains at a high level. SUVs account for 40 percent of our global sales volume. This represents the market segment with the strongest growth rates. However, our all-electric models are also in top positions in all regions. In this situation, our sales revenue in 2021 grew to €76 billion despite the fall in sales volumes. This is 7 percent or €5 billion more than in 2020. This increase in sales revenue is chiefly due to our attractive product portfolio. In addition, we have sold growing numbers of vehicles with higher equipment levels.



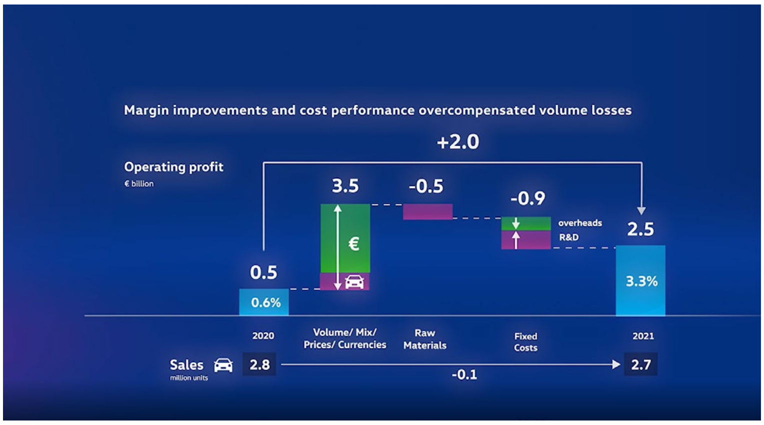
It is very pleasing to note that the operating profit before special items was significantly higher than in the previous year – even despite the lower sales volume. After 12 months, the operating profit before special items amounted to €2.5 billion, a full €2 billion more than in the previous year. Our return on sales for 2021 was 3.3 percent. So we are 2.7 percentage points higher than in 2020 and well within our target corridor of 3-4 percent. There are several reasons for these developments.

We have improved the quality of earnings by selling vehicles with higher equipment levels. We deliberately allocated the semiconductors that were available to ensure that we could improve our earnings margin despite falling sales volumes. With the successful implementation of their turnaround plans, North and South America also made a positive contribution to operating profit, with earnings significantly above the prior-year level.

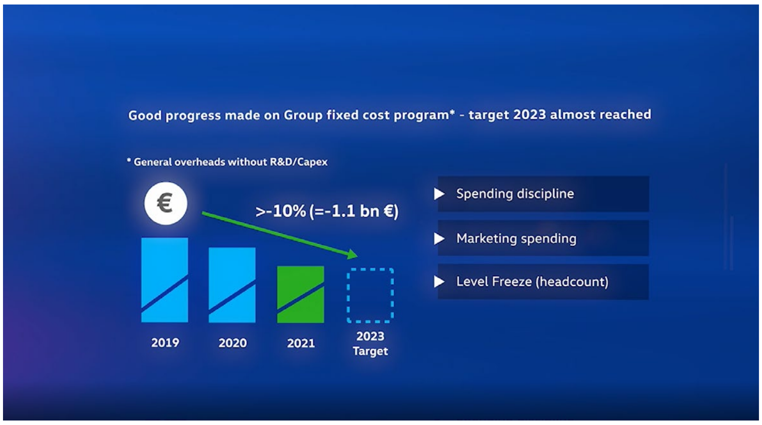
In 2021, currency effects – especially from hyperinflationary countries such as Argentina with the peso – were negative. Nevertheless, pricing measures were more than sufficient to compensate for these effects. Higher raw material costs had a negative impact on product costs in 2021. Especially for steel and precious metals, we had to pay considerably more than the previous year.

Despite the difficult business environment, we recorded a positive result in Europe on the basis of purchasing performance. In North America, we were largely able to compensate for the negative effects. In South America, material costs were negatively impacted by high inflation and exchange rate effects. In general, we continued to pursue our efforts to optimize our fixed cost structures.

However, development costs in 2021 rose compared with the previous year. This shows that we have consistently pursued our transformation and made considerable investments in the future. In 2021, we improved the resilience of Volkswagen and lowered the break-even point with cost reduction measures and the targeted improvement in our earnings quality.

