SHAPING THE FUTURE OF THE VOLKSWAGEN GROUP
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 relating to the development of the economies of individual countries, and in particular of 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 involve a degree of risk, and the actual developments may differ from those forecast.

Consequently, any 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, 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 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 retroactively. Such statements are valid on the date of publication and can be superceded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.
THE FOUR BUILDING BLOCKS OF STRATEGY 2025

Transform core business

Build mobility solutions business

Strengthen innovation power

Secure funding
# 16 GROUP INITIATIVES – OVERVIEW

**GROW PROFITABLY**

1. Sharpen positioning of brands
2. Develop winning vehicle and drivetrain portfolio
3. Streamline modular architectures
4. Partner with regional players to win in economy segment
5. Develop self-driving system for autonomous vehicles and artificial intelligence
6. Develop battery technology as new core competency
7. Develop best-in-class user experience across brands and customer touchpoints
8. Implement model line organization
9. Realign „Components“ business

**DEVELOP STRATEGIC CAPABILITIES**

10. Build mobility solutions business
11. Develop and expand attractive and profitable smart mobility offering
12. Improve operational excellence
13. Optimize business portfolio
14. Integrate strategy and planning process
15. Secure funding

**ENHANCE ENTREPRENEURIAL SPIRIT**

16. Strengthen innovation power
FOUR TYPES OF POTENTIAL ACTION FIELDS CURRENTLY UNDER INVESTIGATION

Key profit pools in which Volkswagen group is predicted **not among Top 3 in 2020**
- NAR SUV/CUV
- NAR Pick-Up
- Japan/South Korea Volume

Key volume growth areas in which Volkswagen group is predicted **not among Top 3 in 2020**
- China Economy
- India Economy
- ASEAN Volume

Key profit pools in which Volkswagen group is predicted **among Top 3 in 2020**
- China Volume, Prem./Lux.
- WEU Volume, Prem./Lux.

Unprofitable and/or shrinking areas in which Volkswagen group is predicted **among Top 3 in 2020**
- SAM Volume
- Global A00

Source: Volkswagen Brand Portfolio Review Project Team
THE ELECTRIFICATION INITIATIVE OF THE VOLKSWAGEN GROUP

- Goal: to position Volkswagen as a driving force behind the expansion of electro-mobility; e-car to become a new hallmark of the Group
- >30 new pure-electric vehicles by 2025
- Annual unit sales of 2 to 3 million e-cars by 2025, equivalent to 20–25 percent of total sales
VOLKSWAGEN BECOMES GLOBALLY LEADING PROVIDER OF AUTONOMOUS VEHICLES

- Goal: coverage of all relevant market segments (individual, group, freight)
- Rapid market launch planned: fully autonomous vehicles with self-driving system (SDS) developed in-house from 2021
- Investment program and around 1,000 additional software specialists
BATTERY TECHNOLOGY TO BECOME NEW COMPETENCY AT VOLKSWAGEN

- Review of strategic options initiated
- Anticipated own e-fleet requirements in 2025: around 150 gigawatt hours of battery capacity per year
REALIGNMENT OF VOLKSWAGEN’S COMPONENTS PRODUCTION

- Goal: greater competitiveness in components production
- Around 67,000-strong workforce at 26 locations worldwide
- Expansion of current core competencies for future automotive topics
NEW MOBILITY SOLUTIONS BUSINESS

- Goal: to leverage opportunities in attractive growth markets
- Focus on innovative services for consumers and businesses
- Strategic partnership with Gett (currently 50 million customers) as nucleus, ride hailing as top priority with expansion into other market segments
- Sales revenue target in the multi-billion euro range by 2025
TO WRAP IT UP: FIRST, A BIG THANK YOU TO THIS TERRIFIC TEAM OF MORE THAN 250 EXPERTS WHO GOT US TO THIS POINT

1. Group initiatives
2. Brand strategies
3. Functional strategies
4. K-GS
THANK YOU FOR YOUR ATTENTION!