



**Key points of the speech by Herbert Diess, CEO Volkswagen AG,
for the Annual General Meeting of Volkswagen AG on May 12, 2022**

- The final speech text may differ from the outline and content -

Dear Shareholders, Ladies and Gentlemen,

On behalf of the entire Board of Management, I would like to welcome you to the virtual Annual General Meeting of Volkswagen Aktiengesellschaft.

Volkswagen has made good progress in 2021. We are financially robust and our strategy is taking hold.

Our brands are stronger than ever before. We have the right cars in the market and have been able to improve our positions in the world's major regions.

Our crisis management works. We can see that in the current situation as well.

In February, Russia attacked Ukraine. The effects of the war are devastating. At many of our sites, employees are collecting donations in kind. Our employees in Poland and the Czech Republic are supporting refugees, their families and those in need of help.

In Ukraine, the majority of the wiring harnesses for our cars are manufactured in Europe. Together with our suppliers, we were able to find quick, pragmatic solutions to significantly ease supply bottlenecks.

Due to the lack of cable harnesses, we ramped up our production in China and South America at short notice in March. At the same time, we are expanding cable harness production for Europe in other regions.

We expect the supply situation to normalize even in the event of a prolonged war. Our order situation is good. Following a successful first quarter, we have therefore confirmed our outlook for the full year.

Last year, too, we proved our resilience. Group-wide, we increased sales by 12 percent to 250 billion euros. Even though we built 2 million fewer cars than planned.

We nearly doubled the operating result before special items to 20 billion euros in 2021. The operating margin across the Group was almost 8 percent. We reduced our overheads by 10 percent compared to 2019. We thus achieved our cost target earlier than planned. Net cash flow was 8.6 billion euros, an increase of 35 percent.

In this way, we have created the prerequisite for vigorously driving forward the Group's restructuring in 2022 as well.

We want our shareholders to share in this positive development. We are proposing a dividend of 7.50 euros per ordinary share and 7.56 euros per preferred share.

Five years ago, we decided to convert our model portfolio to e-mobility in order to achieve the climate targets. Today, our customers can buy an electric alternative to almost all models. This means that our selection of electric cars is larger than that of any other car company.

The ID.3 is the electric alternative to the Golf. The ID.4 is the counterpart to the Tiguan. Starting next year, we will also offer an electric alternative for the Passat: The project name is Aero B. The ID.5 and the ID.6 complete the ID.family. And with the ID.Buzz, we now have an electric alternative for the T7.

In Europe, every fourth electric car came from the Volkswagen Group in 2021. In Zwickau, we produce six e-models from Volkswagen, Audi and SEAT/CUPRA. We are currently converting the plants in Hanover and Emden to electric.

In the USA, around 8 percent of all electric vehicles came from the Volkswagen Group. This means that our market share is twice as high as that of combustion vehicles. We sold almost 17,000 units of the ID.4.

In China, we delivered 93,000 e-cars last year. Four times as many as in the previous year. We now offer five e-models in the ID. family. With our ID. City Stores, we have opened over 120 new branches in city centers. Audi has also launched two e-cars on the Chinese market in 2021: the e-tron and the e-tron Sportback.

We delivered in 2021. Financially, by strengthening our resilience. But also strategically.

We reorganized our brands last year. Into the brand groups Premium, Volume and Sport. The goal: less complexity, more customer focus, new synergies through battery cells, charging infrastructure, software and a single platform.

We have presented a new Group strategy called "NEW AUTO". Because the car is becoming the most complex and attractive digital end device. Autonomous driving is creating new sales and earnings potential.

Last year, we hired 1,000 additional software developers. Our goal: We want to develop the software for autonomous driving ourselves. We have integrated the camera software manufacturer Hella Aglaia and acquired other tech companies. Bosch has built up a lot of expertise for autonomous driving. That's why we bought patents from Bosch for several hundred million euros. We have set up a joint team to pick up even more speed.

In Europe, we will build six gigafactories by 2030. After Salzgitter and Skellefteå in Sweden, we have just decided on the third location in Valencia, Spain.

Together with the Spanish government, we are converting the country to electro mobility.

We have introduced a fixed pricing model for charging in Europe. With one card, you now have access to a network of over 300,000 charging points.

With the ID.Buzz AD, we have started the test operation of autonomous shuttles in Munich. In Hamburg, the first autonomous services are to drive autonomous shuttles through the city in 2025.

China is the automotive market of the future. With over 90,000 local employees and 40 plants, Volkswagen Group China is the clear market leader and, with a 16 percent market share, the most successful automaker. We are also vehemently converting to e-mobility in China. We are using the further opening of the economy to expand our position in e-mobility. With companies such as Volkswagen Anhui and Audi-FAW in Changchun, which are majority-managed by us.

We are developing our site in Anhui into a hub for e-mobility, with a state-of-the-art R&D center. In Anhui province, we have acquired a stake in the cell manufacturer Gotion to secure battery supplies. We are doubling the number of our software experts to 1,200, who will develop customer-specific applications for China. Ralf Brandstätter will lead our successful business into the electric and autonomous future in the world's most innovative automotive market.

We also have a historic opportunity in the USA. By switching to e-mobility, Volkswagen can become a relevant mobility company in the world's second largest car market. To this end, we are investing 7.1 billion US dollars over the next five years: in new electric cars, more local research and development and the expansion of production.

In 2021, Volkswagen demonstrated its resilience and resolutely implemented the Group's transformation. Even under again difficult circumstances in 2022, we will continue to drive forward the transformation.