

Volkswagen Group Presentation

Non Deal Debt Investor Update

January 2024

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

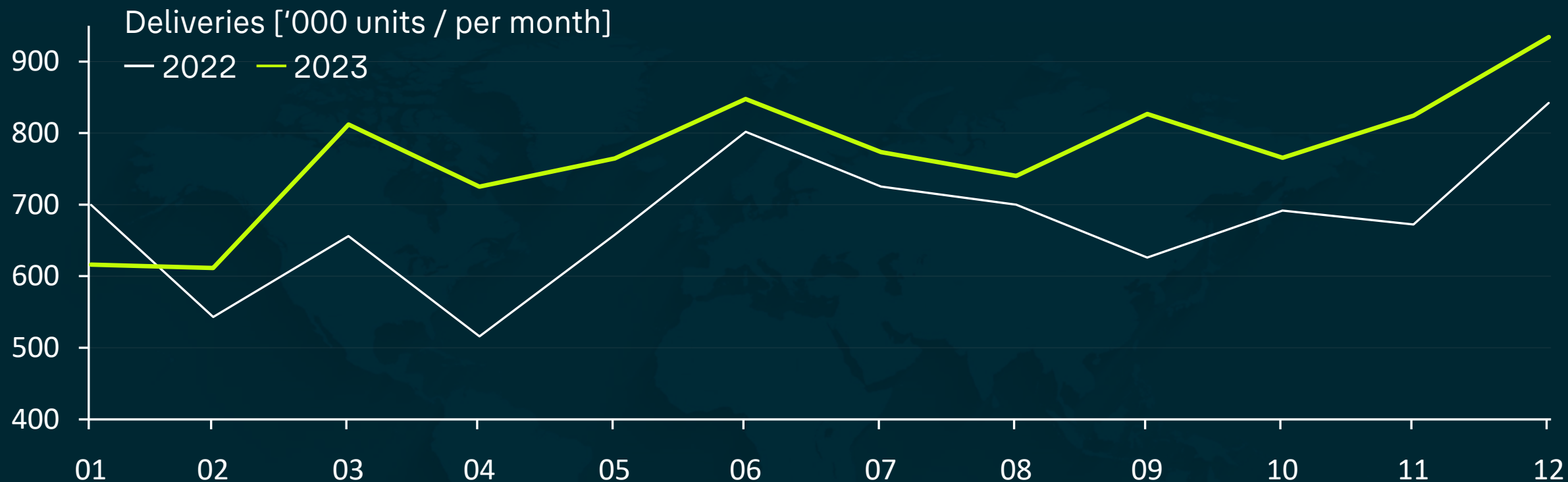
At the time of preparing these presentations, it is not yet possible to conclusively assess the specific effects of the latest developments in the Russia-Ukraine conflict on the Volkswagen Group's business, nor is it possible to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2023.

Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or the supply with parts relevant to the Volkswagen Group will have a corresponding effect on the development of our business. In addition, there may also 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.

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Volkswagen Group delivered 9.24 million vehicles in 2023



Global deliveries
Q4 +14% YoY
FY23 +12% YoY

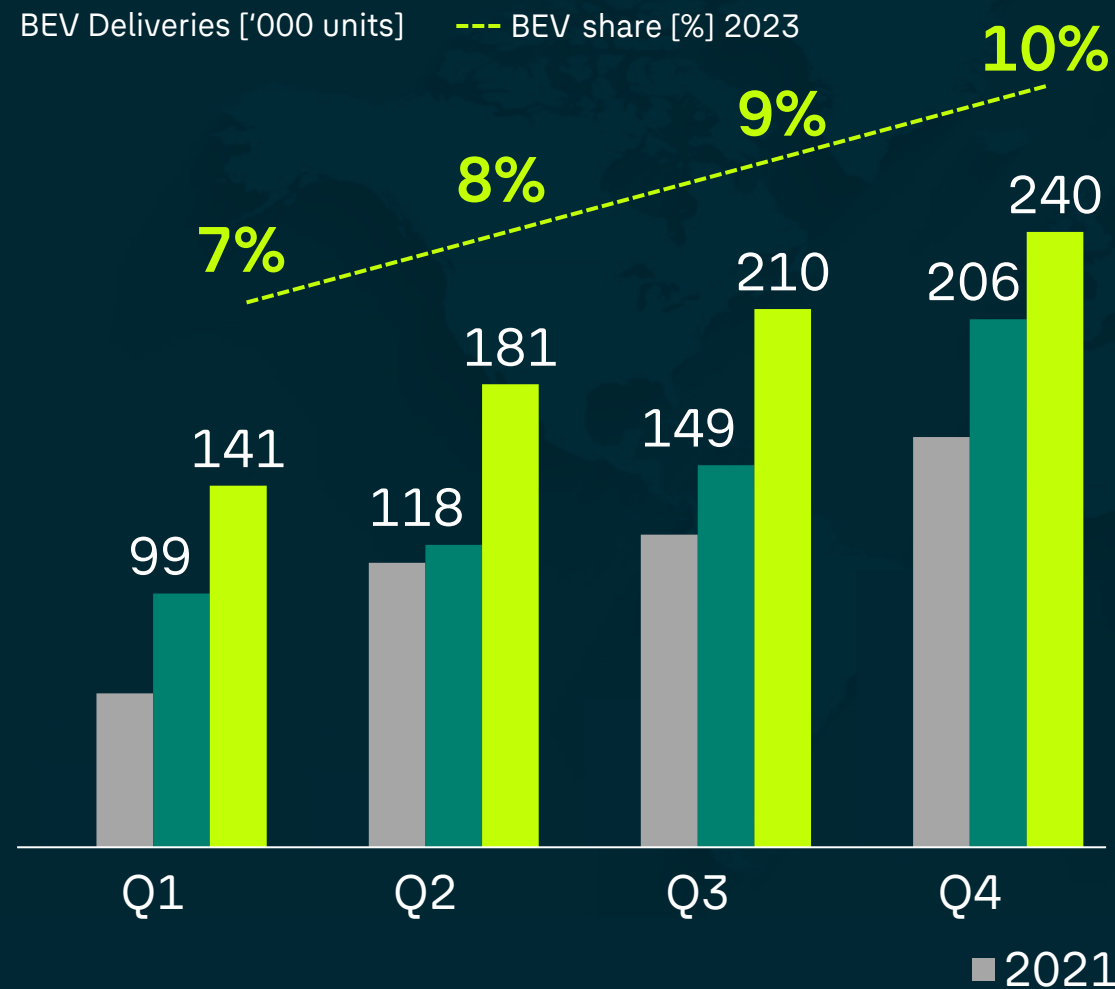
BEV deliveries
increased by
+35% YoY in 2023

Slovenia flooding
impacted production by
>100k units in H2 2023

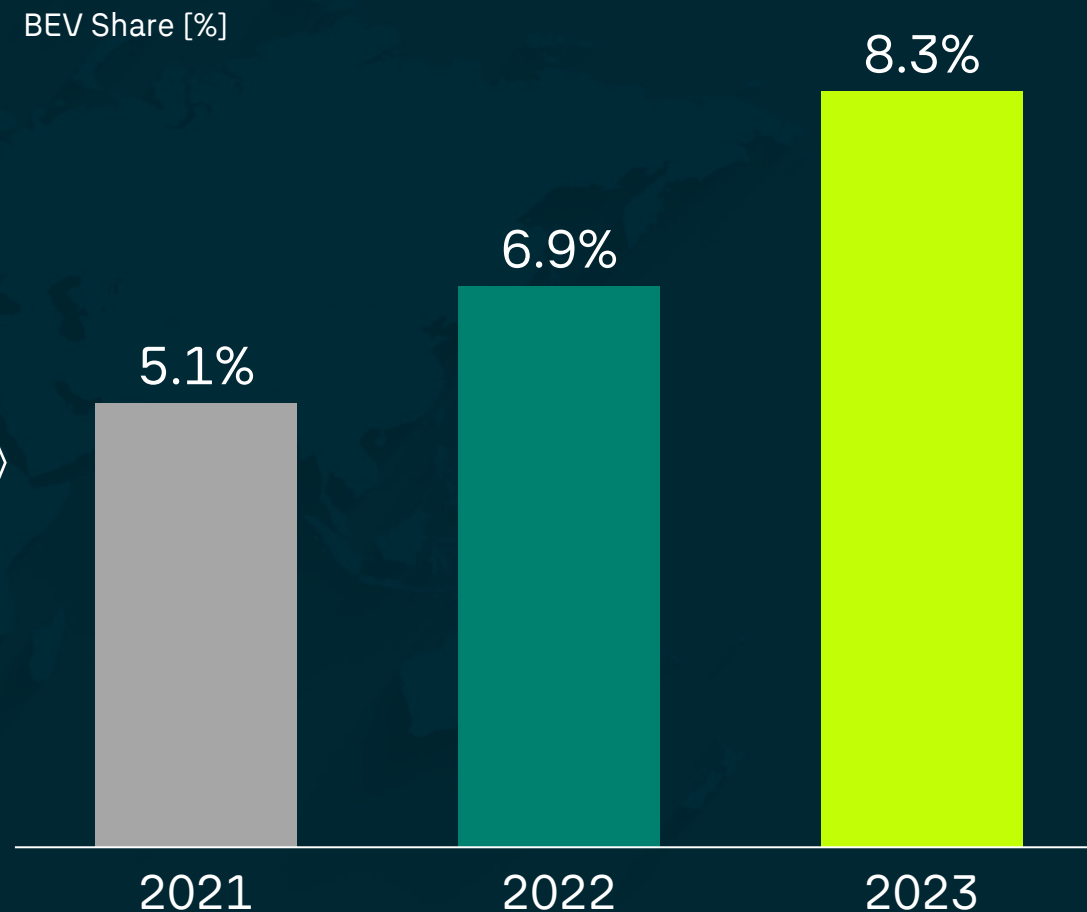
771k BEVs were delivered to customers in 2023 (+35%)

