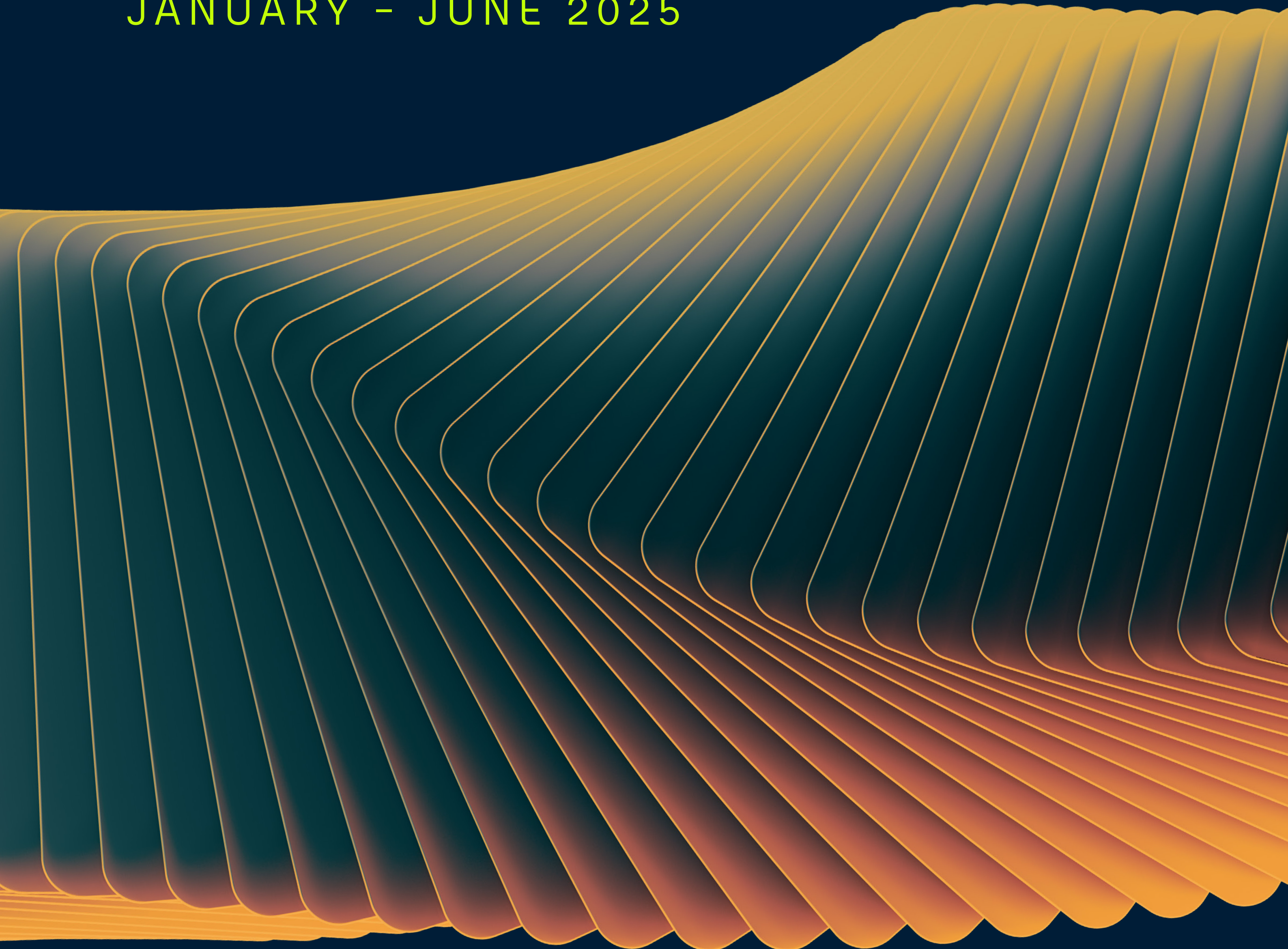
VOLKSWAGEN GROUP

HALF-YEARLY FINANCIAL REPORT

JANUARY – JUNE 2025



The consolidated financial statements of Volkswagen Aktiengesellschaft were prepared in accordance with IFRS Accounting Standards adopted by the European Union. Moreover, requirements of German commercial law pursuant to German Commercial Code (Handelsgesetzbuch, HGB) as well as the German Corporate Governance Code have been complied. Unless otherwise specified, this is the basis for the analysis of financial information.

All figures shown are rounded in accordance with standard commercial practice, so minor discrepancies may arise from addition of these amounts; the same applies to the calculation of percentages. Unless stated otherwise, comparative prior-year figures are presented in parentheses next to the figures for the reporting period.

This report contains 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. Risks are associated with the estimates given, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, prices for energy and other commodities or the supply of 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 in the 2024 Annual Report 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. We do not assume any obligation beyond that required by law to update the forward-looking statements made in this report.

This document is an English translation of the original report written in German, In case of discrepancies the German version shall take precedence. To conserve resources, both language versions are available in digital format only, and can be accessed in the Investors section at www.volkswagen-group.com.

Key Figures

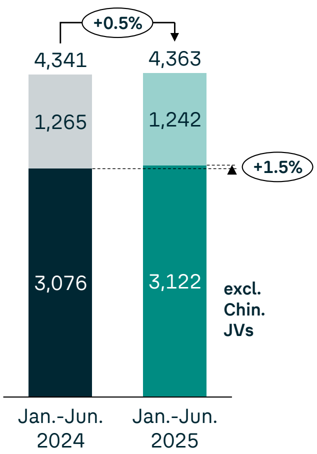
VOLKSWAGEN GROUP[1]

Deliveries to customers

in thousand units

Vehicle sales

in thousand units

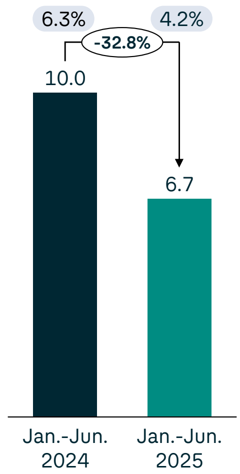


Sales revenue

in € billion

Operating result[2] & Operating return on sales[2]

in € billion



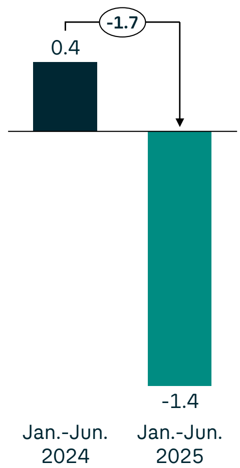
AUTOMOTIVE DIVISION[2,3]

Investment ratio

in %

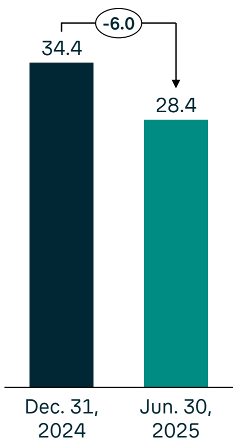
Net cash flow

in € billion



Net liquidity

in € billion



1 Volume data also includes the unconsolidated Chinese joint ventures (Chin. JVs); prior-year deliveries have been updated to reflect subsequent statistical trends.
2 Prior-year figures adjusted (see disclosures on IAS 8).
3 Since January 1, 2025, the Automotive Division no longer includes the allocation of consolidation adjustments between the Automotive and Financial Services divisions. Prior-year figures adjusted to the new reporting structure.

Key Facts

- > Deliveries to Volkswagen Group customers, including the Chinese joint ventures, up by 1.3% year-on-year to 4.4 million vehicles in the first six months of 2025; growth in Europe and South America, downward trend in North America and Asia-Pacific
- > Deliveries of all-electric vehicles to customers much stronger at 465 (317) thousand units (+46.7%); share of Group deliveries at 10.6 (7.3)%
- > Group sales revenue of €158.4 (158.8) billion on a level with the previous year
- > Operating result down at €6.7 (10.0) billion; adverse factors mainly arising from higher import tariffs imposed by the USA, provisions in connection with CO_2 fleet regulations in Europe and the USA as well as exchange rate effects; expenses for restructuring measures on a level with the previous year
- > Earnings before tax down overall at €6.4 (10.1) billion; earnings after tax decline by €2.8 billion to €4.5 billion
- > Automotive Division's net cash flow amounts to €–1.4 (0.4) billion; investment ratio at 11.4 (12.3)% due to lower R&D ratio in the Automotive Division
- > Net liquidity in the Automotive Division at a solid level of €28.4 billion

Business Development

BOARD OF MANAGEMENT AND SUPERVISORY BOARD MATTERS

Gunnar Kilian stepped down from the Board of Management of Volkswagen AG with effect from midnight on July 4, 2025. Mr. Kilian had been a member of the Board of Management since April 13, 2018 with functional responsibility for the Human Resources and the Trucks brand group. His role as director of labor relations and thus the responsibility for the "Human Resources" Board function has been filled in a temporary capacity by Thomas Schäfer, the Board of Management member responsible for the Core brand group.

Christiane Benner, Chair of IG Metall, was court-appointed as a member of the Supervisory Board of Volkswagen AG effective March 9, 2025. She succeeds Jörg Hofmann, who resigned from office with effect from midnight on March 8, 2025.

On May 16, 2025, the Annual General Meeting of Volkswagen AG elected Mohammed Al-Sowaidi, Chief Executive Officer of Qatar Investment Authority, as a member of the Supervisory Board of Volkswagen AG. He succeeds Mansoor Ebrahim Al-Mahmoud, whose term of office ended with the 2025 Annual General Meeting.

Susanne Wiegand, Supervisory Board member and investor, was court-appointed as a member of the Supervisory Board of Volkswagen AG with effect from July 5, 2025. She succeeds Marianne Heiß, who resigned from office with effect from midnight on July 4, 2025.

