

Extraordinary General Meeting 2022

CITYCUBE BERLIN, DECEMBER 16, 2022

Contents of the speech by Dr. Arno Antlitz CFO and COO of Volkswagen AG

Ladies and Gentlemen,

In February of this year, the Board of Management of Volkswagen with the approval of the Supervisory Board decided to evaluate the possibility of an IPO for Porsche and the disposal of a holding of 25 percent of the ordinary shares plus one ordinary share in Porsche AG to Porsche Automobil Holding SE.

A good six months later, at the end of September, we completed the transaction and successfully took Porsche to the stock exchange.

We are proud to have successfully navigated the largest IPO in European history, measured in terms of market capitalization, despite the extremely challenging stock market environment. This way, Porsche AG has given impressive proof of its special quality to the capital market.

Porsche is a very special brand within the VW Group. For many years, the company has operated extremely successfully. Porsche is highly profitable and is, in our opinion, outstandingly well-positioned for the future in every respect.

With the Taycan, Porsche has made a brilliant start in the electric era. The 100,000th Taycan already rolled off the production line in November.

In the first past months of this year, Porsche also showed that the company has developed outstandingly well despite considerable global challenges, achieving an operating return on sales of 18.9 percent. The figure for the corresponding period of the previous year had only been 15.5 percent. Group operating profit was €5.05 billion, an increase of 40.6 percent year-on-year.

Our view of Porsche is evidently also shared by the capital market. Since the day of the IPO, the share price has risen significantly.

It was therefore only consistent for Deutsche Börse AG to announce on December 5 that Porsche AG is to be included in Germany's leading share index, the DAX40, from next Monday, December 19.

I would like to make it quite clear from the start that Volkswagen intends to continue the full consolidation of Porsche AG and has no intention of disposing of further shares in Porsche AG.

I would like to take this opportunity to thank everyone who has been involved in this project. This was a fantastic team performance.

The implementation of the Porsche IPO has convincingly demonstrated that we can be successful on the capital market.

It is important to make the true value of Porsche AG visible. In this context, it also became clear that the current valuation of the Volkswagen Group as a whole is not balanced. We intend to change this.

We are working consistently to ensure that the value of the entire Volkswagen Group is made even more visible.

In future, we will orient our brands even more consistently to the capital market within the framework of our 10-point plan. At the Capital Markets Day in the second quarter, we reported on how we intended to sustainably strengthen the value of our brands and to further sharpen the capital market profile of the entire Group.

The performance experience gained from the Porsche IPO is to be transferred to the entire Group. We refer to this approach as the “virtual equity story”, which aims to highlight and present the entire potential of our brands, brand groups and value drivers.

We have a convincing strategy for the transformation of our Group toward electrification and digitization. If we succeed in providing concrete evidence of the value of this corporate strategy over the next few quarters and years, this should also have a positive impact on the capital market valuation of the entire Volkswagen Group.

Let me explain once again why we wanted to take Porsche to the stock exchange and what strategic considerations were behind this decision.

Through the IPO, Porsche AG will benefit from greater independence and agility. The brand can and should continue to benefit from synergies within the Group. This is where the strengths of the Porsche brand are combined with the scale advantages of the Volkswagen Group in a unique way.

At the same time, the income from the IPO and the sale of a 25 percent holding of the ordinary shares of Porsche AG plus one ordinary share will provide an even higher degree of flexibility to finance the transformation. We need this flexibility to finance the development of future profit pools more robustly.

At this point, I would like to highlight two areas in particular which in our opinion will be crucially important for the future – the battery and software.

First, I would like to turn to battery business: We expect that reliable, efficient battery supplies will become a crucial differentiator in our industry. In future, PowerCo will be a key competitive advantage for the Volkswagen Group and will make a significantly positive contribution to our business.

The responsibility of PowerCo ranges from the development of the Volkswagen unified cell to the management of our global gigafactories and along the value chains. The unified cell, which can be installed in millions of vehicles every year, will enable us to achieve significant scale effects.

In addition to reliable battery supplies, we believe it is crucial that PowerCo will be able to ramp up and implement its technology roadmap within a challenging time frame thanks to a high degree of independence.

Furthermore, we have created a company that will enable us to open up to external partners and investors in the future.

Nevertheless, it will also be in our economic and strategic interest to initially develop such a crucial asset ourselves and to retain both the added value from products and the value of the unit itself within the Group.

The proceeds from this IPO will provide us with the financial flexibility required for this purpose.

The second key area for the future of the Group is software. Our objective is to offer our customers the highest-performance functions at the earliest possible time and to shape our development as cost-effectively as possible. This way, we will be able to exploit the third major profit pool in addition to our business with internal combustion engines and all-electric vehicles. I am talking about our business with software-based services and autonomous driving.

For this purpose, we are developing the expertise of our software subsidiary CARIAD throughout the world, and especially in Europe, the USA and China. These development efforts are being implemented either in-house or, where appropriate, together with partners. For example, we have

presented a joint venture in China that will significantly reinforce our regional competitiveness in the field of partially autonomous driving.

The joint venture also includes the integration of numerous functions in a high-performance chip. This will improve the stability of the software and reduce the energy consumption of entire automated systems, thus enabling scalable solutions in the future.

This way, we will develop valuable intellectual property and continually expand our local know-how to supplement our global competence base.

In brief, the additional funds from the IPO will enable us to implement our planned investments in e-mobility and digitalization even faster and more consistently.