FY23 target of 8 to 10% achieved at lower part of range

Quarterly Development



BEV share increased to 8.3% in 2023



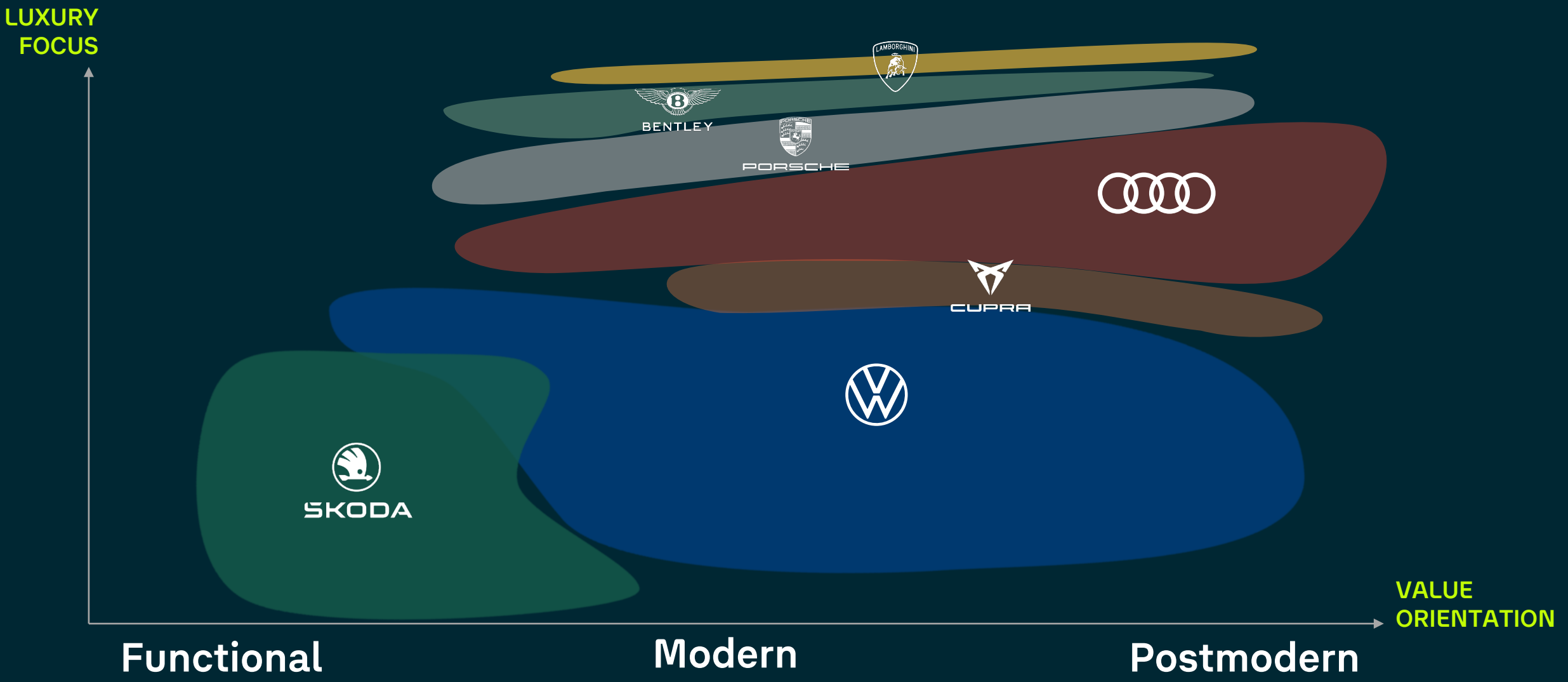
Volkswagen Group

2023 ¹ Guidance firmly in sight

	Actual 2022 ¹	9M 2023	Outlook 2023 ²
Deliveries to customers	8.3m vehicles	6.7m vehicles (+11%)	9.24m vehicles (+12% - outlook was 9.0m to 9.5m)
Sales revenue	€ 279.2bn	€ 235.1bn (+16%)	€ 307bn to € 321bn (+10% to +15%)
Operating result (bef. special items) ³	€22.5 bn (8.1%)	€ 16.2 bn (6.9% - underlying 8.0%)	around level of previous year
Automotive Investment ratio ⁴	13.7%	12.5%	~ 14.5%
Automotive Reported Net Cash flow	€ 4.8bn ⁵	€ 4.9bn	€ 6bn to € 8bn ⁶ (expected at lower end of the range)
Automotive Net Liquidity	€ 43.0bn ⁷	€ 36.7bn	€ 35bn to € 40bn

1. Previous year adjusted (IFRS 17) | 2. The Russia-Ukraine conflict has created considerable uncertainty, particularly with regard to the potential impact of the actions of the political players, primarily where the duration, intensity and allocation of energy supplies and their impact on the supply chain are concerned. Particularly, the supply of energy, other raw materials and parts for the production process could result in greater constraints, especially in Europe, where a gas shortage is possible. Higher energy and commodity prices plus greater volatility could add to the strain. Furthermore, inflation rates could reduce purchasing power, adversely affect consumer behavior and put a damper on demand for our products. Moreover, the need might arise to recognize further impairment losses on assets and additional risk provisions | 3. Before special items | 4. R&D & Capex combined | 5. Including cash outflows in connection with the EU antitrust proceedings against Scania | 6. Including about € 5bn budgeted for M&A | 7. Total Net Liquidity of € 43bn including € 16.1bn Porsche IPO proceeds of which Porsche IPO special dividend of € 6.5bn (net); payout in January 2023

Unrivalled portfolio with significant upside potential



Steering framework for Group management



Proof points YTD

- 100% TechCo teams up with ThunderSoft and Horizon Robotics
- Progress in CARIAD realignment, intensified tech partnerships and "local-for-local" approach
- Dry Coating of battery cells as game changer driving down costs
- CMD '23: Strategic alignment and launch of performance programs
- Cooperations with Xpeng and SAIC for the China business
- PowerCo and Umicore JV: IONWAY as leading European supplier of battery raw materials

Latest achievements: Delivery on our CMD promises

- 1 Software:** Clear restructuring plan for CARIAD

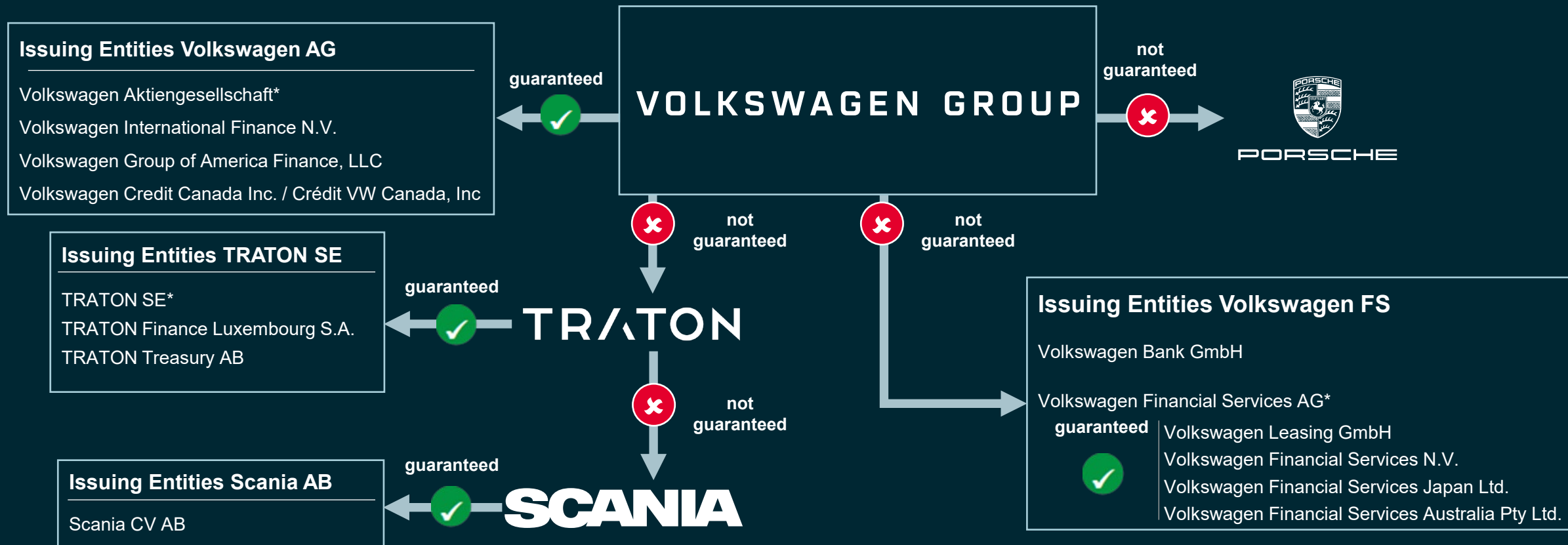
- 2 China:** Localization strategy is unfolding, next step China CMD in April 2024

- 3 New steering model:** management remuneration aligned to NCF and Brand Group KPI

- 4 ESG:** Independent China audit conducted in 12/23; MSCI red flag removed

- 5 Financials:** VW brand performance program on track; important milestone reached before X-mas break

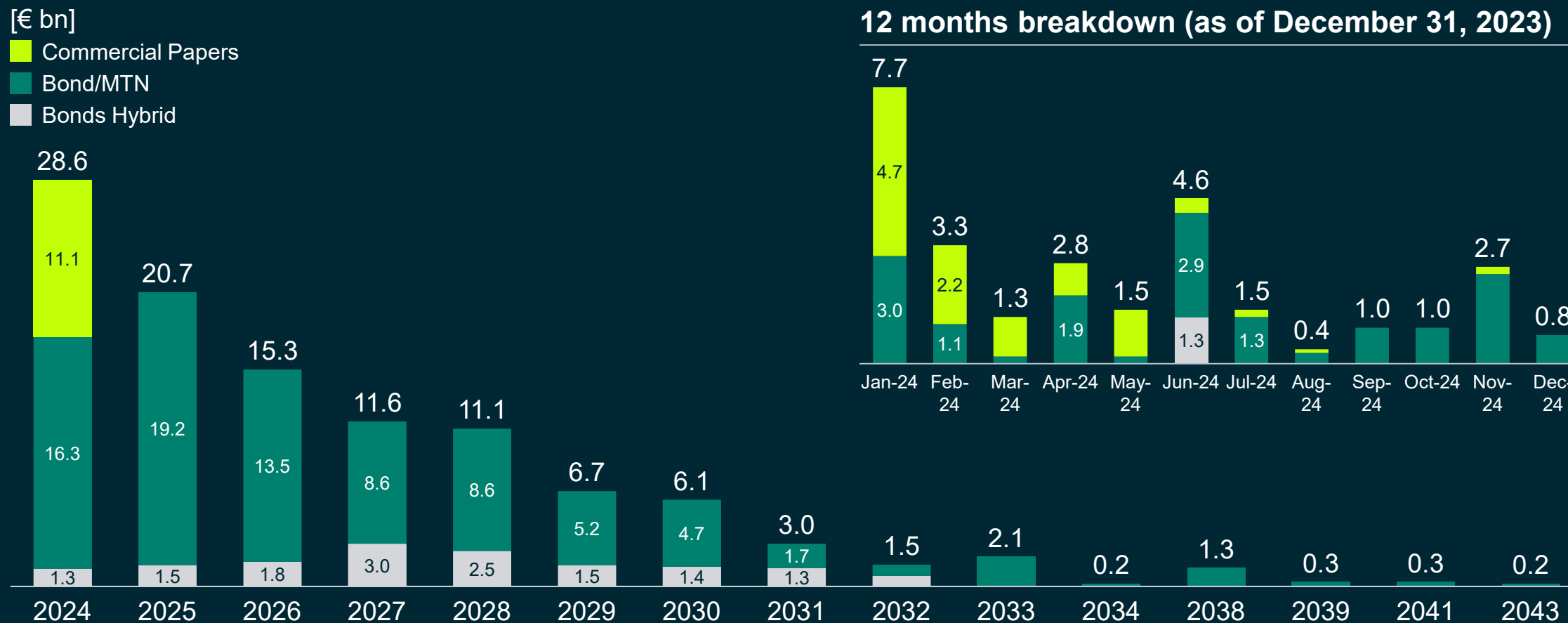
Overview of financing entities of the Volkswagen Group



A "Control and Profit & Loss Transfer Agreement" between VWAG and the German subsidiaries is in place.
*Parent company cannot guarantee act as Guarantor for itself

Well balanced debt maturity profile with a focus on shorter duration

Volkswagen Group's Funding Mix in % (as of December 31, 2023)

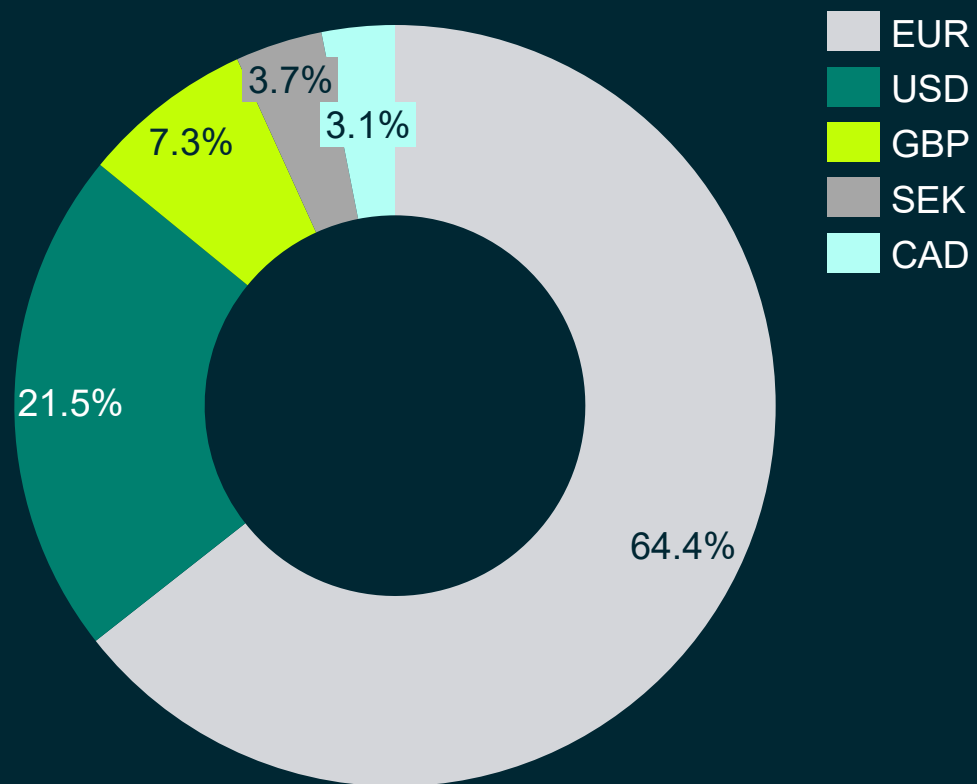


Sums may differ due to rounding effects.

