Volkswagen Brand
Financial Results January to June 2020
Disclaimer

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The 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 Such statements are valid on the date of publication and can be superseded.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.
Conference Call on the results January – June 2020

Alexander Seitz
Member of the Volkswagen Brand Board of Management for Controlling and Accounting

Jürgen Stackmann
Member of the Volkswagen Brand Board of Management for Sales, Marketing and After Sales

Thomas Küter
Head of Investor Relations Volkswagen Brand
COVID-19 with severe impacts on operating performance of the Volkswagen brand from January to June 2020

1.1 million vehicles
€ 28.6 billion
€ -1.5 billion

1) These figures do not include sales of our Chinese joint ventures.

ID.3 Pro Performance, 150 kW / combined power consumption in kWh/100 km: 16.9 - 15.4 (WLTP); 15.4 - 14.5 (NEDC); combined CO₂ emissions in g/km: 0
ID.3 Pro S, 150 kW / combined power consumption in kWh/100 km: 17.7 - 15.9 (WLTP); 14.1 - 13.5 (NEDC); combined CO₂ emissions in g/km: 0
Massive impact of Corona crisis on total markets...

... but we gained market shares in SAM + CN, stable elsewhere

Total market passenger cars / Deliveries to Customer | Jan – June 2020 (Year to Date)
Regions show different speeds of recovery

Sales in China

- Fast recovery
- Back to 100%

Sales in Europe

- Medium recovery

Sales in North America

- Slow recovery
- Back to 100%

Sales in South America

- Slow recovery
Deliveries to customer show strong signs of recovery in June & July

North America
- April: -48%
- May: -42%
- June: -26%
- July: -21%

Europe
- April: -76%
- May: -57%
- June: -30%
- July: -7%

South America
- April: -81%
- May: -74%
- June: -28%
- July: -20%

World
- April: -38%
- May: -30%
- June: -18%
- July: -6%

China incl. HK
- April: 2%
- May: -6%
- June: -2%

1) Expectation

Deliveries to customer in % | April – July 1) 2020 vs. April – July 2019
Positive press feedback on the ID.3 after media event

The ID.3 coasts without any perceptible mechanical drag when you lift off the accelerator, rolling on for seemingly impossible distances on flat roads.

VW ID.3 FULL REVIEW
Driving the new Volkswagen EV ID.3

ID.3 Pro Performance, 150 kW / combined power consumption in kWh/100 km: 16.9 - 15.4 (WLTP); 15.4 - 14.5 (NEDC); combined CO₂ emissions in g/km: 0
ID.3 Pro S, 150 kW / combined power consumption in kWh/100 km: 17.7 - 15.9 (WLTP); 14.1 - 13.5 (NEDC); combined CO₂ emissions in g/km: 0
ID.3 order take on target. Fast conversion of pre-bookers to first mover customers

ID.3 Pre-Booker  First Mover Customer

37,000

> 15,000

YTD conversion of 41%

CW 38 First handover to customer

ID.3 Pro Performance, 150 kW / combined power consumption in kWh/100 km: 16.9 - 15.4 (WLTP); 15.4 - 14.5 (NEDC); combined CO₂ emissions in g/km: 0
ID.3 Pro S, 150 kW / combined power consumption in kWh/100 km: 17.7 - 15.9 (WLTP); 16.1 - 13.5 (NEDC); combined CO₂ emissions in g/km: 0
ID.3 distributed via the agency model in GER & AUT – enabling omni-channel sales

ID.3 Pro Performance, 150 kW / combined power consumption in kWh/100 km: 16.9 - 15.4 (WLTP); 15.4 - 14.5 (NEDC); combined CO₂ emissions in g/km: 0
ID.3 Pro S, 150 kW / combined power consumption in kWh/100 km: 17.7 - 15.9 (WLTP); 14.1 - 13.5 (NEDC); combined CO₂ emissions in g/km: 0
Rapidly growing BEV/ PHEV portfolio – journey “to zero” has kicked off

1) The vehicle is a near-production prototype
2) ID.3 Pro Performance, 150 kW / combined power consumption in kWh/100 km: 16.9 - 15.4 (WLTP); 15.4 - 14.5 (NEDC); combined CO₂ emissions in g/km: 0
3) ID.3 Pro S, 150 kW / combined power consumption in kWh/100 km: 17.7 - 15.9 (WLTP); 14.1 - 13.5 (NEDC); combined CO₂ emissions in g/km: 0
Exciting new launches to push brand communication & sales – 2nd half-year

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2) ID.3 Pro Performance, 150 kW / combined power consumption in kWh/100 km: 16.9 - 15.4 (WLTP); 15.4 - 14.5 (NEDC); combined CO₂ emissions in g/km: 0
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Temporary production and dealer shutdowns led to a huge earnings drop, however, the monthly trend is clearly heading towards break-even.