GENERAL ECONOMIC DEVELOPMENT

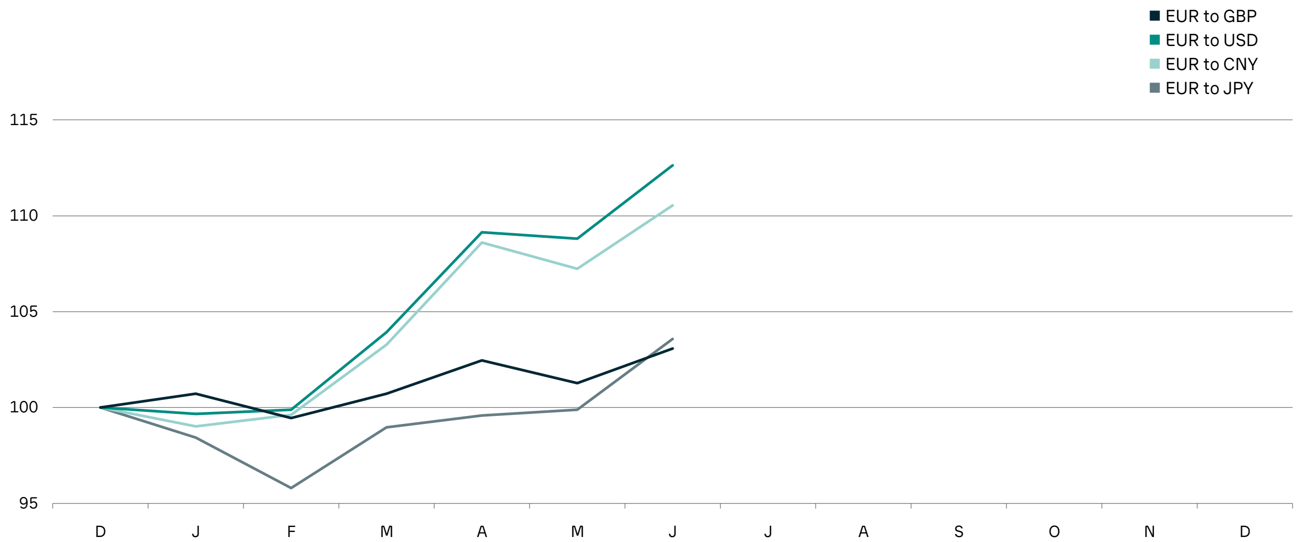
The global economy as a whole remained on a growth path in the first half of 2025, showing momentum on a par with the year before. In comparison, the group of emerging markets recorded a somewhat stronger increase in the growth rate, while growth in the advanced economies tapered off slightly overall. Geopolitical uncertainty, particularly precipitated by US trade policy, dampened sentiment among market participants and counteracted the effects of declining inflation rates in many countries and a loosening of monetary policy.

The economy in Western Europe exhibited positive growth overall in the first half of this year, at a higher level than the prior year. Development in Northern and Southern Europe was largely similar. In response to declining inflation rates, the European Central Bank continued its key interest rate cuts it had begun in June 2024 in several steps.

Germany recorded slightly positive economic growth in the reporting period with performance that was therefore somewhat better than in the prior-year comparative period. Compared with the same period of the prior year, the seasonally adjusted unemployment figures rose further on average. After reaching historically high levels in late 2022, monthly inflation rates have since fallen broadly in step with the eurozone average.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2024 TO JUNE 2025

Index based on month-end prices: as of December 31, 2024 = 100



The economies in Central and Eastern Europe recorded an overall growth in the first six months of 2025 that was lower than in the prior-year period.

In the USA, gross domestic product in the reporting period grew at a slower pace than in the same period in the prior year. After cutting its key interest rates in several steps last year, the Federal Reserve held them steady in the reporting period and did not continue its easing stance on account of the uncertainty generated by the actions of the new US administration in 2025.

Economic output in Brazil grew at a somewhat faster pace than in the first six months of the previous year.

Growth in China's economic output was above the global average and somewhat higher than in the prior-year period.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

From January to June 2025, the volume of the global passenger car market was up slightly on the prior-year figure, with varying performance in the individual regions. While market volumes in Western Europe and Central and Eastern Europe fell, North America, South America, Asia-Pacific, Africa and the Middle East developed favorably. The market for all-electric vehicles (BEVs) increased strongly compared with the prior-year period, with its share of the underlying market volume rising to 14.6 (12.0)%.

The global volume of new registrations of light commercial vehicles between January and June 2025 was in the range of the previous year.

In Western Europe, the number of new passenger car registrations declined in the first half of 2025 and was in the same range as in the previous year. The performance of the large individual passenger car markets in this region was mixed. While the United Kingdom grew slightly and Spain significantly, the market volume in France declined noticeably and in Italy slightly.

The volume of new registrations for light commercial vehicles in Western Europe was significantly lower in the reporting period than for the same period of the previous year.

The number of new passenger car registrations in Germany from January to June 2025 was down slightly on the prior-year level, though demand for all-electric vehicles and plug-in hybrids rose. However, demand for vehicles with conventional drives was weaker. Production in Germany increased to 2.2 million vehicles (+4.1%) in the first six months of 2025, with passenger car exports rising to 1.7 million units (+3.3%).

The number of light commercial vehicles sold in Germany in the first two quarters of 2025 was significantly down on the figure for the same period in 2024.

In the Central and Eastern Europe region, there was a significant contraction in the volume of the passenger car market in the reporting period. Positive movement was recorded in the number of vehicles sold in Poland and the Czech Republic, the major markets of Central Europe.

From January to June 2025, the market volume of light commercial vehicles in Central and Eastern Europe was significantly below the prior-year level.

Sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) rose slightly in the North America region. The volume of the US market in the first six months of 2025 was slightly above the comparative prior-year period due to the announced introduction of tariffs and the anticipated price effects as a result. Canada noticeably exceeded the prior-year figure, while Mexico remained at the prior-year level.

In the South America region, the volume of new vehicle registrations for passenger cars and light commercial vehicles was significantly higher in the first half of 2025 than in the comparative prior-year period. In Brazil, the number of new vehicle registrations was noticeably higher than in the previous year, while the market volume in Argentina saw a very strong increase.

In the Asia-Pacific region, the volume of the passenger car market from January to June 2025 was noticeably higher than in the previous year. The number of new registrations in the Chinese passenger car market was also noticeably higher than the prior-year figure, due to the increased demand for all-electric vehicles. The Indian market was in the range of the previous year. In Japan, the market volume rose significantly following weak unit sales in 2024.

In the reporting period, the volume of demand for light commercial vehicles in the Asia-Pacific region was slightly above the level for the prior-year period. Registration volumes in China, the region's dominant market and the largest market worldwide, were on a level with the volume in the period one year earlier.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES FROM JANUARY 1 TO JUNE 30

	MARKET VOLUME		CHANGE
Units	2025	2024	(%)
Markets for passenger cars			
Western Europe	**6,138,686**	**6,198,655**	**-1.0**
of which: Germany	1,403,068	1,471,641	-4.7
France	842,213	912,923	-7.7
United Kingdom	1,041,841	1,006,763	+3.5
Italy	859,643	891,294	-3.6
Spain	642,468	560,115	14.7
Central and Eastern Europe	**1,153,584**	**1,284,548**	**-10.2**
of which: Czech Republic	122,639	119,221	+2.9
Poland	286,014	277,820	+2.9
Other Markets	**2,404,043**	**2,119,415**	**+13.4**
of which: Türkiye	479,327	462,955	+3.5
South Africa	196,724	162,303	+21.2
North America	**9,835,766**	**9,531,746**	**+3.2**
of which: USA	8,147,145	7,903,744	+3.1
Canada	979,277	917,824	+6.7
Mexico	709,344	710,178	-0.1
South America	**1,979,616**	**1,762,975**	**+12.3**
of which: Brazil	1,132,701	1,078,346	+5.0
Argentina	308,212	174,032	+77.1
Asia-Pacific	**18,089,820**	**16,905,386**	**+7.0**
of which: China	11,044,290	10,116,627	+9.2
India	2,145,952	2,116,422	+1.4
Japan	1,989,524	1,790,491	+11.1
Worldwide	**39,601,515**	**37,802,725**	**+4.8**
of which: all-electric vehicles (BEVs)[1]	5,777,199	4,519,858	+27.8
Markets for light commercial vehicles			
Western Europe	**845,588**	**950,743**	**- 11.1**
of which: Germany	138,067	155,770	-11.4
Central and Eastern Europe	**137,286**	**153,880**	**-10.8**
Asia-Pacific	**2,468,273**	**2,394,798**	**+3.1**
of which: China	1,188,000	1,187,033	+0.1
Worldwide	**3,872,397**	**3,917,537**	**-1.2**

1 Major markets; no data available for individual (minor) markets.

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

In the markets that are relevant for the Volkswagen Group, demand for mid-sized and heavy trucks with a gross weight of more than six tonnes was noticeably lower in the reporting period than in the same period of the previous year. Global truck markets fell slightly short of the prior-year level, with the declines in Europe and North America being compensated by growth in South America and China only to a limited extent.

The volume of sales in the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), was significantly lower in the first six months of 2025 than in the prior-year period. New registrations in Germany, the largest market in this region, experienced a strong downturn in terms of volume on the same period of the previous year. In the United Kingdom as well as in France, demand was significantly lower than the prior-year level. The truck market in North America is divided into weight classes 1 to 8. In the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier) – the level of new registrations continued to be noticeably lower than in the previous year. By contrast, the truck market in South America was up noticeably on the prior-year figure. Brazil, the biggest market in this region, recorded demand in the range of the previous year.