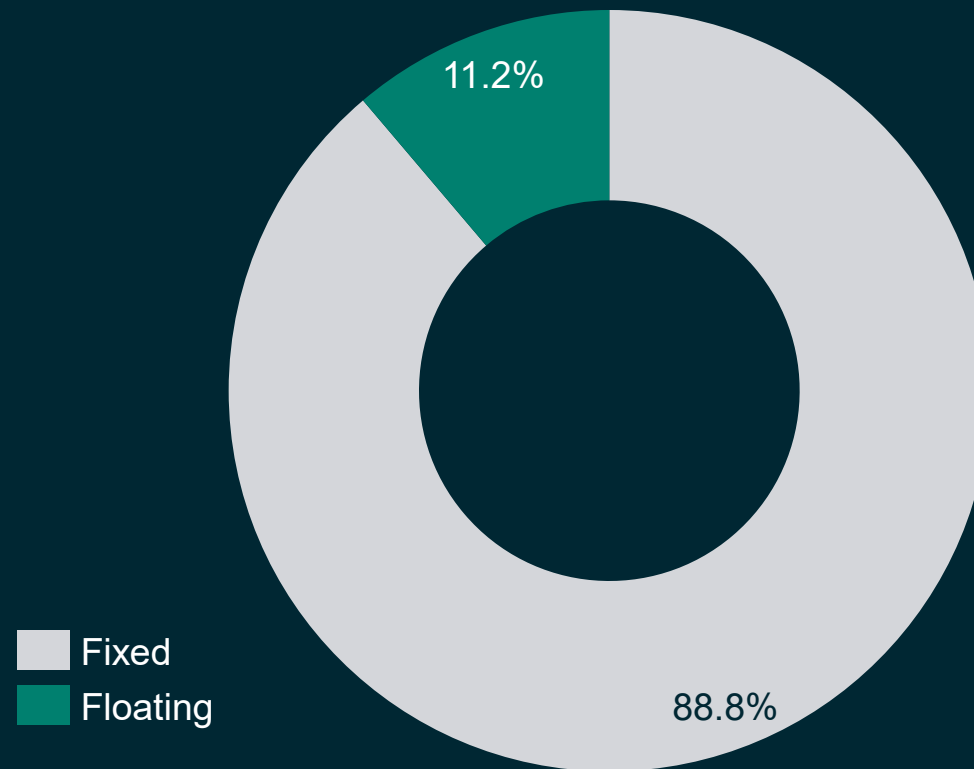
International capital market presence characterized by a diversified mix of currencies and tenors

Volkswagen Group's Capital Market Borrowings Diversification of Unsecured Funding (as of December 31, 2023)

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



Fix vs. Float Bonds (excl. Hybrid)

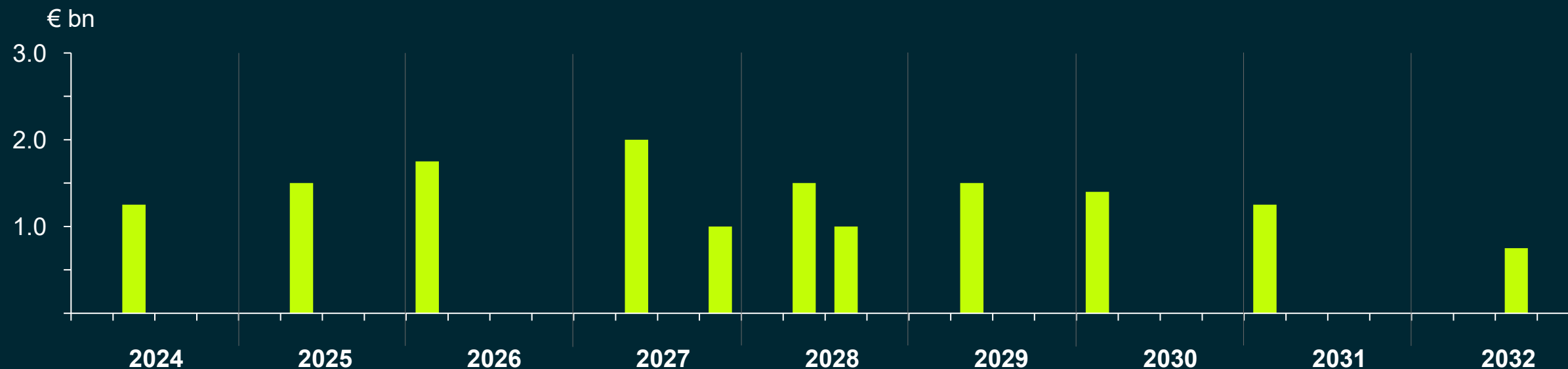


Sums may differ due to rounding effects.

Hybrid Bonds are an integral and highly strategic part of Volkswagen Group's capital structure

Hybrid Capital within the Volkswagen Group¹

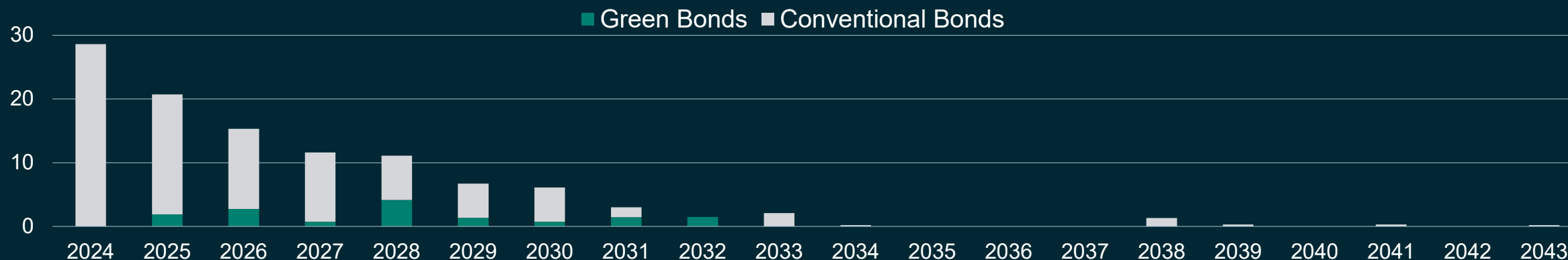
- Provides 100% IFRS equity without diluting existing shareholders
- Long-term commitment towards hybrid capital supporting Volkswagen Group's credit metrics such as Net Industrial Liquidity
- Well diversified maturity profile



1. First call dates of hybrids are shown in the table, as of 12/23

Volkswagen Group is a well-established issuer in the Green Bond market

Green Bond Redemption Profile¹



Further Information on Volkswagen's Green Bonds



Volkswagen Group –
ESG Figures (including
PAI Indicators)
volkswagenag.com



Volkswagen Group -
Green Finance
Framework 2022
volkswagenag.com



Volkswagen Group -
Green Finance
Framework 2022 -
Second-Party
Opinion.pdf
volkswagenag.com

1. Includes all outstanding bonds from the Volkswagen Automotive Division (hybrids shown on first call dates) and Financial Services Division, as of 12/23

VOLKSWAGEN GROUP

The Key to Mobility Creating Value with Volkswagen Financial Services

Investor Update Volkswagen Financial Services

January 2024

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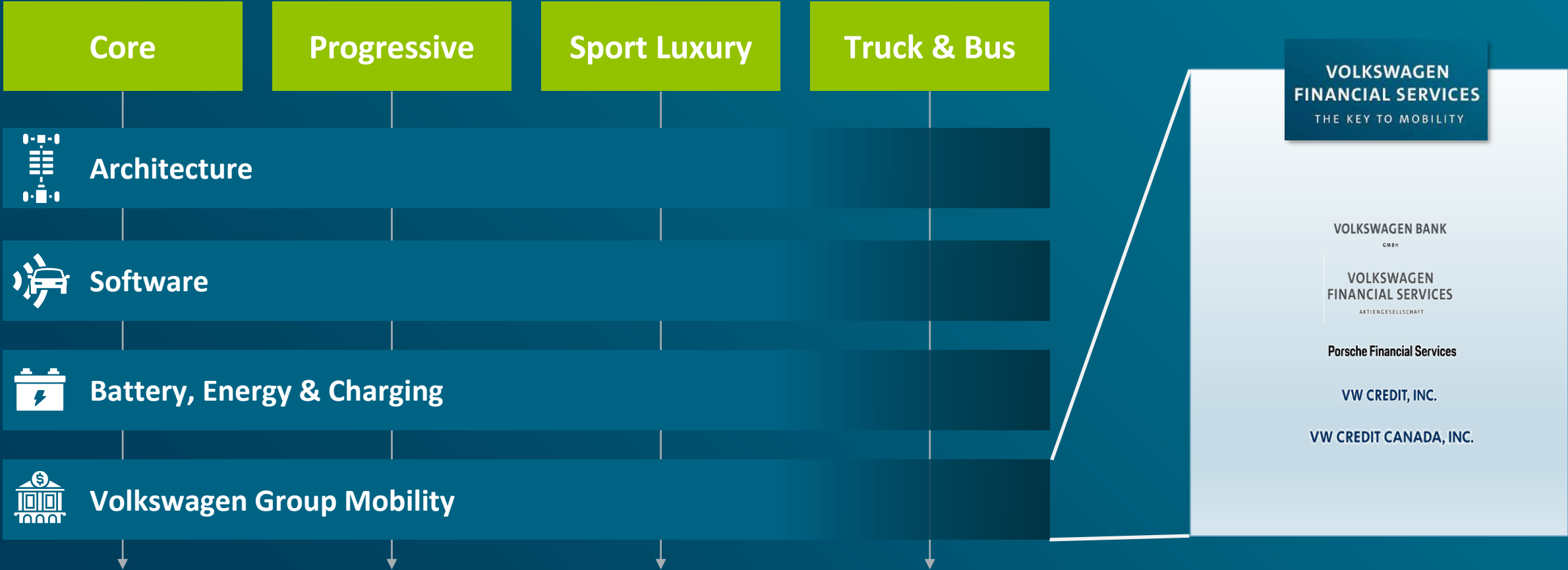
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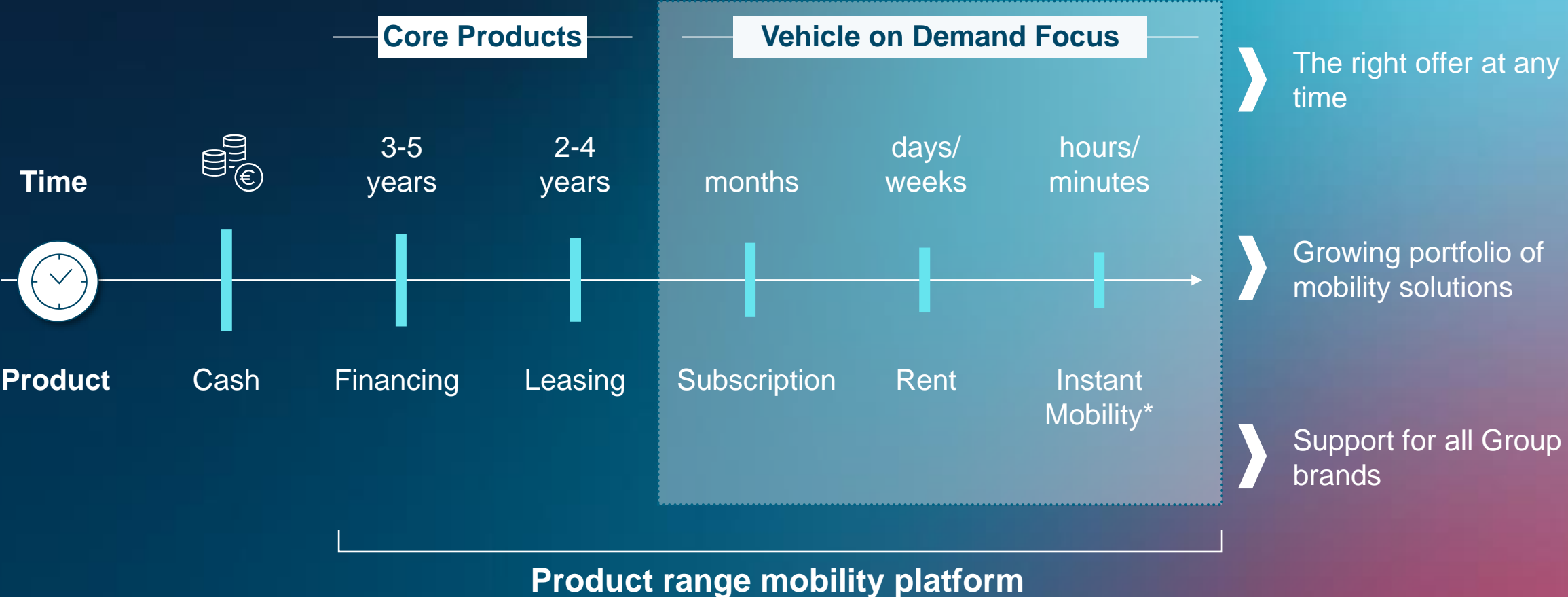
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Under the brand "Volkswagen Financial Services – the key to mobility" the subsidiaries of Volkswagen Financial Services AG as well as its sister company Volkswagen Bank GmbH render various services under the joint brand "Volkswagen Financial Services". 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 will offer the platform for mobility solutions based on Volkswagen Group's NEW AUTO strategy