Furthermore, the proceeds will help to safeguard the strategic liquidity target of the Volkswagen Group's Automotive Division, namely 10 percent of consolidated sales revenue for 2026, at an early stage in a flexible way, further reinforcing the financial robustness of the Group and our bottom line.

In the course of the IPO, the price of the 25 percent of the preferred shares in Porsche AG placed with investors was set at €82.50 on September 28, 2022. That corresponded to a total of about 114 million preferred shares in Porsche. This included about 15 million preferred shares to cover so-called over-allotments. On the basis of the set price, the preferred shares placed with investors had a value of about €9.4 billion.

In the course of stabilization measures which are normal market practice, Bank of America, the bank instructed by Volkswagen, repurchased a limited number of shares in the first few days of trading. However, this greenshoe of a total of 14,853,260 preferred Porsche shares to cover over-allotments was not fully exhausted. As a result, a total of about 3.8 million preferred

shares continued to be held by Volkswagen. The free float of preferred shares therefore consists of 110,080,801 preferred shares, corresponding to 24.2 percent of the preferred shares in Porsche.

Measures to stabilize the share price in connection with IPOs are normal practice and are specifically provided for by the regulatory authorities. They are intended to prevent severe fluctuations in share prices in the first few days following a new listing and were required in this case in view of the challenging capital market environment.

After October 4, the bank instructed by Volkswagen did not carry out any further stabilization measures. It was possible to terminate the stabilization period prematurely on October 11.

Against this backdrop, the income from the sale of preferred shares actually placed with investors amounted to about €9.1 billion, based on the set price of €82.50 per share. Volkswagen also received all the income from the partial exercise of the greenshoe option.

Volkswagen also disposed of 25 percent of the ordinary shares plus one ordinary share in Porsche AG to Porsche Automobil Holding SE in connection with the IPO. In return, Porsche Automobil Holding SE undertook to pay a purchase price of approximately €10.1 billion to Volkswagen; this purchase price includes a 7.5 percent premium on the placement price of the preferred shares.

The appropriateness of this premium was confirmed both by a detailed analysis carried out by the investment bank Goldman Sachs Bank Europe SE, which advised Volkswagen, and by a comprehensive expert opinion issued by a renowned university professor in the fields of finance and banking.

The share purchase agreement is to be implemented in two tranches, with the first tranche consisting of 17.5 percent (plus one ordinary share) and the

second tranche consisting of 7.5 percent of the ordinary shares in Porsche AG.

The sale of the first tranche was completed at the same time as the IPO. The sale of the second tranche is to be completed by the latest on the day on which Volkswagen AG pays the special dividend to its shareholders.

The resolution concerning the payment of the special dividend which we have proposed for today's meeting provides for the payment of the special dividend on January 9, 2023.

Under the share purchase agreement, Volkswagen AG as warrantor provides various warranties to Porsche Automobil Holding SE, which place Porsche Automobil Holding SE substantially in the same position as the future holders of the preferred shares from the IPO. In addition, Volkswagen AG provides a few other warranties that are customary in the market and most of which are limited to Volkswagen AG's positive knowledge.

In our view, the terms and conditions of the share purchase agreement with Porsche Automobil Holding SE are appropriate and in accordance with normal market practice. This view has been confirmed by comprehensive expert opinions issued by Linklaters, the law firm which is advising us and a renowned university professor in the field of stock corporation law.

The Supervisory Board has been closely involved in the decision concerning the IPO of Porsche AG and the sale of ordinary shares to Porsche Automobil Holding SE. The Supervisory Board has monitored the implementation of the transaction and approved individual steps in the transaction. Among other items, this includes the conclusion of the agreements required in connection with the transaction, such as the share purchase agreement with Porsche Automobil Holding SE, and the conditions of the IPO. The Supervisory Board has consulted acknowledged advisers. It has been supported by the investment bank Lazard and the law firm of Gleiss Lutz.

Ladies and Gentlemen, against the backdrop of this extraordinarily successful transaction, we are pleased to be able to share the success of this transaction adequately with our shareholders in the form of a special dividend.

The fact that Volkswagen plans to pay a substantial part of the gross proceeds of the IPO and the sale of ordinary shares in Porsche AG to all VW shareholders as a special dividend underlines the strong financial position of Volkswagen.

At the same time, it is in accordance with good, generally accepted practice that you, our shareholders, should participate directly in the success of the Porsche IPO.

For this reason, the Board of Management and Supervisory Board of Volkswagen AG have decided to propose to the Extraordinary General Meeting the payment of a special dividend of €19.06 per ordinary or preferred share carrying dividend rights. This corresponds to the payment of 49 percent of the gross proceeds from the placing of preferred shares before the implementation of stabilization measures and from the sale of the ordinary shares. On the basis of a comprehensive study, the amount of the special dividend proposed is within the range of amounts paid to shareholders as special dividends in the past in connection with major transactions.

We would therefore like to ask you to approve today's resolution concerning the payment of the special dividend.

This special dividend will be paid in addition to the payment of the regular dividend in the amount of €7.50 per ordinary share or €7.56 per preferred share resolved by the Annual General Meeting held in May this year.

Dear Ladies and Gentlemen,

On behalf of the Board of Management, I would like to thank you for the trust you have placed in us over the years. And I look forward to taking the next important steps together with you on the path of Volkswagen's consistent and successful transformation toward electromobility and digitalization.

Thank you very much.