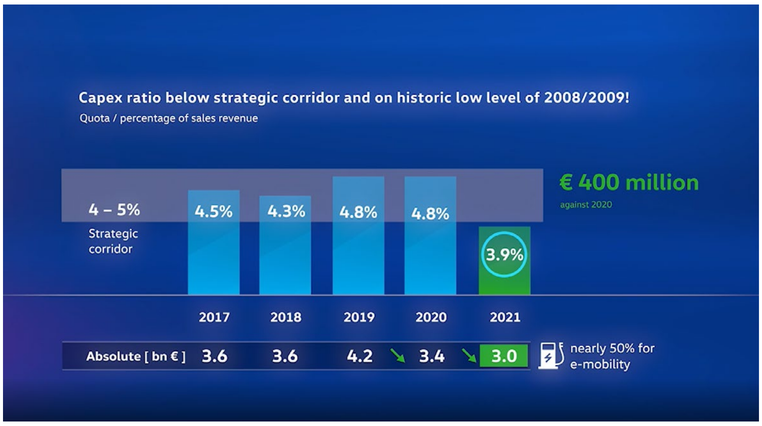


With a restrictive expenditure policy, we were even able to outperform our fixed cost target for 2021. This success is chiefly due to lower marketing expenses and a restrictive hiring policy which has kept the total number of people employed by Volkswagen at a constant level. Total fixed costs were more than 10% or €1 billion below the figure for the pre-crisis year of 2019 and have therefore reached a historic low – not including development costs.



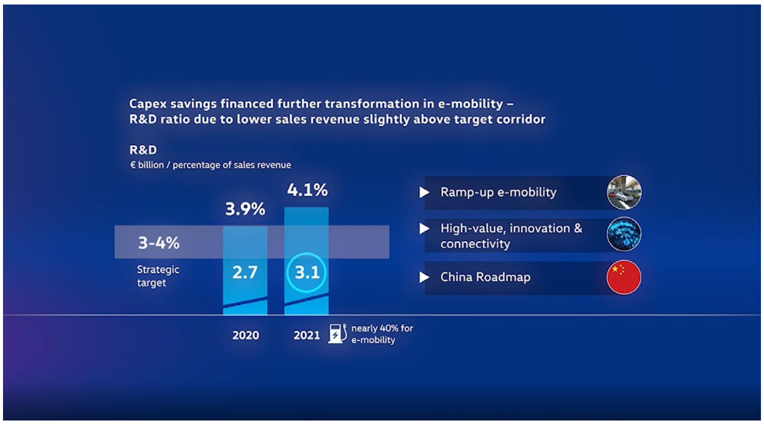
In the past fiscal year, we reduced investments to the historically low level of 2008/2009 thanks to strict investment discipline and savings. By assigning priorities to our investment projects, we have reached a capex ratio of 3.9 percent – slightly below the strategic target of corridor 4-5 percent.

In the case of investments, it is not only the amount but also, and especially, the objective that counts. We are investing these €3 billion in an even more targeted way and are focusing on the topics that are essential for the future, in line with our ACCELERATE brand strategy: the transformation of our sites, the electrification of our product range and digitalization. At VW, every second euro is being invested in e-mobility in terms of products and plants.

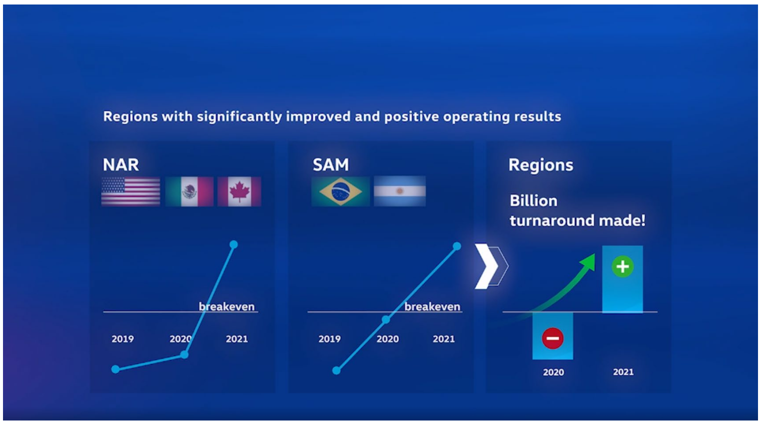


Our capex savings have helped us accelerate the development expenditure needed for ramping up e-mobility and implementing our development-related innovation strategy together with the China Roadmap. The focus has been on the connectivity of our vehicles, new software features and enhancing the customer appeal of our products.