Volkswagen Financial Services will in future be placing an additional focus on the Vehicle on Demand business



* Instant Mobility (mainly from third-party providers): sharing (eScooter, bicycle, car), hailing (incl. taxi), pooling, public transport

Financial Performance as of 30.06.2023

Volkswagen Financial Services*



€ 1.76 bn

Operating Profit



21.7 mn

Contracts



255 bn

Total Assets

Volkswagen Bank GmbH

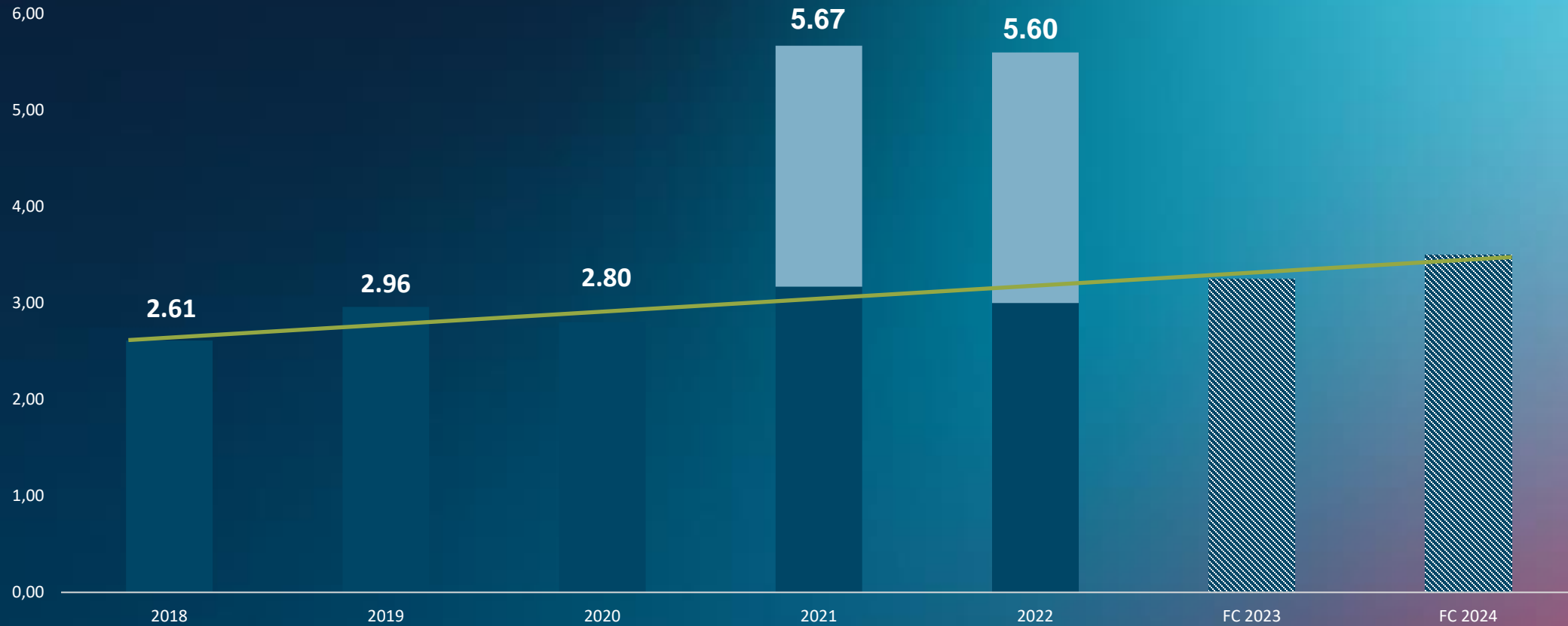
Total assets	€ 70.4 bn
Customer deposits	€ 34.6 bn
Operating profit	€ 359 mn
Contracts (units)	3.2 mn

Volkswagen Financial Services AG

Total assets	€ 138.2 bn
Operating profit	€ 768 mn
Contracts (units)	15.9 mn

*Volkswagen Financial Services are a business segment of the Volkswagen AG group and comprise Volkswagen Financial Services AG along with its associated companies, Volkswagen Bank GmbH, Porsche Financial Services, and the financial services companies in the USA and Canada.

Operating Result Volkswagen Financial Services



Risk Cost Effects



Corona
Pandemic

Semiconductor
Shortage

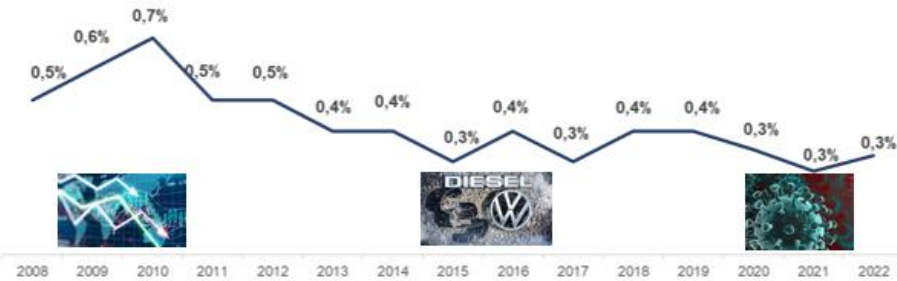
Normalizing
Risk Cost Situation

Avg. earning assets increase while asset based portfolio remains stable



Volkswagen's resilient manager of assets and related risks serving as anchor of stability

Credit loss ratio historically on a very low level

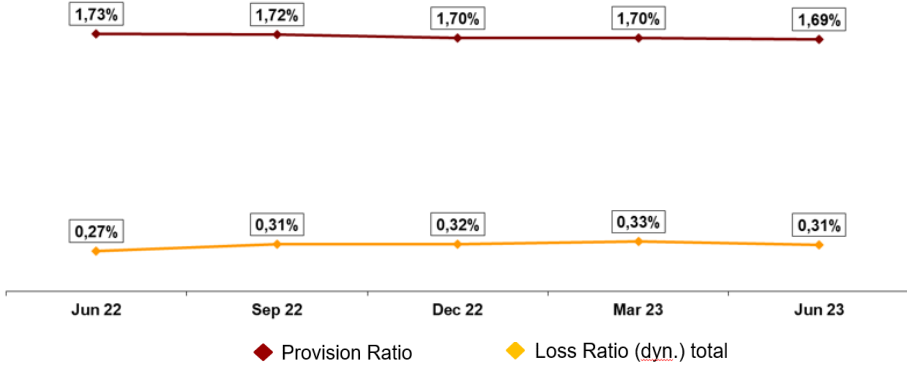


Credit risk situation will remain challenging due to crisis situation in the Ukraine and expected increasing inflation and interest rates.

Proven crisis resilience:

- No significant influence of past crises on credit risk until now.
- Credit losses currently and historically on a very low level (**0.31% as of 30 June 2023**).
- Credit risks appropriately covered by provisions.

Provision- vs. Loss Ratio



- Positive trend in the development of used car prices related to an **increased demand in the used car market**.
- The peak in used car prices is already left behind in most markets, but remain on a quite high level in the first months.
- Higher used car sales prices over a long time implicates an sustainable positive effect on Residual Values up to 1 – 3%-points.
- We adapt this in our Residual Value prognosis for new business on model level.

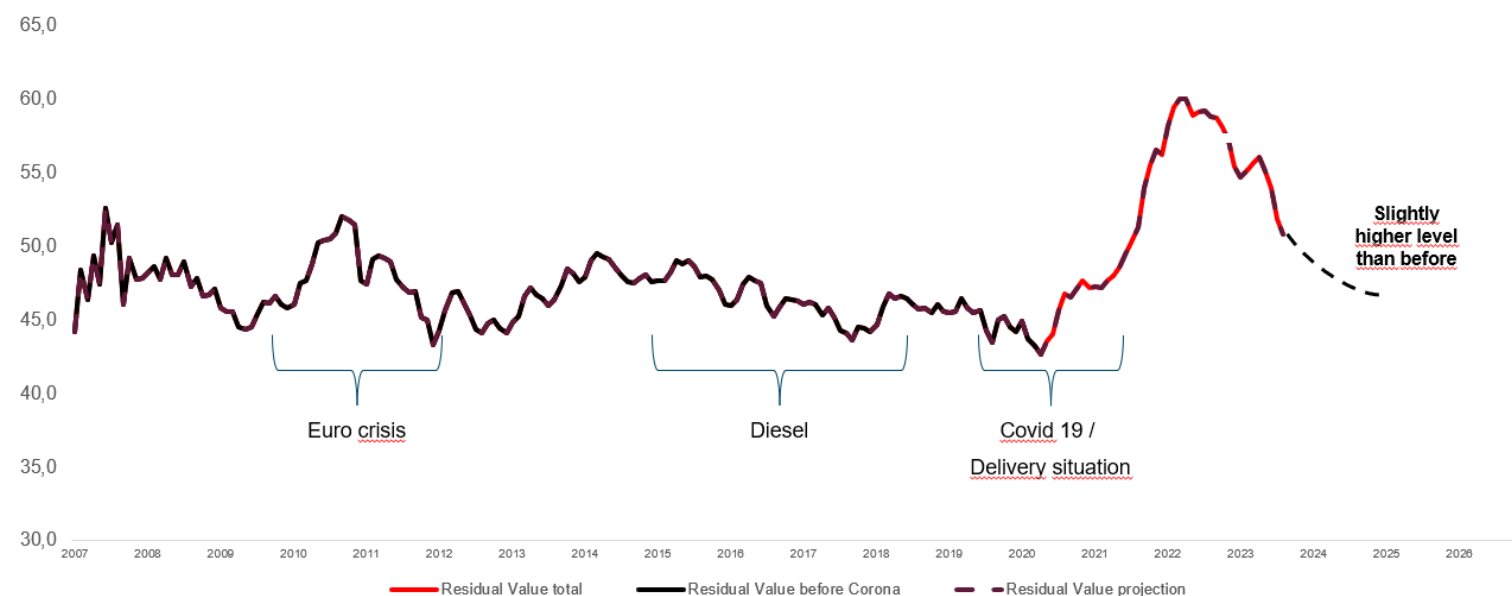
Forecast:

- **Even in the beginning of 2023 the still high used car prices** had a positive effect on our operating profit but in the further course of the year this will be lower than in 2022.

Volkswagen's resilient manager of related risks serving as anchor of stability

Re-marketing situation used cars

Residual Value



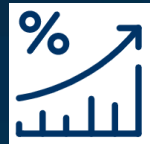
Interest rate risk management at Volkswagen Financial Services



Min. 80% matched funding.

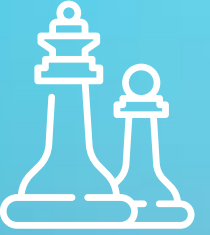
No currency risk:

- In principle refinancing is carried out in local currency.
- If not in local currency, the currency risk is fully hedged.



Extraordinary interest rate risk in 2022 and 2023 due to rising interest rates between conclusion of contract and delayed delivery.