In the first six months of 2025, demand in the bus markets that are relevant for the Volkswagen Group was slightly up on the same period of the prior year. Demand for buses in the EU27+3 markets in the reporting period was also slightly higher than the prior-year level, with the picture varying from country to country. In North America, demand for buses was significantly lower than in the same period of the previous year. The school bus segment in the USA and Canada remained noticeably below the prior-year level. In Mexico, there was a very strong drop in demand for buses in comparison with the previous year. This contrasts with South America, where demand was stronger than in the prior year, due in particular to the very strong trend in Brazil.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

There were high levels of demand for automotive financial services in the first half of 2025.

Europe's passenger car market volume in the reporting period was down slightly year-on-year. Sales of financial services products exceeded the prior-year figure. A positive trend was also observed in the sale of after-sales products such as servicing, maintenance and spare parts agreements.

New passenger car registrations in Germany in the period from January to June 2025 were down slightly year-on-year. However, there was further growth in the number of new contracts in the financial services business. This trend is attributable to leasing contracts with individual customers; the relevant fleet customer business and new vehicle financing were at the prior-year level. The penetration level for new vehicles exceeded the previous year's figure and expectations; the used car business also developed positively. The number of new contracts signed for services remained at the prior-year level in the reporting period, while the number of new contracts signed for insurance declined due to the impact of extraordinary factors on individual products.

In Türkiye, the political situation was slightly calmer at the end of the reporting period. The refinancing situation remained strained but has nearly returned to pre-crisis levels. While the leasing-based fleet business remained under pressure, virtually no effect was seen on the traditional lending and insurance business.

In South Africa, there was a strong increase in vehicle sales in the first half of 2025 compared with the prior-year period. As a result, the number of financed purchases also increased. The used car market remained strong as a result of higher prices for new vehicles. Financing costs remained high under challenging economic parameters.

The North America region revealed a mixed picture in the first half of 2025 in light of the tariff discussions and vehicle availability. In the USA, the number of leasing and financing contracts, new vehicle penetration and new contracts for insurance and after-sales products were all down on the respective prior-year figures. Demand for financial services in Canada and Mexico was higher than in the previous year.

In the South America region, the market for financial services remained strong. In Brazil, the number of new contracts rose thanks to the range of financial services targeted at specific customer groups, as well as a higher number of new vehicle registrations. The number of car subscriptions and fleet management programs entered into also rose. In Argentina, improving macroeconomic conditions led to a very sharp increase in the number of financial services contracts concluded.

Demand for electrified vehicles in the Chinese automotive market continued to rise in the first half of 2025, though demand for used vehicles tapered off slightly. After banks had increasingly sought to gain a foothold in the market with their own products in the first quarter, the regulatory authorities reined in anti-competitive conduct in June, which in turn gave a boost to demand for automotive financial services. In Japan, demand for new vehicles was up significantly year-on-year. Demand for vehicle financing arrangements also increased, bolstered by innovative financing offerings, with banks continuing to dominate the market and digital solutions growing in importance.

The financial services business for commercial vehicles was slightly up on the prior-year level in the first half of 2025.

VOLKSWAGEN GROUP DELIVERIES

The Volkswagen Group delivered 4,405,316 vehicles to customers worldwide in the first half of 2025. This was 1.3% or 57,231 units more than in the same period of the previous year. While passenger car and light commercial vehicle deliveries exceeded the prior-year level, the Group’s commercial vehicle sales were down on the previous year.

VOLKSWAGEN GROUP DELIVERIES FROM JANUARY 1 TO JUNE 30[1]

	2025	2024	%
Passenger Cars and Light Commercial Vehicles	4,252,179	4,187,974	+1.5
Commercial Vehicles	153,137	160,111	–4.4
Total	**4,405,316**	**4,348,085**	**+1.3**
of which: all-electric vehicles (BEVs)	465,485	317,208	+46.7

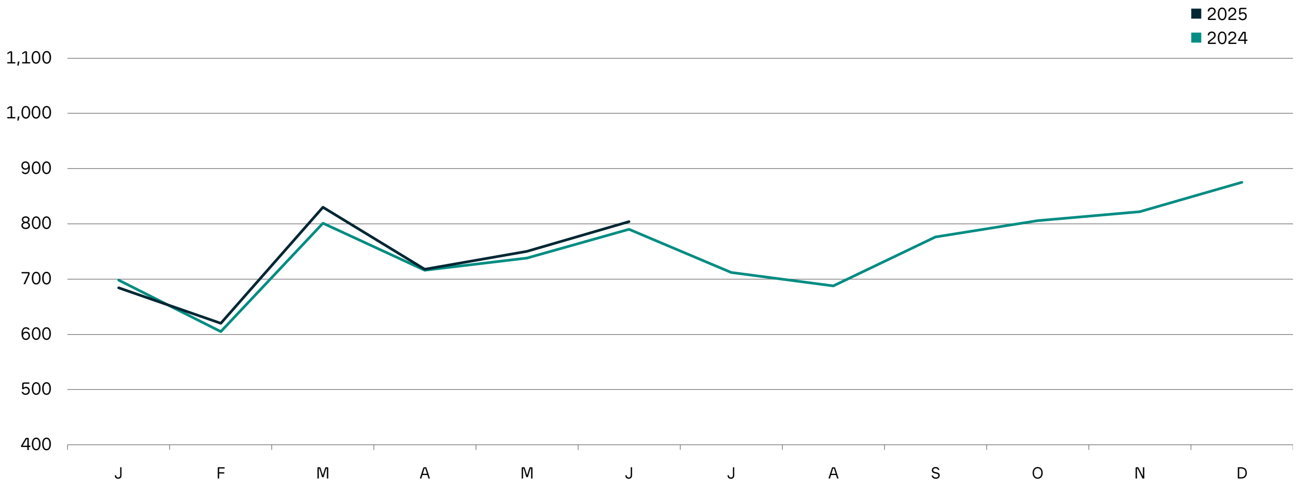
1 The figures include the equity-accounted Chinese joint ventures. Prior-year deliveries have been updated to reflect subsequent statistical trends.

Deliveries of electrified vehicles from the Volkswagen Group developed very encouragingly: we handed over 465,485 all-electric vehicles (including heavy commercial vehicles) to customers worldwide in the first six months of this year. This was 148,277 units or 46.7% more than in the same period of the previous year. The share of the Group’s total deliveries rose to 10.6 (7.3)%. Deliveries to customers of our plug-in hybrid models amounted to 192,288 (+40.6%) units. As a result, the number of electrified vehicles sold rose by a total of 44.9%; their share of total Group deliveries increased year-on-year to 14.9 (10.4)%. The Group brands’ highest-volume all-electric vehicles included the ID.4 and ID.3 from Volkswagen Passenger Cars, the Škoda Elroq and Enyaq, the CUPRA Tavascan and Born, the ID. Buzz from Volkswagen Commercial Vehicles, the Audi Q4 e-tron and Audi Q6 e-tron as well as the Porsche Macan.

The chart in this section shows the trend in deliveries worldwide for the individual months compared with the previous year. In the following, we report separately on deliveries of passenger cars and light commercial vehicles and deliveries of commercial vehicles.

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



GLOBAL DELIVERIES OF PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

In the first six months of 2025, sales of Volkswagen Group passenger cars and light commercial vehicles worldwide were in the range of the previous year at 4,252,179 units (+1.5%) in a challenging market. While Volkswagen Passenger Cars, Škoda, SEAT/CUPRA and Lamborghini increased vehicle deliveries, Volkswagen Commercial Vehicles, Audi, Bentley and Porsche did not reach their respective prior-year figures. At a regional level, we saw demand rise for passenger cars and light commercial vehicles from the Volkswagen Group in all regions except for North America and Asia-Pacific.

In an overall global market that saw slight growth, we achieved a passenger car market share of 10.3 (10.5)%. Our BEV market share in the markets assessed was 7.6 (6.7)%.

The table that follows in this section provides an overview of passenger car and light commercial vehicle deliveries to customers by market in the reporting period. Sales trends in the individual markets are described below.

Deliveries in Europe/Other Markets

In Western Europe, the Volkswagen Group delivered 1,644,340 vehicles to customers in the first half of 2025 in an overall market that was in the same range as in the previous year. This was 1.4% more than in the same period of the prior year. Customer interest in the Volkswagen Group's electrified vehicles was strongest in Western Europe, where we delivered more than 70% of our all-electric models (including heavy commercial vehicles) or 338,221 units to customers in the reporting period. The number of all-electric models handed over to customers increased by nearly 90% year-on-year. Their share of Group deliveries in this region rose to 19.9 (10.7)%. In Western Europe, incoming orders for Volkswagen Group all-electric models developed encouragingly, increasing by more than 60% year-on-year. The Group vehicles that achieved the highest sales volumes were the T-Roc, Tiguan and Golf hatchback from the Volkswagen Passenger Cars brand. Other models that recorded encouraging demand included the ID.7 Tourer and ID.4 from Volkswagen Passenger Cars, the Kodiaq and Fabia hatchback from Škoda, the SEAT Leon, CUPRA Terramar and CUPRA Tavascan, the ID. Buzz and Multivan from Volkswagen Commercial Vehicles, the Q6 e-tron, A5 Avant and A6 Avant e-tron from Audi and the Porsche Macan. The Tayron from Volkswagen Passenger Cars, the Elroq and Enyaq from Škoda and the Audi Q5, A6 and A6 e-tron, among others, were introduced to the market as new or successor models in the reporting period. The Volkswagen Group's share of the passenger car market in Western Europe rose to 24.5 (23.5)%. The BEV market share increased to 27.3 (17.8)%.