Compared with the previous year, development costs therefore rose in 2021; however, at 4.1 percent, the R&D ratio is almost in line with the target of 4 percent. It should also be noted that development costs incurred in Germany for China are not directly reflected by sales revenue. The Chinese joint ventures are only consolidated in the financial result via dividends. Without this effect, the R&D ratio would only have been 3.7 percent. Here too, e-mobility accounts for 40 percent of R&D expenditure.



In 2021, the two regions of North and South America were significantly above the level of the previous year. After several years, they have significantly exceeded the break-even point once again. This is above all due to strict cost discipline, the consistent implementation of restructuring and the earnings-oriented steering of sales channels. While the regions had a significant negative impact on our operating profit in 2020, they reached the break-even point in 2021 and made a very positive contribution to the operating profit of the Volkswagen brand with a turnaround running into billions in 2021.

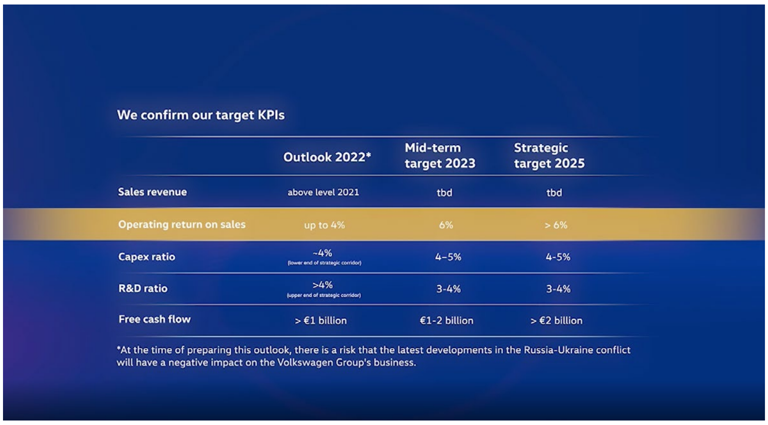


So much for the financial KPIs for 2021. Let us now turn to the current fiscal year. What are our plans for 2022?

This year, we expect a further increase in sales revenue compared with 2021. We are confident that the availability of semiconductors will improve at the latest by the second half of the year and that we will be able to produce and sell more vehicles. We intend to further improve operating profit and the operating return on sales in 2022. Our goal remains a 6 percent return on sales by 2023. In 2022, we also intend to significantly increase net cash flow from operating activities by further optimizing working capital.

However, this guidance is subject to certain reservations. No one knows how the situation in Ukraine will develop over the next few weeks and months. The war in Ukraine and the economic sanctions against Russia may, under certain circumstances, significantly impact on our forecast for 2022. We intend to continue with investments at the lower end of our strategic corridor. As in 2021, we will give clear priority to investments in strategic future projects such as the Campus Sandkamp development center. By keeping the capex ratio low, we will be able to accommodate possible additional R&D

expenditure – for example for our growth strategy in the USA. This is important because formidable transformation efforts lie ahead of us.



Our ACCELERATE brand strategy is speeding up the transformation from a pure vehicle manufacturer to a software-oriented mobility provider. We will only be able to accomplish such a fundamental transformation from our own resources if profitability levels are adequate. Our contribution, as the finance function of the Volkswagen brand, is to ensure that this is the case by leveraging efficiencies along the entire value stream. The more successful we are in accomplishing this, the faster Volkswagen will progress on its way to the carbon-neutral, digital future of mobility. This year and in the years to come, we will further improve the quality of our net income by a variety of measures:

- by continuing earnings-oriented steering,
- by stabilizing and strengthening the contributions of the regions to net income,
- by further intensifying cost discipline, especially with regard to fixed costs,
- by keeping the cost/income ratio stable through measures such as lowering the number of model variants and reducing complexity,
- and by improving productivity at our plants and thus further lowering the break-even point.

As you can see, we have ambitious plans. In 2022, we will be forging ahead with the transformation of the Volkswagen brand just as strongly as in the previous year. In overall terms – and in the regions.
So let us turn to the regions, and more precisely to North and South America.***