MOBILITY
2030



STRATEGIC
DIMENSIONS



CUSTOMER LOYALTY



MOBILITY 2030



CUSTOMER LOYALTY



OBJECTIVE: We maximize customer loyalty to the Volkswagen Group Brands

Loyal customers ...

... are cheaper to retain



... spend more



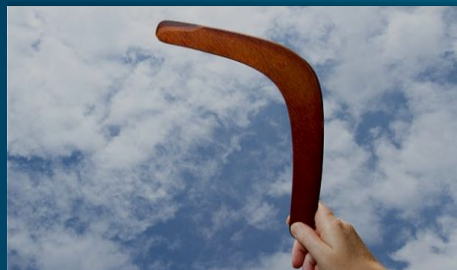
... are better multipliers



... are happy customers



... keep coming back



... stay in our ecosystem



CUSTOMER LOYALTY



MOBILITY 2030



VEHICLE



OBJECTIVE: We own Volkswagen Group's car parc.
We unlock business potential throughout the vehicle's lifecycle together with the Group Brands

A holistic approach of the Vehicle Lifetime Concept means ...

... long-term customer loyalty



... further source of income



... increase in volume



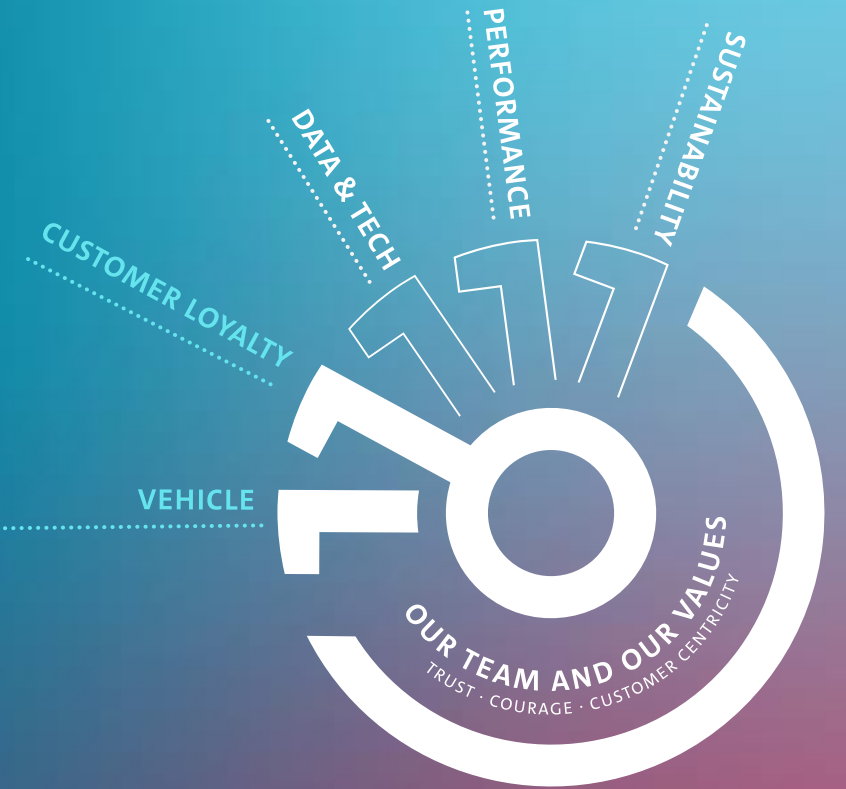
... stabilization of RV



... maximize used car potential



... access to raw material



MOBILITY 2030



DATA & TECH



OBJECTIVE: We leverage data and technology as core enablers of our success

We need to match customers with the right vehicle ...



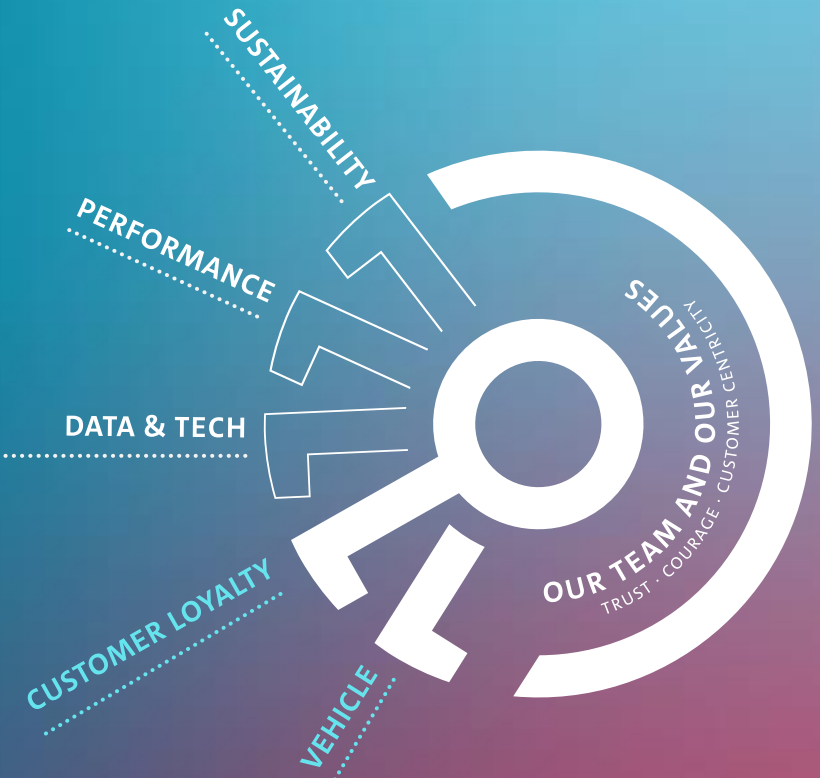
But...



Customers don't **tell** us what they **want**, so we use our **DATA**



Customers don't **wait** for us to **act**, so we build **MODERN SYSTEMS**



MOBILITY 2030



PERFORMANCE

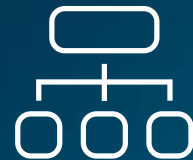


OBJECTIVE: We act as entrepreneurs and strive for the greatest possible success



Profitability

- Return on Equity
- Operating Income
- CIR



Systems & Processes

- Sourcing
- Operational Excellence
- Transparency



People

- Employees
- Leaders
- Collaboration

PERFORMANCE

SUSTAINABILITY

DATA & TECH

CUSTOMER LOYALTY

VEHICLE

OUR TEAM AND OUR VALUES
CUSTOMER CENTRICITY
TRUST · COURAGE

MOBILITY 2030



SUSTAINABILITY



OBJECTIVE: We drive the transition to emission-free mobility along the Volkswagen Group's ESG principles

We focus on the **environmental aspect of sustainability** and achieve **CO₂ neutrality** from our products and across our operations

Green Operations



Green IT



Green Products



SUSTAINABILITY

PERFORMANCE

DATA & TECH

CUSTOMER LOYALTY

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Volkswagen Financial Services Ratings

Corporate Ratings

Credit Rating*	S&P	Moody's
VW FS	BBB+	A3
VW Bank	BBB+	A1

* Senior Unsecured Rating

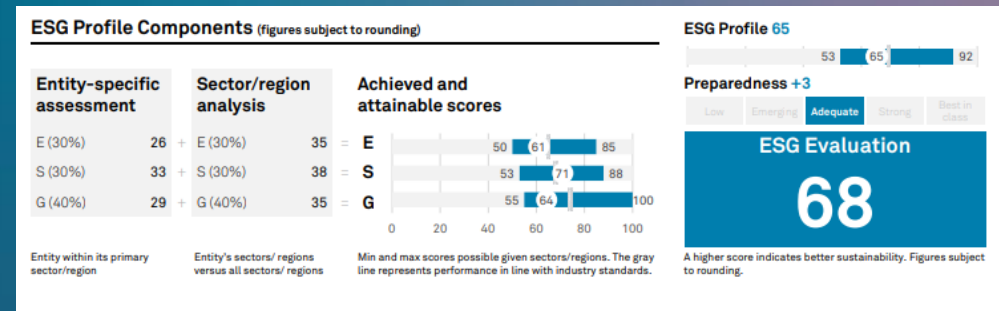
- **Stable Credit Rating in the investment grade from S&P and Moody's.**

ESG Ratings



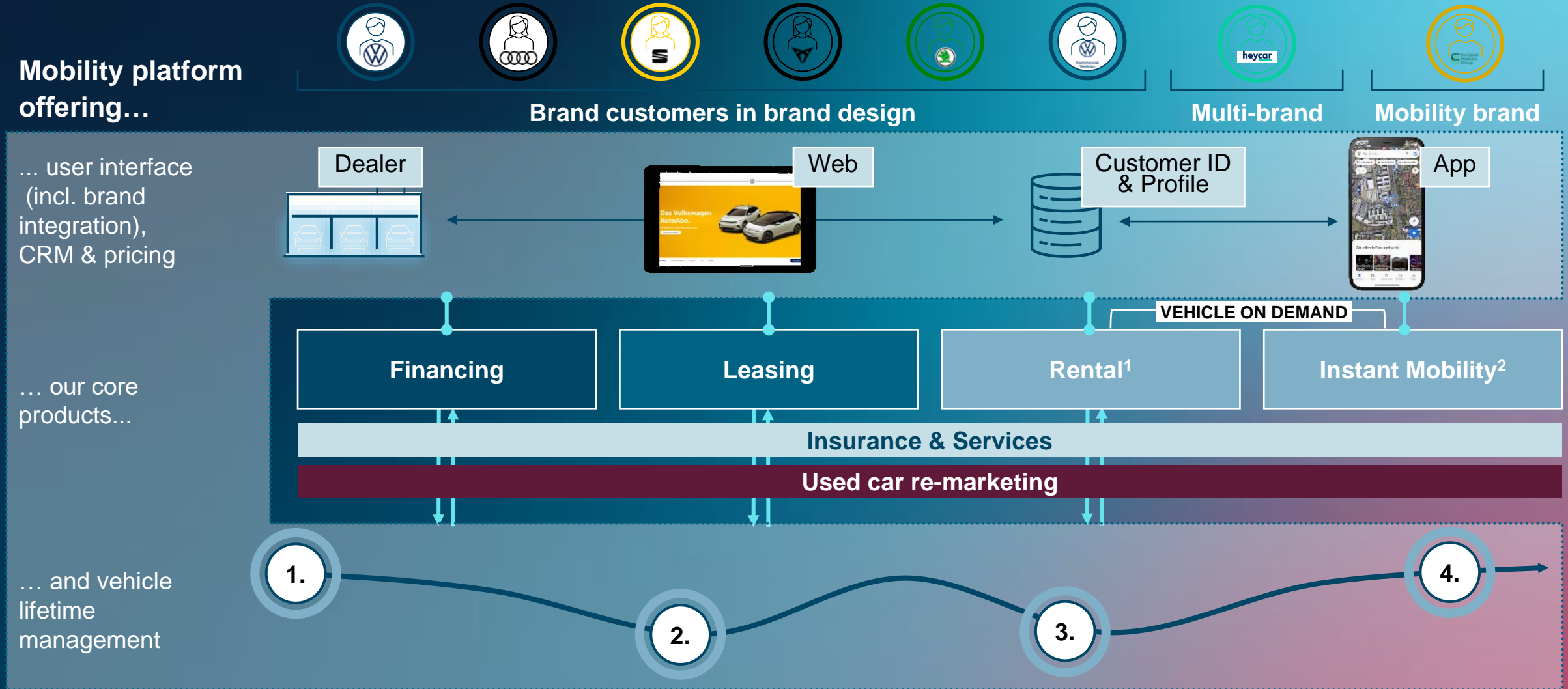
- First external ESG audit with an extraordinary result.
- Analysis of 5 aspects: Product Governance, Corporate Governance, Data Privacy and Security, Business Ethics and Human Capital.
- Ranked within the best 3 % of peer group in sector Consumer Finance.

S&P Global Ratings



- Second external ESG audit with a solid result.
- Analysis of 3 aspects + Preparedness Opinion: Environmental Profile, Social Profile, Governance Profile.