In Germany, 589,059 vehicles were delivered to Volkswagen Group customers between January and June 2025; this was 2.1% more than the prior-year figure. The overall market in the same period was slightly down on the 2024 level. At 116,774 units, the number of all-electric vehicles (including heavy commercial vehicles) delivered nearly doubled year-on-year. The Group vehicles that achieved the highest sales volumes were the T-Roc, Tiguan and Golf hatchback from the Volkswagen Passenger Cars brand. In addition, the ID.7 Tourer from Volkswagen Passenger Cars, the Multivan from Volkswagen Commercial Vehicles and the Audi A5 Avant, A6 Avant e-tron and Q6 e-tron, among others, saw encouraging demand. Seven Group models led the *Kraftfahrt-Bundesamt* (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments: the Golf, T-Roc, Tiguan, Passat, Audi A6, Multivan/Transporter and Porsche 911. The Golf was again the most popular passenger car in Germany in terms of registrations in the first six months of 2025.

In the Central and Eastern Europe region, the number of Volkswagen Group vehicles handed over to customers in the reporting period was up 8.8% year-on-year. The overall market meanwhile experienced a significant contraction. The Group vehicles that achieved the highest sales volumes were Škoda's Octavia Combi, Octavia saloon, Kodiaq and Kamiq. The Volkswagen Group's share of the passenger car market in the Central and Eastern Europe region increased to 21.0 (17.1)% and the BEV market share in the markets assessed rose to 24.6 (12.2)%.

In Türkiye, the Volkswagen Group delivered 21.8% more vehicles to customers in the first six months of 2025 than in the prior-year period in an overall market that was slightly higher than in the year before. The T-Roc from Volkswagen Passenger Cars was the most sought-after Group model there. In the South African market, which recorded strong growth, the number of Group models sold declined by 5.9%. The Polo Vivo from the Volkswagen Passenger Cars brand was the most sought-after Group model in this region.

Deliveries in North America

In North America, the number of Volkswagen Group models delivered to customers from January to June 2025 decreased by 6.9% year-on-year, due mainly to the challenging market environment. The market as a whole grew slightly over the same period. The volume of all-electric models delivered in North America (including heavy commercial vehicles) rose by 12.0% to 37,122 units compared with the previous year. Their share of total Group deliveries in this region rose to 8.0 (6.7)%. The Taos, Jetta and Atlas from the Volkswagen Passenger Cars brand were the most sought-after Group models in North America. The Taos and Tayron from Volkswagen Passenger Cars, the Audi A5 and Q5 and the Porsche 911, among others, were introduced to the market as new or successor models in the reporting period. The Group's share of the market in this region decreased to 4.3 (4.8)%. The BEV market share rose to 5.5 (4.8)%.

In the US market, which was slightly up on the previous year, the Volkswagen Group delivered 9.8% fewer vehicles to customers in the reporting period than in the prior-year comparative period. The Group vehicles with the highest sales volume were the Atlas, Jetta and Taos from the Volkswagen Passenger Cars brand.

In Canada, the number of deliveries to Volkswagen Group customers increased by 2.1% year-on-year from January to June 2025. The overall market recorded noticeable growth during this period. The Group models with the highest volume of demand were the Taos and Jetta from the Volkswagen Passenger Cars brand.

In Mexico, we delivered 2.8% fewer vehicles to customers in the first six months of this year than in the prior-year period. In this period, the overall market remained at the prior-year level. Demand developed encouragingly for the Tayron from Volkswagen Passenger Cars, among other vehicles.

Deliveries in South America

In the South American market for passenger cars and light commercial vehicles, which was significantly higher than in the comparative prior-year period, the number of Group models handed over to customers between January and June 2025 increased by 21.1% year-on-year. The Polo and T-Cross from Volkswagen Passenger Cars were the Group models with the highest sales volumes. The Group's share of the market in South America rose to 13.5 (12.5)%. In the South America region, the market for all-electric vehicles remained at a low level.

In Brazil, a market that recorded noticeable growth, the Volkswagen Group delivered 9.9% more vehicles to customers in the first half of 2025 than in the prior-year period. The trend in the sales of the T-Cross and Saveiro models from Volkswagen Passenger Cars, for instance, was particularly encouraging.

In Argentina, where the overall market is seeing very strong growth, the number of Group models sold in the reporting period more than doubled compared with the previous year. The Group vehicles with the highest sales volume were the Amarok and Polo from the Volkswagen Passenger Cars brand.

Deliveries in the Asia-Pacific Region

In the first six months of 2025, the Volkswagen Group's sales volume in the Asia-Pacific region declined by 1.2%, while the overall market in the same period saw noticeable growth. The volume of all-electric vehicles (including heavy commercial vehicles) delivered in this region decreased by 25.1% year-on-year to 72,719 units. Their share of the Group's total deliveries fell to 4.9 (6.5)%. The Group models with the highest sales volume were the Sagitar and Passat from the Volkswagen Passenger Cars brand. The Group's share of the passenger car market in this region declined to 8.1 (8.7)% and the BEV market share in the markets assessed fell to 1.9 (3.5)%.

In the reporting period, China's overall market was also noticeably higher than the previous year's level. The Volkswagen Group delivered 2.3% fewer vehicles to customers there than in the previous year. The high intensity of competition continued to have a negative impact. At 59,351 units, the number of all-electric vehicles handed over to customers in China was 34.5% lower than the prior-year figure. Their share of the Group's total deliveries fell here to 4.5 (6.7)%. The Group vehicles with the highest sales volume were the Sagitar, Passat and Magotan from the Volkswagen Passenger Cars brand. In addition, the T-Cross and Tiguan Allspace from Volkswagen Passenger Cars were among the models that saw an encouraging increase in demand. The Tayron and Teramont from Volkswagen Passenger Cars and the Jetta VA7, Audi A5L Sportback and Porsche 911, among others, were introduced to the market as new or successor models in the reporting period.

In the Indian passenger car market, which was in the range of the previous year, the Volkswagen Group sold 41.0% more vehicles in the first six months of this year than in the same period of 2024. Demand was particularly high for the Škoda Kylaq, which was introduced to the market as a new model. The Virtus from Volkswagen Passenger Cars likewise recorded a high volume of demand.

In Japan, the number of Group models delivered to customers between January and June 2025 increased by 14.5% year-on-year in an overall market that registered significant growth. The Group vehicles with the highest sales volume were the T-Cross and Golf hatchback from the Volkswagen Passenger Cars brand.

PASSENGER CAR AND LIGHT COMMERCIAL VEHICLE DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY 1 TO JUNE 30[1]

	DELIVERIES (UNITS)		CHANGE
	2025	2024	(%)
Europe/Other Markets	**2,092,244**	**2,024,708**	**+3.3**
Western Europe	**1,644,340**	**1,621,100**	**+1.4**
of which: Germany	589,059	576,991	+2.1
France	131,936	139,721	–5.6
United Kingdom	248,399	249,162	–0.3
Italy	143,469	149,576	–4.1
Spain	146,989	134,637	+9.2
Central and Eastern Europe	**258,645**	**237,657**	**+8.8**
of which: Czech Republic	61,777	55,270	+11.8
Poland	79,741	76,411	+4.4
Other Markets	**189,259**	**165,951**	**+14.0**
of which: Türkiye	93,101	76,460	+21.8
South Africa	30,098	31,974	–5.9
North America	**425,843**	**457,495**	**–6.9**
of which: USA	282,918	313,532	–9.8
Canada	62,391	61,133	+2.1
Mexico	80,534	82,830	–2.8
South America	**267,337**	**220,764**	**+21.1**
of which: Brazil	190,443	173,308	+9.9
Argentina	53,987	26,708	x
Asia-Pacific	**1,466,755**	**1,485,007**	**–1.2**
of which: China	1,313,248	1,344,509	–2.3
India	55,083	39,056	+41.0
Japan	35,278	30,808	+14.5
Worldwide	**4,252,179**	**4,187,974**	**+1.5**
Volkswagen Passenger Cars	2,320,256	2,220,339	+4.5
Škoda	509,401	448,599	+13.6
SEAT/CUPRA	302,583	297,418	+1.7
Volkswagen Commercial Vehicles	179,460	221,682	–19.0
Audi	783,531	832,957	–5.9
Lamborghini	5,681	5,558	+2.2
Bentley	4,876	5,476	–11.0
Porsche	146,391	155,945	–6.1

1 The figures include the equity-accounted Chinese joint ventures. Prior-year deliveries have been updated to reflect subsequent statistical trends.

COMMERCIAL VEHICLE DELIVERIES

From January to June 2025, the Volkswagen Group delivered 4.4% fewer commercial vehicles to customers worldwide than in the previous year. We handed over a total of 153,137 commercial vehicles to customers, of which trucks accounted for 121,359 units (–8.7%) and buses for 16,718 units (+33.4%). Deliveries of the MAN TGE van series to customers rose compared with the prior-year period, amounting to 15,060 vehicles (+2.3%).

In the 27 EU states, excluding Malta but including the United Kingdom, Norway and Switzerland (EU27+3), sales from January to June 2025 were down by 6.7% on the same period of the previous year and amounted to a total of 67,305 units, of which 49,203 were trucks and 3,323 were buses. Deliveries of the MAN TGE van series to customers amounted to 14,779 units.

Sales in North America declined in the first half-year of 2025 to 36,061 vehicles (–4.3%), of which 29,024 were trucks and 7,037 were buses. The decrease in truck sales compared with the same period of the previous year was partly attributable to buyer reluctance in an uncertain economic environment and uncertainty about further developments with regard to the tariffs, their impact and any reciprocal effects. The bus business, on the other hand, recorded a very strong increase in sales figures because the first half of the prior-year had been impacted by the delayed ramp-up of the new school bus model at International.

Deliveries to customers in South America increased to a total of 34,750 units (+0.5%) in the reporting period; 29,843 of these were trucks and 4,906 were buses. In Brazil, sales decreased noticeably in the first six months of 2025 by 7.3% to 27,779 units. Of the units delivered, 23,817 were trucks and 3,962 were buses.