### OPERATING PROFIT

€ million

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>921</td>
<td>481</td>
</tr>
<tr>
<td>Q2</td>
<td>1,365</td>
<td>-1,972</td>
</tr>
</tbody>
</table>

### SALES VOLUME

('000 unit)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>910</td>
<td>765</td>
</tr>
<tr>
<td>Q2</td>
<td>976</td>
<td>369</td>
</tr>
</tbody>
</table>

-18%  -82%
Volume losses due to COVID-19 are the main reason for the negative earnings development.

<table>
<thead>
<tr>
<th>OPERATING PROFIT</th>
<th>€ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2019 (before special items)</td>
<td>2.3</td>
</tr>
<tr>
<td>Volume / Mix / Prices</td>
<td>-4.0</td>
</tr>
<tr>
<td>Product Costs</td>
<td>-0.2</td>
</tr>
<tr>
<td>Fixed Costs, others</td>
<td>0.4</td>
</tr>
<tr>
<td>H1 2020 (before special items)</td>
<td>-1.5</td>
</tr>
<tr>
<td>Special Items</td>
<td>-0.6</td>
</tr>
<tr>
<td>H1 2020</td>
<td>-2.1</td>
</tr>
</tbody>
</table>

Mainly measures to reduce CO2 + Emissions

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

T-Roc R NEDC fuel consumption, l/100 km: urban 9.5–9.1 / extra-urban 6.6–6.5 / combined 7.7–7.5; combined CO₂ emissions, g/km: 176–171; efficiency class: D.
We have pushed the brakes on expenditures except for our strategic priorities

€ billion/ % percentage of sales revenue

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th></th>
<th></th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D Costs</td>
<td>1.3</td>
<td>1.3</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>of which capitalized</td>
<td>0.5</td>
<td>-0.5</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>amortization</td>
<td>-0.5</td>
<td></td>
<td>-0.5</td>
<td></td>
</tr>
<tr>
<td>Recognized in the</td>
<td>1.3</td>
<td></td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>income statement</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

1) Capitalization ratio
We have intensively challenged our investment needs but kept the focus on our transformation towards electrification and digitalization.

€ million/ % percentage of sales revenue

<table>
<thead>
<tr>
<th></th>
<th>Capex H1 2019</th>
<th>Capex H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex H1 2019</td>
<td>1,736</td>
<td>1,651</td>
</tr>
<tr>
<td>Capex H1 2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-5%

Strategic target: 4-5%

Efficiency measures:
- Capital discipline
- Complexity reduction
- Intra-Group synergies
- MQB/MEB/VW.OS

ID.3 Pro Performance, 150 kW / combined power consumption in kWh/100 km: 16.9 - 15.4 (WLTP); 15.4 - 14.5 (NEDC); combined CO₂ emissions in g/km: 0
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Cash flow development reflects the negative earnings development but proactive management of stocks provided some relief.

All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.
Our countermeasures to limit the negative impacts of Corona

Close alignment of sales and production planning
Strong focus on liquidity + Working Capital management + prioritizing Investments
Rigourous cost reductions and spending freeze
Steering of crisis response measures in the regions

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Pushing for as much recovery as possible

The positive aspects of the first half 2020:
- Successful crisis management in one of the worst economic situations in recent history
- Significant recovery in monthly development of sales volumes and financial performance
- Clear reduction of fixed costs, R&D spending and investments
- Net-inventories significantly reduced against prior year

<table>
<thead>
<tr>
<th>Sales revenue</th>
<th>Outlook 2020</th>
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<tbody>
<tr>
<td></td>
<td>Significantly below prior year</td>
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<table>
<thead>
<tr>
<th>Operating result before special items</th>
<th>Target 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result severely below prior year However, positive</td>
<td>&gt; 6 %</td>
</tr>
</tbody>
</table>

Outlook 2025: tbd