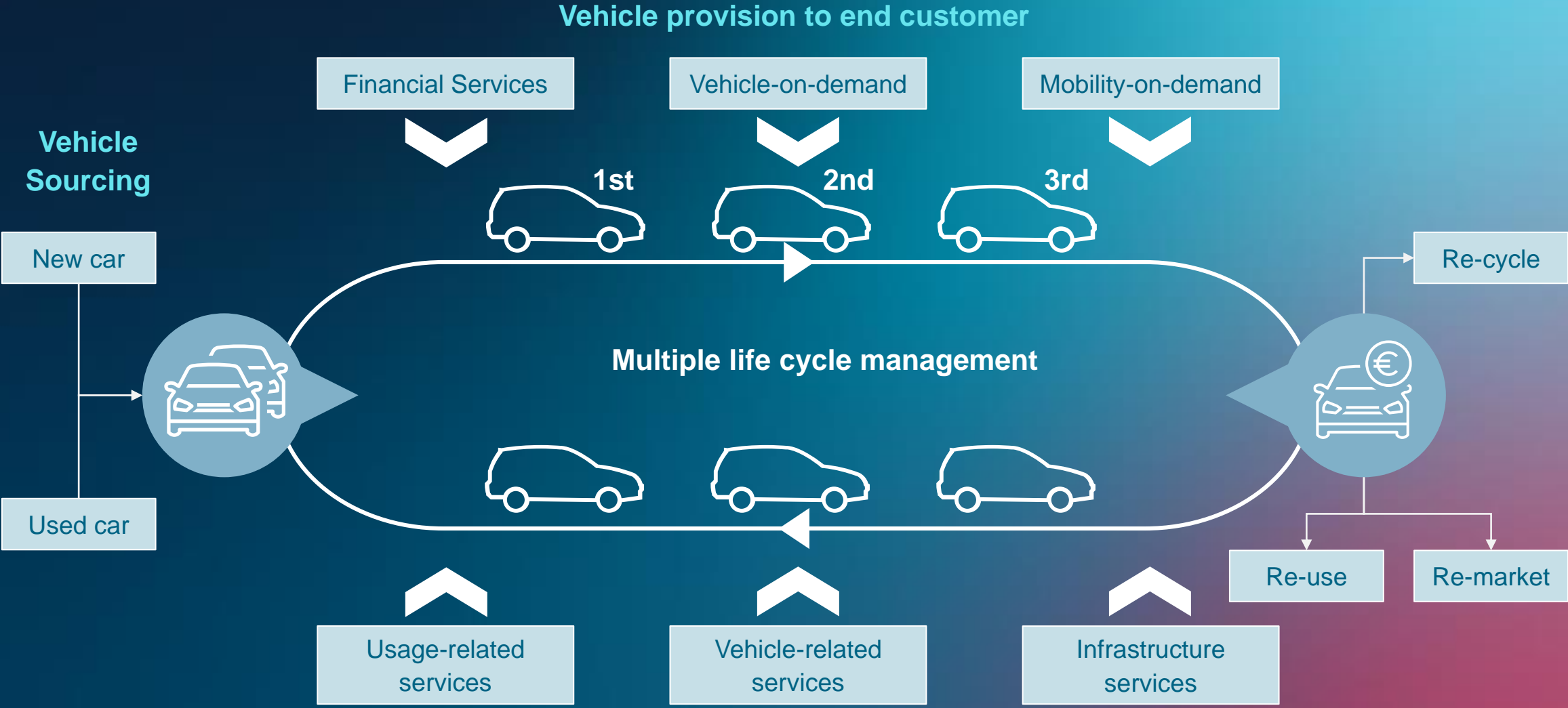
Volkswagen Financial Services provides the mobility platform for the Volkswagen Group



¹ Long/short-term rental, subscription, extended rental

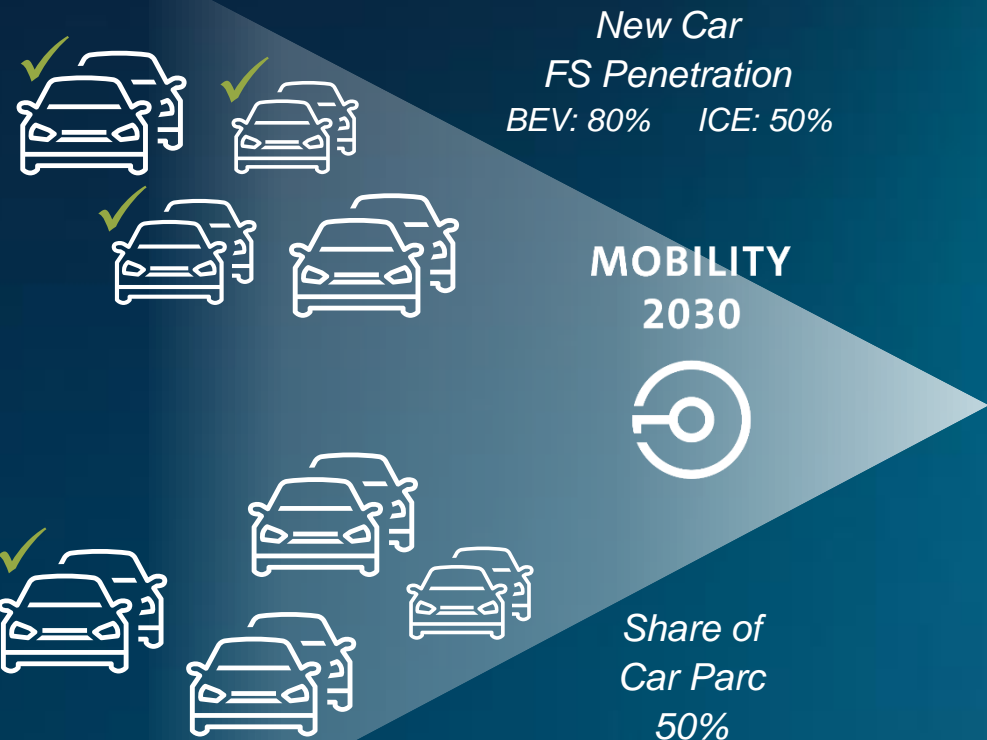
² Instant Mobility (mainly from third-party providers): sharing (eScooter, bicycle, car), hailing (incl. taxi), pooling, public transport

Vehicle Lifetime Management: A mobility provider needs to handle multiple life cycles to generate future profit pools

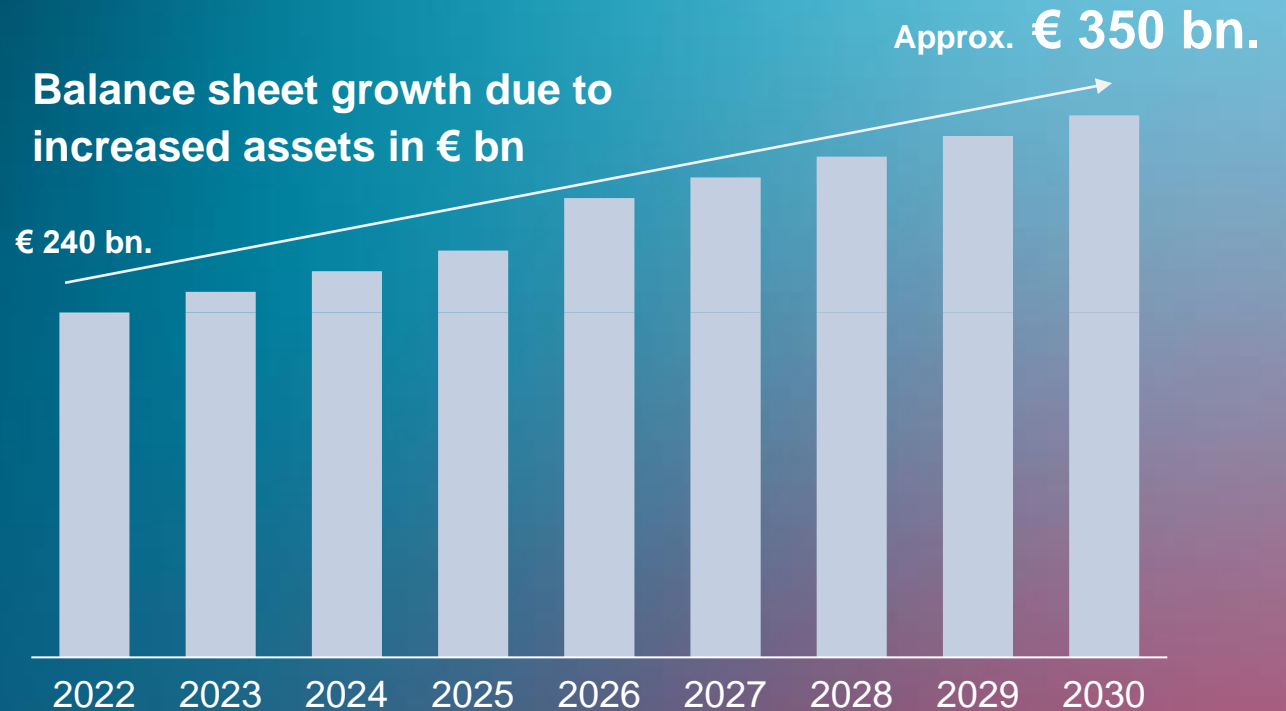


Source: Deloitte study, The future of automotive mobility, 2/2023

Annual new car sales and an increasing VW FS share of Volkswagen's car parc will increase VW FS' refinancing demand

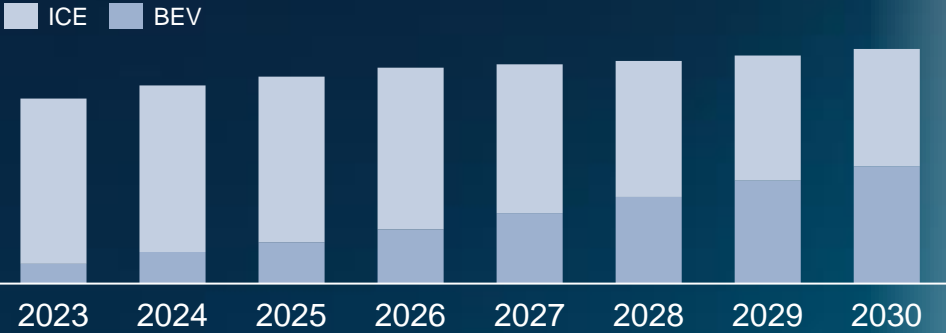


✓ Green in the sense of CO2-neutral use of the car, e.g. BEV

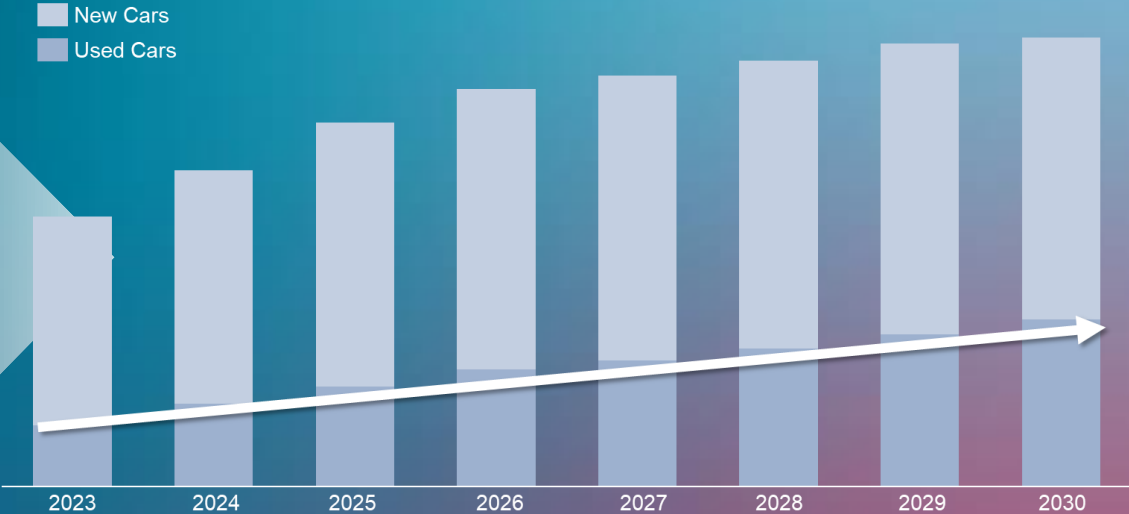


Impact of BEV Group deliveries on VW FS Portfolio and Balance Sheet

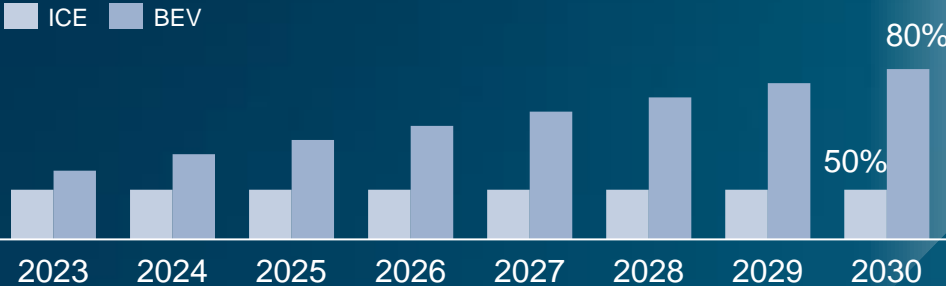
BEV group deliveries to customers increase ...