In the Asia-Pacific region, the Volkswagen Group sold 4,189 vehicles in the reporting period, including 3,424 trucks and 765 buses. Overall, this was 9.6% less than in the previous year.

COMMERCIAL VEHICLE DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY 1 TO JUNE 30[1]

	DELIVERIES (UNITS)		CHANGE
	2025	2024	(%)
Europe/Other Markets	**78,137**	**83,237**	**–6.1**
of which: EU27+3	67,305	72,111	–6.7
of which: Germany	18,182	19,196	–5.3
France	6,706	7,183	–6.6
United Kingdom	5,819	7,005	–16.9
North America	**36,061**	**37,669**	**–4.3**
of which: USA	28,812	27,251	+5.7
Mexico	4,162	7,555	–44.9
South America	**34,750**	**34,573**	**+0.5**
of which: Brazil	27,779	29,968	–7.3
Asia-Pacific	**4,189**	**4,632**	**–9.6**
Worldwide	**153,137**	**160,111**	**–4.4**
Scania	46,839	52,268	–10.4
MAN	47,024	49,151	–4.3
International	34,511	35,312	–2.3
Volkswagen Truck & Bus	24,763	23,380	+5.9

1 Prior-year deliveries have been updated to reflect subsequent statistical trends.

VOLKSWAGEN GROUP FINANCIAL SERVICES

The activities in the Financial Services Division cover the Volkswagen Group's dealer and customer financing, leasing, direct banking and insurance activities, fleet management and mobility services. The division comprises the financial services activities of Volkswagen Group Mobility, Scania, International (formerly Navistar) and Porsche Holding Salzburg and also extends to the contracts concluded by our international joint ventures.

There was high demand for the products and services of the Financial Services Division in the first half of 2025. The number of new financing, leasing, service and insurance contracts signed worldwide amounted to 5.5 (5.5) million contracts. The ratio of leased and financed vehicles to Group deliveries (penetration rate) increased to 35.9 (34.8)% in the Financial Services Division's markets in the reporting period. The total number of contracts stood at 29.1 (28.5) million on June 30, 2025.

In Europe/Other Markets, 4.0 (4.0) million new contracts were signed. The total number of contracts at the end of the reporting period was 20.8 (20.4) million, putting it above the figure for December 31, 2024. The customer financing/leasing area was responsible for 7.4 (7.3) million of these contracts.

The number of new contracts signed in North America in the period from January to June 2025 amounted to 644 (733) thousand contracts. The number of contracts stood at 4.3 (4.3) million on June 30, 2025, of which 1.7 (1.7) million were in the customer financing/leasing area.

In the South America region, 593 (381) thousand new contracts were concluded in the first six months of this year. Compared with December 31, 2024, the total number of contracts at the end of the reporting period rose to 2.0 (1.7) million, of which 0.8 (0.7) million contracts were related to the customer financing/leasing area.

The number of new contracts signed in the Asia-Pacific region in the reporting period amounted to 337 (389) thousand. At the end of June 2025, the total number of contracts stood at 2.0 (2.2) million. The customer financing/leasing area was responsible for 1.1 (1.2) million of these contracts.

VEHICLE SALES

In the reporting period, the Volkswagen Group's unit sales defined as the Automotive Division's unit sales increased by 0.5% to 4,363,134 units (including the equity-accounted companies in China) compared with the first half of 2024. Unit sales outside Germany were up by 0.5% to 3,760,002 vehicles. Argentina, Brazil and India, in particular, recorded an increase. In contrast, fewer vehicles were sold above all in the USA. The Volkswagen Group's unit sales excluding the equity-accounted companies in China amounted to 3,121,539 (3,076,240) vehicles and were up by 1.5% on the previous year. Unit sales in Germany increased by 0.3% compared with the prior-year figure. The proportion of the Volkswagen Group's total unit sales attributable to Germany remained at the prior-year level of 13.8 (13.8)%.

PRODUCTION

At 4,519,395 vehicles, the Volkswagen Group's global production defined as the Automotive Division's production from January to June 2025 (including the equity-accounted companies in China) was down by 1.9% on the corresponding prior-year period. In contrast, production in Germany rose by 6.2% to 960,951 vehicles. The share of vehicles manufactured in Germany in relation to the Volkswagen Group's total production increased to 21.3 (19.6)%. The production excluding the equity-accounted companies in China totaled 3,259,765 (3,282,567) vehicles, 0.7% lower than the prior-year figure.

INVENTORIES

Global inventories of new vehicles (including the equity-accounted companies in China) at Group companies and in the dealer organization were significantly higher at the end of the first half of 2025 than at year-end 2024, but noticeably below the figure as of June 30, 2024.

TOTAL WORKFORCE

At 635,855, the number of active employees in the Volkswagen Group at the end of June 2025 was down 1.6% compared with December 31, 2024. In addition, 16,483 employees were in the passive phase of their partial retirement and 14,852 young people were in vocational traineeships. At the close of the reporting period, the total workforce of the Volkswagen Group, including the Chinese joint ventures, amounted to 667,190 employees worldwide, down 1.8% on the figure recorded at the end of 2024. There was a total of 286,248 employees in Germany (–2.4%) and a further 380,942 were employed outside Germany (–1.3%). At the end of the first half of 2025, the worldwide total workforce of the Volkswagen Group, excluding the Chinese joint ventures, consisted of 604,561 employees, 1.6% fewer than the level at the end of 2024.

VOLUME DATA OF THE VOLKSWAGEN GROUP FROM JANUARY 1 TO JUNE 30[1]

in thousands	2025	2024	%
Vehicle sales (units)	4,363	4,341	+0.5
Production (units)	4,519	4,606	–1.9
Total workforce (as of June 30, 2025/December 31, 2024)	667.2	679.5	–1.8

1 Including the unconsolidated Chinese joint ventures.

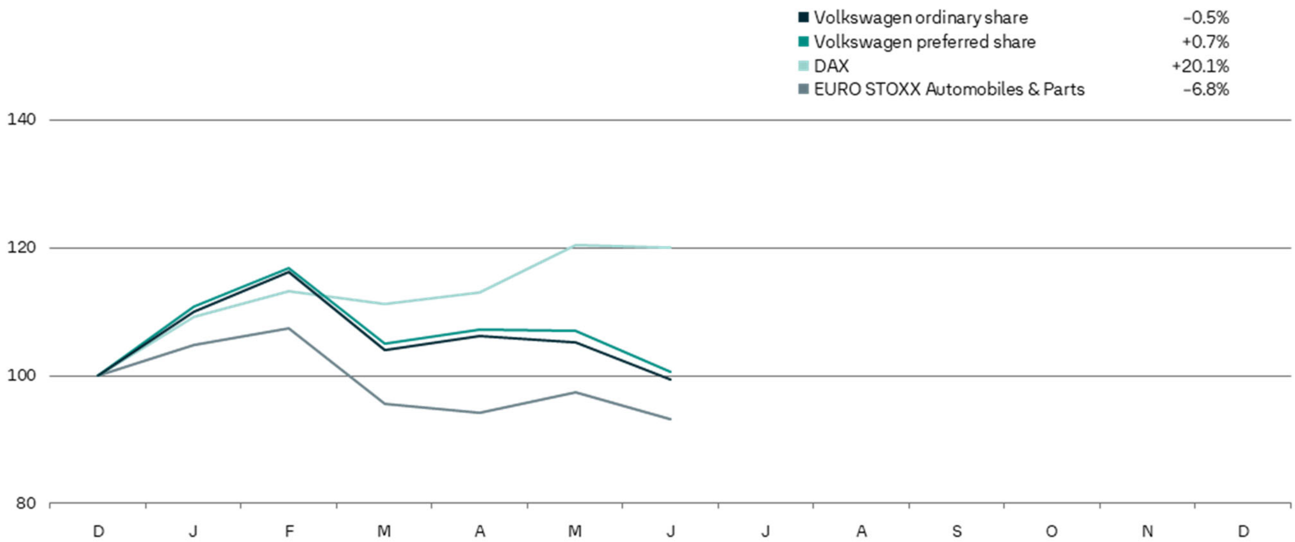
Volkswagen Shares

The international stock markets turned in a mixed performance between January and June 2025, with share prices in Europe outdoing those in the United States. Against the backdrop of US trade policy, geopolitical uncertainties increased compared with year-end 2024. On the US exchanges in particular, investors grew increasingly concerned that the US administration's trade policy could spark recession in the economy. The stocks of US companies in the artificial intelligence and autonomous driving sectors already came under pressure in the opening months of the reporting period with the emergence of new competitors from China. Towards the end of the first half of 2025, trading activity was also impacted by the escalation of the conflict in the Middle East.

The German stock index (DAX) initially got off to a subdued start in 2025 before beginning to climb in mid-January, hitting new all-time highs in quick succession. The German stock market barometer benefited in particular from market participants' hopes that the European Central Bank would cut interest rates. Reports of talks to broker peace in Ukraine and the prospect of economic recovery thanks to the planned investment package of the new German government also had a positive impact, as did the European Commission's announcement of a flexibility measure to help the automotive industry comply with emissions targets. In addition, investors were initially hopeful that the protectionist measures announced by the US government would not materialize. The severe tariff hikes announced by the USA in early April 2025 led to great uncertainty on the capital market, causing share prices to tumble. The DAX subsequently recouped its losses on the back of hopes of advances in the global

PRICE DEVELOPMENT FROM DECEMBER 2024 TO JUNE 2025

Index based on month-end prices: December 31, 2024 = 100



trade dispute and the decision to delay tariff increases. In June, the escalation in the Middle East conflict initially caused share prices to fall again. On June 30, 2025, however, the DAX – a performance index calculated as if all dividend payments were reinvested – exceeded the 2024 year-end level by 20.1%. In the reporting period, the difficult market environment for the automotive industry continued to drag on the pure price index EURO STOXX Automobiles & Parts, which was down 6.8% on year-end 2024.

The prices of Volkswagen AG's preferred and ordinary shares initially developed very positively from the beginning of the reporting period until mid-March. The market reacted favorably to the joint *Zukunft Volkswagen* agreement reached in the collective bargaining dispute at the end of 2024, which is to lead to extensive structural measures and cost savings at Volkswagen sites in Germany. In addition, the shares benefited from the European Commission's announcement that it will make emissions targets more flexible. Investors reacted positively to the Volkswagen Group's figures for fiscal year 2024 and what they perceived to be a solid outlook for 2025. Starting in mid-March, prices increasingly came under pressure as the industry and trade environment deteriorated, mainly due to heightened trade policy tensions primarily connected with the United States' announcement of considerable tariff increases and the resulting high levels of uncertainty around future earnings performance. Later in the quarter, solid sales figures initially boosted the share price until the mood on the markets darkened again with the escalation of the Middle East conflict. At the end of June 2025, preferred shares were trading up 0.7% and ordinary shares down 0.5% compared with the end of 2024, both outperforming the EURO STOXX Automobiles & Parts benchmark index. Assuming that the dividend paid out in May (before deduction of taxes) was reinvested in Volkswagen shares at the time of distribution, the total return on the preferred shares was 7.2% and the total return on the ordinary shares was 5.8%.

Information and explanations on earnings per share can be found in the notes to the interim consolidated financial statements. Additional Volkswagen share data, plus corporate news, reports and presentations, is available on our website www.volkswagen-group.com/investor-relations.

ANNUAL GENERAL MEETING

Volkswagen AG's 65th Annual General Meeting was held on May 16, 2025 as a virtual meeting. Around 55% of the Company's share capital was represented. The shareholders approved the proposal of the Board of Management and Supervisory Board to pay a dividend of €6.30 (9.00) per ordinary share and €6.36 (9.06) per preferred share for fiscal year 2024. Furthermore, the Annual General Meeting formally approved the actions of the Board of Management and the Supervisory Board for fiscal year 2024. The shareholders also approved the remuneration report for the Board of Management and Supervisory Board for 2024. In addition, the Annual General Meeting appointed EY GmbH & Co. KG *Wirtschaftsprüfungsgesellschaft* as auditors and Group auditors for fiscal year 2025 and as auditors of the review of the condensed interim consolidated financial statements and of the interim management report for the first half of fiscal year 2025, for the period from January 1 to September 30, 2025 and for the first quarter of fiscal year 2026. A new member was also elected to the Supervisory Board.

KEY FIGURES FOR VOLKSWAGEN SHARES AND MARKET INDICES FROM JANUARY 1 TO JUNE 30, 2025

		High	Low	Closing
Ordinary share	Price (€)	112.80	86.35	91.70
	Date	Mar. 10	Apr. 9	Jun. 30
Preferred share	Price (€)	110.15	83.84	89.62
	Date	Mar. 10	Apr. 9	Jun. 30
DAX	Price	24,324	19,671	23,910
	Date	Jun. 5	Apr. 9	Jun. 30
ESTX Auto & Parts	Price	593	448	497
	Date	Feb. 26	Apr. 9	Jun. 30

Results of Operations, Financial Position and Net Assets

Since January 1, 2025, the Volkswagen Group's segment reporting has comprised three reportable segments – Passenger Cars and Light Commercial Vehicles, Commercial Vehicles, and Financial Services – in compliance with IFRS 8 and in line with the Group's internal financial management and reporting structures as presented in the 2024 Annual Report. For reasons of materiality, the Power Engineering segment is no longer reported separately. In addition, information on other business activities and segments which are not subject to reporting requirements is summarized in the segment reporting under "Other operating companies". This combines primarily the large-bore diesel engines, turbomachinery and propulsion components businesses. The reconciliation of segment reporting includes the consolidation adjustments between the segments, unallocated Group financing activities, and the holding company function.

In line with this logic, the Volkswagen Group's financial reporting has, since January 1, 2025, been divided into the Automotive Division and the Financial Services Division, and also includes consolidation adjustments between those divisions. The Automotive Division comprises the Passenger Cars and Light Commercial Vehicles segment, the Commercial Vehicles segment, Other operating companies, unallocated Group financing activities and the holding company function. The Financial Services Division corresponds to the Financial Services segment. The consolidation adjustments, which contain the elimination of intragroup transactions between the two divisions, are reported separately. The prior-year figures of the Automotive Division reflect the changed reporting structure.

KEY FIGURES BY SEGMENT FROM JANUARY 1 TO JUNE 30, 2025

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other Operating Companies	Reconciliation	Volkswagen Group
Sales revenue	119,976	21,195	31,471	172,642	3,233	–17,511	158,364
Segment profit or loss (operating result)	4,398	1,248	1,911	7,556	164	–1,013	6,707
as a percentage of sales revenue	3.7	5.9	6.1				4.2

PRIOR-YEAR CORRECTIONS IN ACCORDANCE WITH IAS 8

It was found during the previous year that obligations related to the granting of fringe benefits had not been included in full when calculating the provision for time assets. The error was corrected in the 2024 consolidated financial statements in accordance with IAS 8 by adjusting the affected items accordingly in the consolidated financial statements for the prior years.

The retrospective correction resulted in a change in equity as of December 31, 2023/January 1, 2024 and January 1, 2023, respectively. This is attributable to the increase in other provisions and the recognition of deferred tax assets. A quantification of these effects is published in the "Prior-year corrections in accordance with IAS 8" section of the notes to the 2024 consolidated financial statements. The recognition of the additional fringe benefits did not have a material impact on the income statement, the statement of comprehensive income, or the cash flow statement. The prior-year figures have been adjusted accordingly.

RESTRUCTURING IN THE VOLKSWAGEN GROUP

In the first half of fiscal year 2025, the Volkswagen Group recognized restructuring costs of €1.0 billion, mostly in the other operating result. They are primarily attributable to AUDI AG, CARIAD SE and Volkswagen Sachsen GmbH. They were offset in this context by income of €0.3 billion from the reversal of personnel-related provisions at AUDI AG, most of which was recognized in cost of sales.

EFFECTS OF THE INCREASED IMPORT DUTIES IMPOSED BY THE USA

The US government introduced additional tariffs of 25% on vehicles on April 3, 2025 and additional tariffs in the same amount on vehicle parts on May 3, 2025. The tariffs thus amount to 27.5% in total. In addition to the increased tariffs on vehicles and vehicle parts sold, the operating result was also weighed down by impairment losses for the measurement of vehicle inventories at net realizable value, as well as by higher provisions required for warranty obligations. In total, the additional tariffs imposed by the USA resulted in a reduction in the operating result of around €1.3 billion in the first half of 2025.

CO_2 FLEET REGULATION

In the first quarter of fiscal year 2025, expenses of €0.6 billion were recognized for Europe for provisions in connection with the CO_2 fleet regulation; they are presented in cost of sales. Following the approval of amended regulations in the EU in the second quarter of 2025, these expenses decreased to €0.3 billion in the reporting period. In addition, expenses were incurred for recognizing provisions for emissions obligations in the USA in an amount of €0.3 billion. The measurement of the provisions for the US business is based on the US regulations valid on June 30, 2025 and does not yet take account of the legislative changes resulting from the "One Big Beautiful Bill Act" of July 4, 2025. The final impact of the "One Big Beautiful Bill Act" on provisions for emissions obligations for the US market is currently being analyzed. At present, this is expected to have a positive effect on the operating result in the low to mid three-digit-million euro range.

PLACEMENT OF TRATON SE SHARES

In March 2025, Volkswagen completed the placement of 11 million shares in TRATON SE, Munich (TRATON SE) at a price of €32.75 per share with a total value of €0.4 billion via its subsidiary Volkswagen International Luxembourg S.A., Strassen/Luxembourg. The placement corresponds to an interest of 2.2% in TRATON SE's share capital and reduces the direct interest in TRATON SE from 89.7% to 87.5%. In connection with the transaction, Volkswagen made known its intention to alter its shareholding to 75% plus one share in the medium term.

NORTHVOLT AB

The Swedish company Northvolt AB, Stockholm/Sweden, in which the Volkswagen Group holds an equity investment, filed for bankruptcy in Sweden on March 12, 2025. As a result, inclusion of the investment in the consolidated financial statements using the equity method ended as of March 31, 2025. This resulted in a non-cash loss of €0.1 billion, which is reported in the share of the result of equity-accounted investments. The loss is primarily the result of realizing currency translation effects, which had previously been recognized directly in equity. They were reclassified from other reserves attributable to equity-accounted investments to the share of the result of equity-accounted investments. The carrying amount of the investment had already been written down in full in fiscal year 2024.

RIVIAN

In June 2025, as part of the cooperation with the US electric vehicle manufacturer Rivian Automotive, Inc., Irvine/USA (Rivian), Volkswagen invested a further USD 1 billion in ordinary shares of Rivian on the basis of the agreement entered into in the previous year. As a result, Volkswagen's interest in Rivian has risen to 12.3%. The purchase price is based on a defined average market price for the ordinary shares of Rivian plus a premium. The investment in Rivian is measured at fair value through other comprehensive income in the consolidated financial statements.

A detailed explanation of the cooperation with Rivian can be found in the "Material transactions" section of the notes to the 2024 consolidated financial statements.