In addition, used car share of new contracts is increasing and leads to a growing portfolio

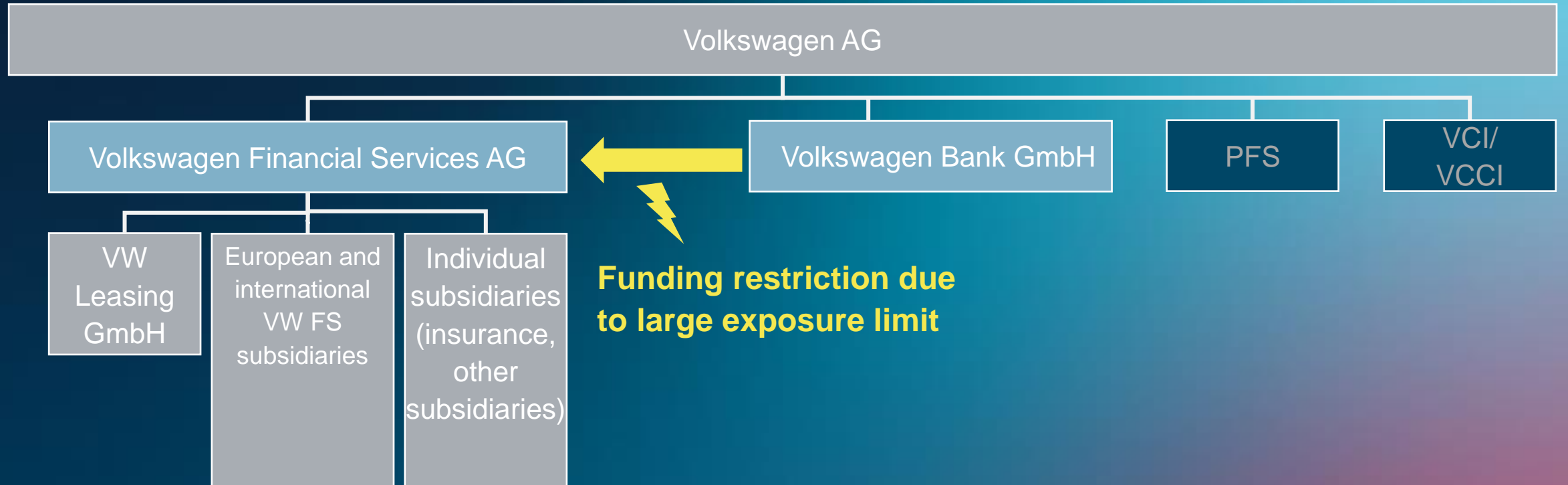


... while VW FS BEV Penetration increases, too.



VW FS AG and VW Bank GmbH are currently separate subsidiaries of Volkswagen AG

Status quo



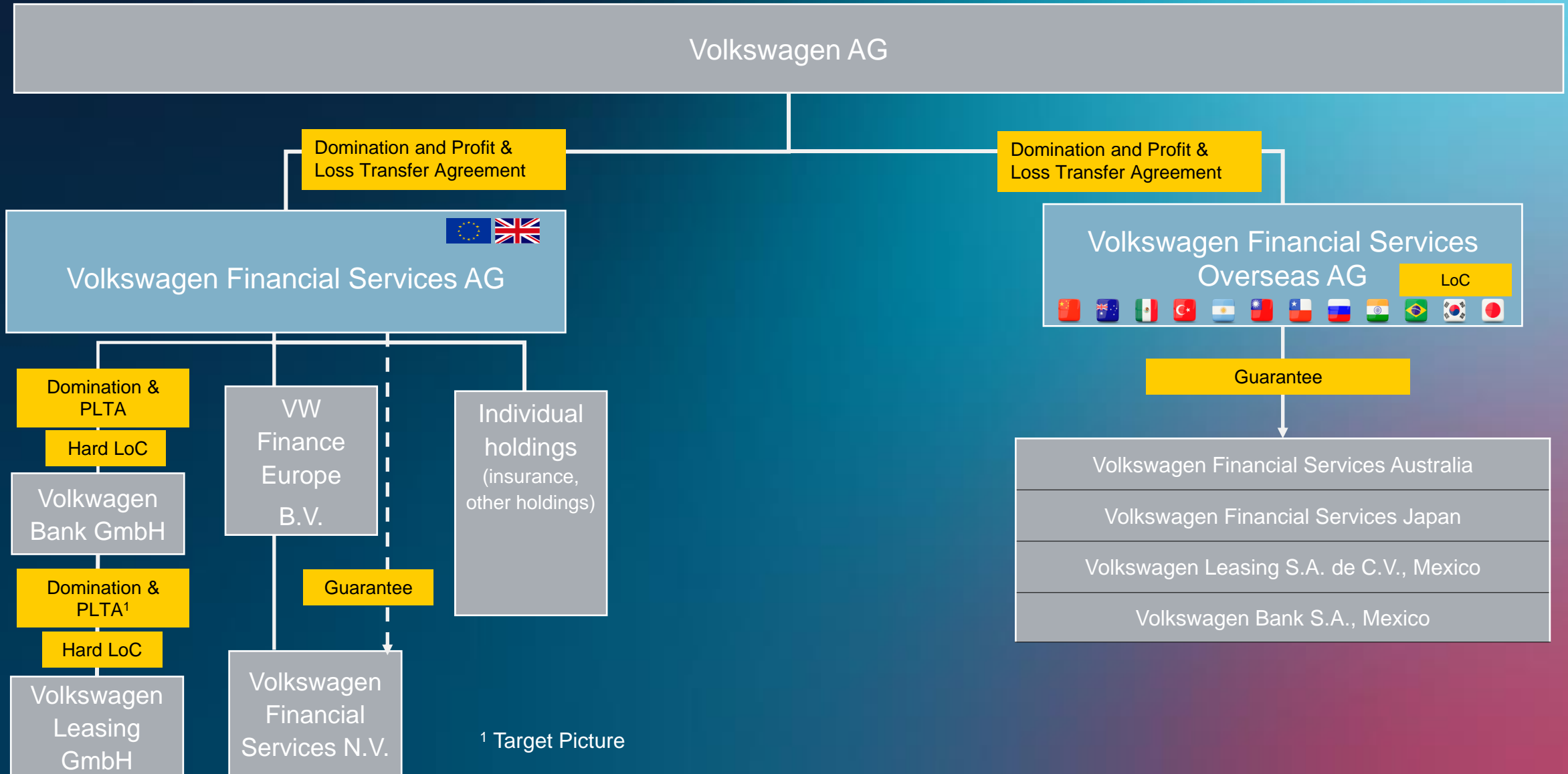
Reporting group Volkswagen Financial Services

Target picture - Unchanged reporting structure of segment Volkswagen Financial Services



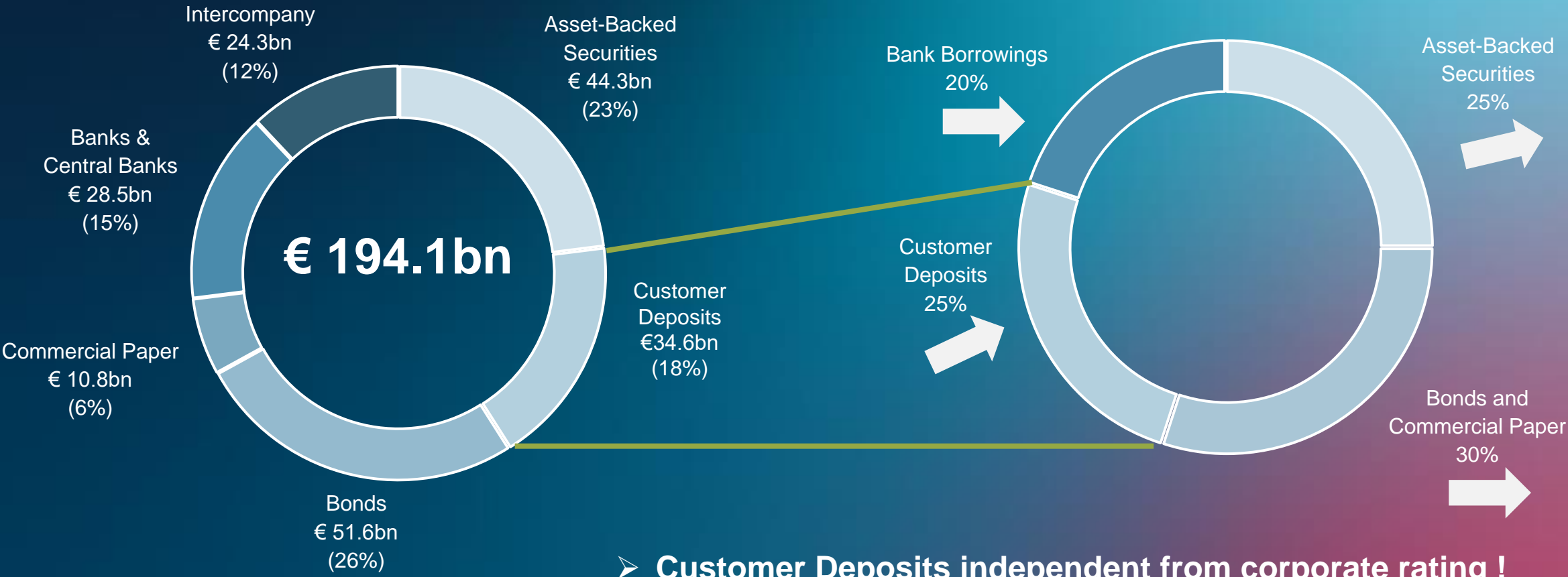
- Usage of VW Bank's customer deposits to fund the planned growth path of the European business
- Sustainable group setup and governance structures, considering the changing regulatory environment
- Equity base of Volkswagen Financial Services sufficient even in the new structure
- Implementation of main steps planned until mid 2024

Volkswagen Financial Services organisational structure and guarantee scheme target picture



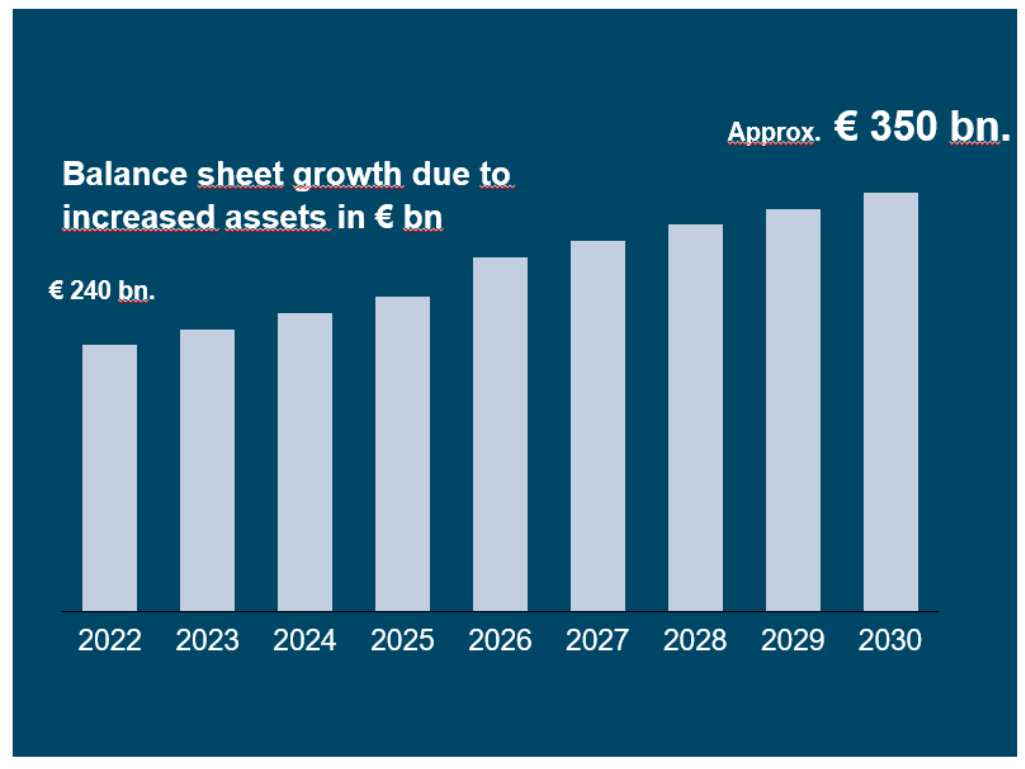
Funding allocation of segment Volkswagen Financial Services as of 30.06.2023