DIESEL ISSUE

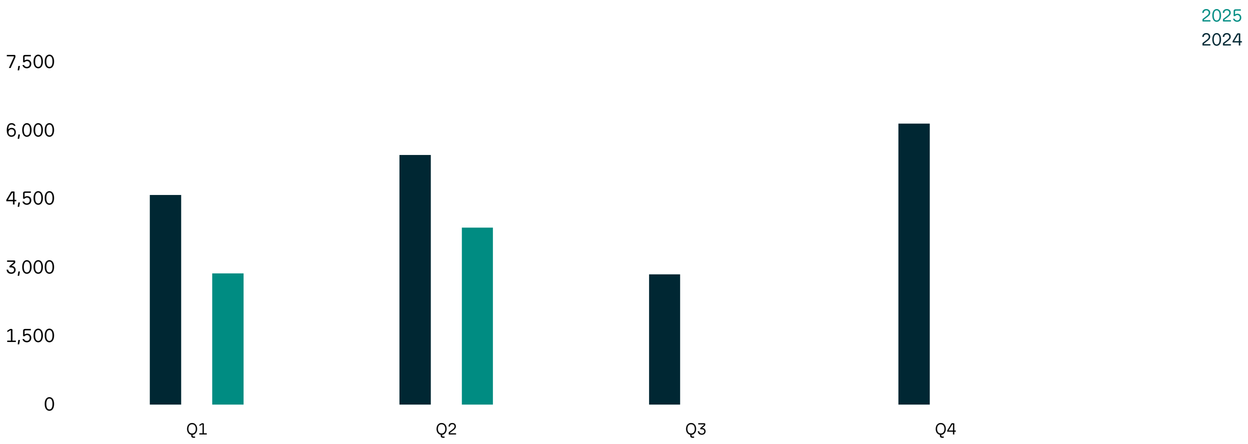
Expenses of €0.2 billion were recognized in connection with the diesel issue in the first half of fiscal year 2025. From fiscal year 2025 onwards, the effects of the diesel issue will no longer be disclosed separately as special items.

INCOME STATEMENT BY DIVISION FROM JANUARY 1 TO JUNE 30

	VOLKSWAGEN GROUP		AUTOMOTIVE		FINANCIAL SERVICES		CONSOLIDATION ADJUSTMENTS[1]	
€ million	2025	2024[2]	2025	2024[2,3]	2025	2024[2]	2025	2024
Sales revenue	**158,364**	**158,800**	**142,730**	**140,914**	**31,471**	**29,435**	**-15,837**	**-11,549**
Cost of sales	-131,962	-129,538	-120,906	-115,199	-26,746	-25,611	15,690	11,272
Gross profit	**26,402**	**29,262**	**21,823**	**25,715**	**4,725**	**3,824**	**-147**	**-277**
Distribution expenses	-10,881	-10,516	-10,342	-10,138	-667	-560	128	181
Administrative expenses	-6,614	-6,616	-5,294	-5,326	-1,373	-1,356	53	66
Net other operating result	-2,200	-2,150	-1,418	-1,613	-774	-493	-8	-45
Operating result	**6,707**	**9,979**	**4,769**	**8,638**	**1,911**	**1,416**	**27**	**-75**
Operating return on sales (%)	**4.2**	**6.3**	**3.3**	**6.1**	**6.1**	**4.8**	**–**	**–**
Share of the result of equity-accounted investments	317	66	447	194	-131	-128	–	–
Interest result and Other financial result	-601	32	86	859	-2	88	-684	-914
Financial result	**-284**	**98**	**534**	**1,052**	**-133**	**-40**	**-684**	**-914**
Earnings before tax	**6,423**	**10,077**	**5,303**	**9,690**	**1,777**	**1,376**	**-657**	**-989**
Income tax expense	-1,946	-2,800						
Earnings after tax	**4,477**	**7,278**						

1 Elimination of intragroup transactions between the Automotive and Financial Services divisions.
2 Prior-year figures adjusted (see disclosures on IAS 8).
3 Figures reflect the changed reporting structure.

OPERATING RETURN BY QUARTER[1]
Volkswagen Group in € million



1 Prior-year figures adjusted (see disclosures on IAS 8).

RESULTS OF OPERATIONS

Results of operations of the Group

In the period from January to June 2025, the Volkswagen Group generated sales revenue of €158.4 (158.8) billion, which was on a level with the previous year. In particular the positive sales revenue performance of the Financial Services Division had a beneficial effect. In all, 80.7 (80.1)% of the Volkswagen Group's sales revenue came from outside Germany. Gross profit declined by €2.9 billion to €26.4 billion because cost of sales rose faster than sales revenue. As a consequence, the gross margin declined to 16.7 (18.4)%.

The Volkswagen Group's operating result amounted to €6.7 (10.0) billion in the first six months of 2025. The operating return on sales was 4.2 (6.3)%. The decline compared with the prior year was due primarily to expenses resulting from the increases in import tariffs introduced in the United States at the beginning of April 2025, provisions in connection with CO_2 fleet regulation in Europe and the United States, and litigation costs incurred in connection with the diesel issue. Exchange rate, mix and price effects, and rising expenses for the establishment of the Battery business field also weighed on earnings. Expenses for restructuring measures were on a level with the previous year in the first half of 2025; they related mainly to Audi, CARIAD and Volkswagen Sachsen.

The financial result was down on the previous year at €–0.3 (0.1) billion. The share of the result of equity-accounted investments was up year-on-year. Adverse effects in connection with the equity investment in Northvolt affected both periods; these effects were higher in the previous year than in the reporting period. Higher interest expenses and declining interest income weighed on the interest result. In the reporting period, the Volkswagen Group's earnings before tax decreased by €3.7 billion to €6.4 billion. At €4.5 billion, earnings after tax declined by €2.8 billion on the previous year.

Results of operations in the Automotive Division

In the first half of 2025, the Automotive Division recorded sales revenue in the range of the figure reported in the previous year, at €142.7 (140.9) billion. Sales revenue in the Passenger Cars and Light Commercial Vehicles segment was up slightly on the prior-year level at €120.0 (116.8) billion due to volume and mix effects, but fell short of the prior-year figure in the Commercial Vehicles segment, where it amounted to €21.2 (22.7) billion, predominantly as a result of declining volumes. As our Chinese joint ventures are accounted for using the equity method, the Group's business performance in the Chinese passenger car market is essentially reflected in the Group's sales revenue only through deliveries of vehicles and vehicle parts.

RESEARCH AND DEVELOPMENT COSTS IN THE AUTOMOTIVE DIVISION FROM JANUARY 1 TO JUNE 30

€ million	2025	2024
Total research and development costs	9,945	11,405
of which capitalized development costs	4,405	5,158
Capitalization ratio in %[1]	44.3	45.2
Amortization of capitalized development costs	3,454	3,046
Research and development costs recognized in profit or loss	8,993	9,293
Research and development ratio in % (R&D ratio)[2]	**7.0**	**8.1**

1 Development costs subject to capitalization as a share of total research and development costs.
2 Total research and development costs as a percentage of the Automotive Division's sales revenues.

Cost of sales increased faster than sales revenue compared with the prior-year period. The material costs included in this item rose mainly because of a rise in the cost of production of higher-priced vehicle models, especially in the Progressive brand group. In addition, there were expenses from the import tariff increases introduced in the United States in April 2025, and provisions had to be recognized in connection with CO_2 fleet regulation in Europe and the United States.

Research and development costs recognized in profit or loss decreased despite a decline in the capitalization of development costs thanks to lower primary expenses. Consequently, the R&D ratio went down to 7.0 (8.1)% in the period from January to June 2025. The automotive investment ratio, which combines the R&D and capex ratios, amounted to 11.4 (12.3)%.

In the first six months of 2025, there was a slight year-on-year increase in distribution expenses – driven among other factors by higher marketing costs – while their share of sales revenue remained unchanged. Both administrative expenses and their share of sales revenue were on a level with the previous year. The other operating result amounted to €–1.4 (–1.6) billion. It was adversely affected in particular by higher negative exchange rate effects, restructuring costs and litigation costs, primarily in connection with the diesel issue.

In the first half of 2025, the Automotive Division's operating result decreased by €3.9 billion to €4.8 billion. The decline compared with the prior year was due primarily to expenses resulting from the increase in import tariffs introduced in the United States at the beginning of April 2025, provisions in connection with CO_2 fleet regulation in Europe and the United States, and litigation costs incurred in connection with the diesel issue. In addition, the adverse effects of exchange rate, mix and price changes, as well as rising expenses for the establishment of the Battery business field weighed on earnings. Expenses for restructuring measures were on a level with the previous year. The operating return on sales decreased to 3.3 (6.1)%. The Passenger Cars and Light Commercial Vehicles segment's operating result amounted to €4.4 (7.4) billion, marking a decline in the reporting period due primarily to the factors outlined above. In the Commercial Vehicles segment, lower volumes were the main drivers of the €0.8 billion reduction in the operating result to €1.2 billion. With regard to our equity-accounted Chinese joint ventures, our operating result essentially only considers income from deliveries of vehicles and vehicle parts, as well as license income, as these joint ventures are included in the financial result on a proportionate basis.

Results of operations in the Financial Services Division

Boosted by higher volumes, the Financial Services Division's sales revenue rose to €31.5 billion in the first six months of 2025, up 6.9% on the prior-year figure. Cost of sales increased more slowly than sales revenue amid a volume-driven rise in depreciation of the residual values of leased vehicles. As a result, gross profit increased to €4.7 (3.8) billion.

The Financial Services Division's operating result of €1.9 (1.4) billion was up on the previous year, due mainly to higher volumes. The prior-year period had been negatively impacted by foreign exchange losses in connection with the deconsolidation of Volkswagen Bank Rus. The operating return on sales increased to 6.1 (4.8)%.

FINANCIAL POSITION

Financial position of the Group

In the period from January to June 2025, the Volkswagen Group's gross cash flow decreased by €4.3 billion to €19.5 billion year-on-year, driven among other things by earnings-related factors. The change in working capital amounted to €–16.2 (–19.4) billion; in the reporting period, this was primarily attributable to an increase in lease assets, inventories and receivables, offset by a rise in liabilities.