Strategic Funding Mix 2030



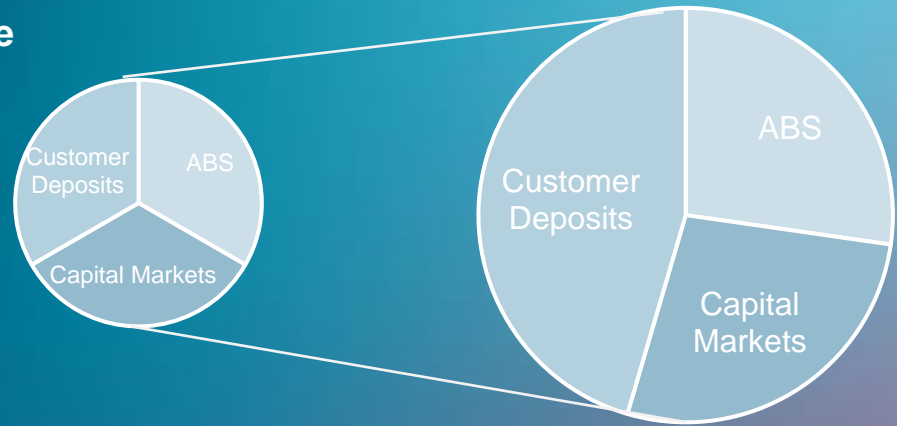
Strong business growth needs a strong refinancing strategy

Core element is the increase of customer deposits in Europe

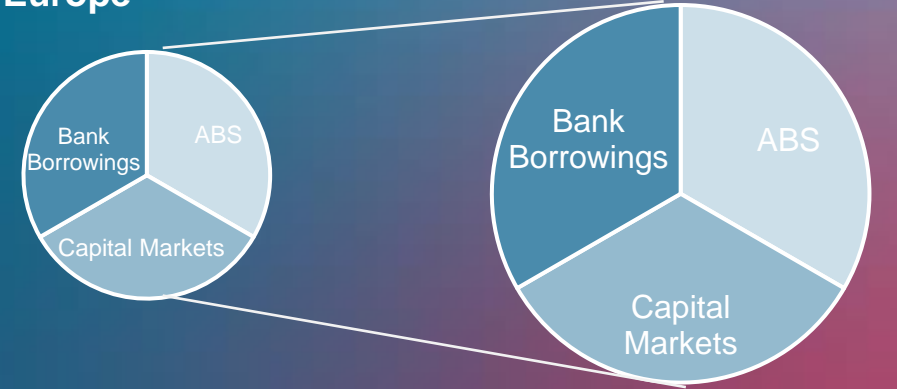


Strategic Funding Mix of Volkswagen Financial Services

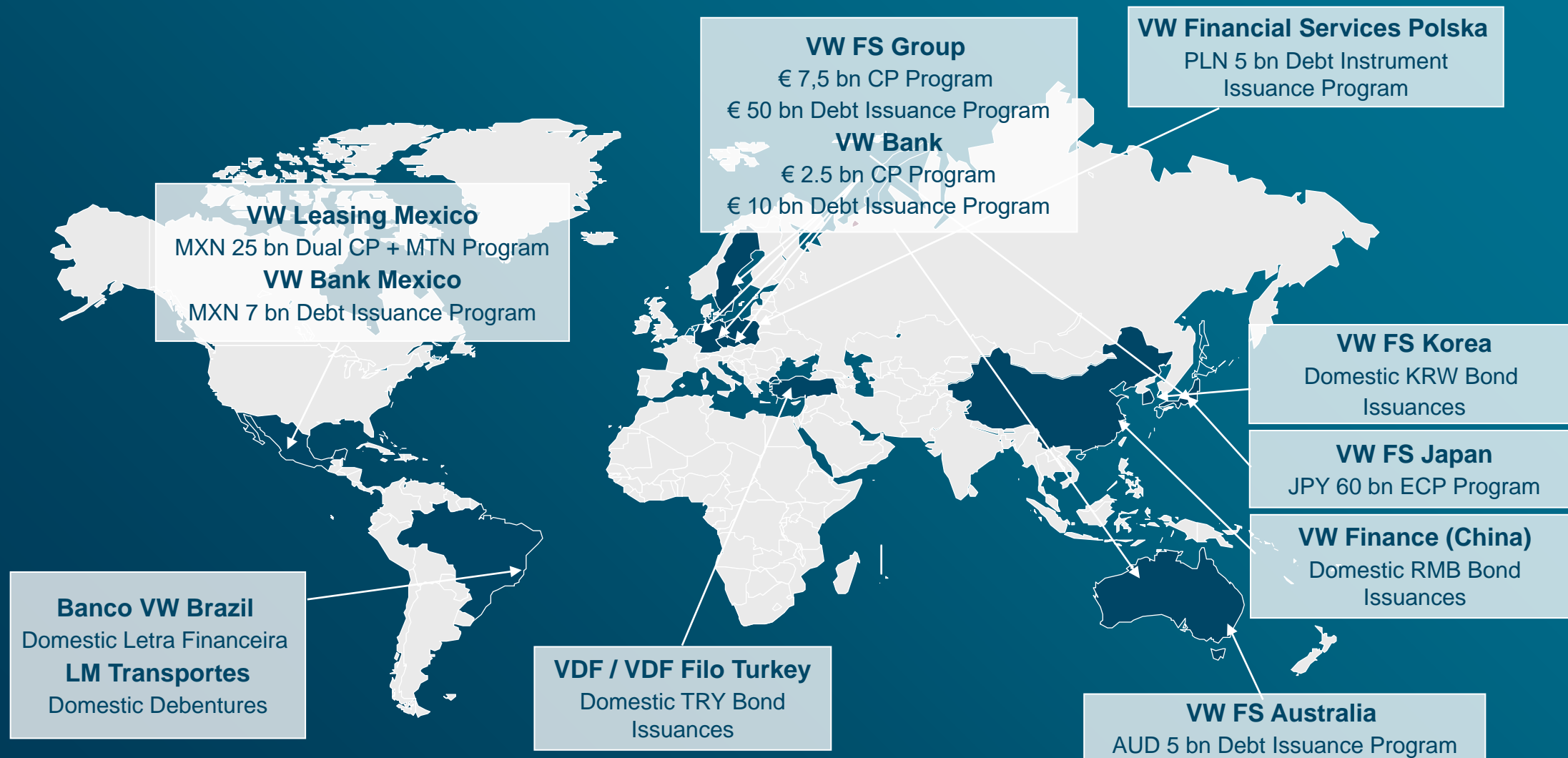
Europe



Non-Europe



Worldwide DCM activities of Volkswagen Financial Services

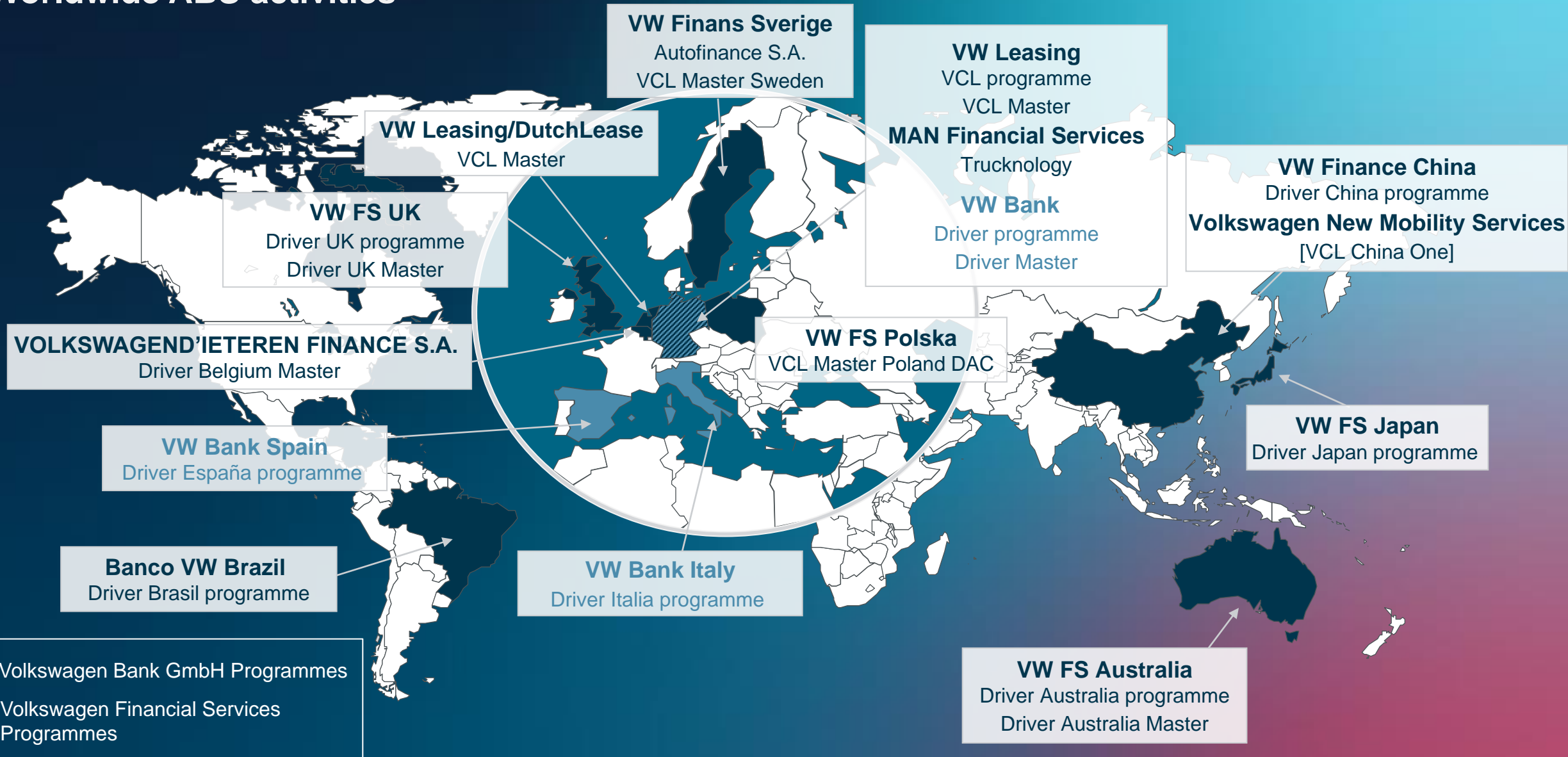


Green Bonds of Volkswagen Financial Services



- First Green Bond of Volkswagen Leasing GmbH successfully placed on September 18th 2023.
- Total volume of triple tranche bond in September 2023 € 2 bn, total volume of triple tranche bond in January 2024 € 2.75 bn. Further green bonds in SEK und NOK.
- Refinancing of financial products for BEVs.
- Sustainability is part of VWFS' strategy Mobility2030 and supports the sales of Volkswagen Group BEVs.
- Further information at <https://www.vwfs.com/en/investor-relations/volkswagen-financial-services-ag/refinancing.html#>

Worldwide ABS activities



**VOLKSWAGEN
FINANCIAL SERVICES**

THE KEY TO MOBILITY

Thank you !

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