As a result, cash flows from operating activities went down by €1.2 billion to €3.3 billion in the first half of 2025.

The Volkswagen Group's investing activities attributable to operating activities were on a level with the previous year, at €11.7 (11.5) billion. Investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex) were up noticeably, while there was a significant decrease in capitalized development costs. Expenses for the acquisition of equity investments included, among other items, the acquisition of additional shares in Rivian.

The Volkswagen Group's financing activities generated a total cash inflow of €4.7 (15.8) billion. Financing activities mainly relate to the issuance and redemption of bonds and unlisted notes, changes in other financial liabilities, the dividend of €3.2 billion paid to the shareholders of Volkswagen AG, the redemption of the hybrid note of €1.5 billion called in due time as of June 2025, and the issuance of green hybrid notes of €1.9 billion in May 2025. At the end of the first six months of 2025, the Volkswagen Group reported cash and cash equivalents of €34.8 billion in its cash flow statement. At the end of December 2024 this item had amounted to €40.3 billion.

On June 30, 2025, the Volkswagen Group's net liquidity stood at €–175.7 billion; it had amounted to €–169.1 billion at the end of 2024.

Financial position of the Automotive Division

In the reporting period, the Automotive Division recorded gross cash flow of €13.0 (18.0) billion. The decline was primarily attributable to lower earnings. The change in working capital amounted to €–2.6 (–5.9) billion. Growth in inventories and a volume-driven increase in receivables were offset by a volume-driven rise in liabilities. As a result, cash flows from operating activities went down by €1.7 billion to €10.4 billion.

In the period from January to June 2025, investing activities attributable to operating activities were on a level with the previous year at €11.8 (11.7) billion. Within this figure, capex increased by €0.4 billion to €6.3 billion. The capex ratio was 4.4 (4.2)%. Here, significant portions of capex were allocated to the production of electric vehicles, the associated battery technologies, and electric toolkits and platforms as key components of the Company's transformation to sustainable mobility. Other focus areas are the digitalization of our products, measures to cut CO_2 emissions, the promotion of sustainable production processes, and the expansion of our presence in markets such as North America and China. Additions to capitalized development costs were down at €4.3 (5.2) billion. The "Acquisition and disposal of equity investments" item increased to €–1.4 (–0.8) billion; it included primarily the increase in our equity investment in Rivian.

The Automotive Division's net cash flow amounted to €–1.4 (0.4) billion.

CASH FLOW STATEMENT BY DIVISION FROM JANUARY 1 TO JUNE 30

€ million	VOLKSWAGEN GROUP 2025	VOLKSWAGEN GROUP 2024[2]	AUTOMOTIVE 2025	AUTOMOTIVE 2024[2,3]	FINANCIAL SERVICES 2025	FINANCIAL SERVICES 2024[2]	CONSOLIDATION ADJUSTMENTS[1] 2025	CONSOLIDATION ADJUSTMENTS[1] 2024
Cash and cash equivalents at beginning of period	**40,296**	**43,522**	**28,088**	**31,834**	**16,196**	**14,819**	**-3,988**	**-3,131**
Earnings before tax	6,423	10,077	5,303	9,690	1,777	1,376	-657	-989
Income taxes paid	-3,044	-3,452	-2,652	-3,034	-966	-594	574	176
Depreciation and amortization expense[4]	16,096	14,598	10,596	9,510	5,923	5,542	-422	-454
Change in pension provisions	-61	32	-63	27	2	5	-1	–
Share of the result of equity-accounted investments	1,070	1,944	884	1,769	186	175	–	–
Other non-cash income/expense and reclassifications[5]	-987	647	-1,052	42	-223	623	289	-17
Gross cash flow	**19,497**	**23,846**	**13,015**	**18,004**	**6,700**	**7,127**	**-218**	**-1,284**
Change in working capital	**-16,183**	**-19,359**	**-2,605**	**-5,930**	**-12,424**	**-13,565**	**-1,153**	**136**
Change in inventories	-7,177	-7,309	-6,652	-7,494	-520	272	-6	-87
Change in receivables	-4,714	-4,447	-2,828	-4,094	-889	-1,686	-997	1,333
Change in liabilities	7,853	2,272	6,604	3,237	1,309	63	-60	-1,028
Change in other provisions	809	2,454	750	2,544	42	-21	18	-70
Change in lease assets (excluding depreciation)	-11,131	-8,540	-477	-123	-10,792	-8,512	137	96
Change in financial services receivables	-1,823	-3,790	-3	-0	-1,574	-3,681	-247	-109
Cash flows from operating activities	**3,315**	**4,487**	**10,410**	**12,074**	**-5,724**	**-6,438**	**-1,371**	**-1,149**
Cash flows from investing activities attributable to operating activities	**-11,708**	**-11,540**	**-11,760**	**-11,706**	**-190**	**-486**	**243**	**652**
of which: investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex)	-6,488	-6,023	-6,338	-5,895	-112	-94	-38	-35
capitalized development costs	-4,328	-5,158	-4,328	-5,158	–	–	–	–
acquisition and disposal of equity investments	-1,328	-730	-1,363	-838	-140	-418	176	527
Net cash flow[6]	***-8,393***	***-7,053***	***-1,350***	***367***	***-5,915***	***-6,924***	***-1,128***	***-497***
Change in investments in securities and time deposits, as well as in loans	-659	-1,863	857	-3,260	-778	3,011	-738	-1,614
Cash flows from investing activities	**-12,367**	**-13,403**	**-10,904**	**-14,967**	**-969**	**2,526**	**-495**	**-962**
Cash flows from financing activities	**4,732**	**15,798**	**-805**	**-3,353**	**3,704**	**17,730**	**1,834**	**1,422**
of which: capital transactions with non-controlling interests	358	–	358	–	–	–	–	–
capital contributions/capital redemptions	397	-1,215	451	-1,216	74	542	-128	-541
Effect of exchange rate changes on cash and cash equivalents	-1,175	-9	-1,270	-23	-81	-37	177	51
Change of loss allowance within cash and cash equivalents	0	1	-0	2	0	-1	0	-0
Net change in cash and cash equivalents	**-5,495**	**6,875**	**-2,569**	**-6,267**	**-3,071**	**13,780**	**145**	**-638**
Cash and cash equivalents at June 30[7]	**34,802**	**50,398**	**25,519**	**25,567**	**13,126**	**28,599**	**-3,844**	**-3,768**
Securities and time deposits, as well as loans	45,372	43,200	76,035	78,615	20,082	18,199	-50,745	-53,614
Gross liquidity	**80,173**	**93,598**	**101,554**	**104,182**	**33,208**	**46,798**	**-54,589**	**-57,382**
Total third-party borrowings	-255,918	-257,170	-73,167	-74,271	-238,965	-241,684	56,214	58,785
Net liquidity at Jun. 30[8]	**-175,745**	**-163,573**	**28,387**	**29,911**	**-205,757**	**-194,887**	**1,625**	**1,403**
For information purposes: at Jan. 1	**-169,122**	**-147,433**	**34,414**	**38,653**	**-205,188**	**-187,722**	**1,652**	**1,636**

1 Elimination of intragroup transactions between the Automotive and Financial Services divisions.
2 Prior-year figures adjusted (see disclosures on IAS 8).
3 Figures reflect the changed reporting structure.
4 Net of impairment reversals.
5 These relate mainly to the reclassification of gains/losses on disposal of non-current assets and equity investments to investing activities.
6 Net cash flow: cash flows from operating activities, net of cash flows from investing activities attributable to operating activities (investing activities excluding change in investments in securities, time deposits and loans).
7 Cash and cash equivalents comprise cash at banks, checks, cash-in-hand and call deposits.
8 The total of cash, cash equivalents, securities and time deposits, as well as loans to affiliates and joint ventures net of third-party borrowings (non-current and current financial liabilities).

In the first half of 2025, the Automotive Division's financing activities led to a cash outflow of €–0.8 (–3.4) billion. This related mainly to the issuance and redemption of bonds and unlisted notes, changes in other financial liabilities, the dividend paid to the shareholders of Volkswagen AG from the appropriation of net profit for fiscal year 2024, and the redemption of the hybrid note called in due time as of June 2025. The green hybrid notes issued via Volkswagen International Finance N.V. in May 2025 in a total nominal amount of €1.9 billion gave rise to a cash inflow. These notes consist firstly of a note of €1.15 billion with a coupon of 5.994%, which can be called after eight-and-a-half years at the earliest, and secondly of a note of €0.75 billion with a coupon of 5.493%, which can be called after five-and-a-half years at the earliest. Both notes have indefinite maturities and increase both net liquidity and equity after the deduction of transaction costs.

At the end of June 2025, the Automotive Division reported a solid net liquidity of €28.4 billion, compared with €34.4 billion on December 31, 2024.

Financial position of the Financial Services Division

In the first six months of 2025, the Financial Services Division recorded gross cash flow of €6.7 (7.1) billion. The change in working capital amounted to €–12.4 (–13.6) billion. An increase in lease assets and receivables was set against a rise in liabilities, leading to a year-on-year decrease in funds tied up in working capital. As a result, cash flows from operating activities stood at €–5.7 (–6.4) billion.

Investing activities attributable to operating activities contracted to €0.2 (0.5) billion.

The Financial Services Division's financing activities generated a cash inflow of €3.7 (17.7) billion in the period from January to June 2025. This figure relates primarily to the issuance and redemption of bonds, unlisted notes and other financial liabilities.

At the end of the first half of 2025, the Financial Services Division's negative net liquidity, which is common in the industry, was €–205.8 billion as against €–205.2 billion at the end of 2024.

NET ASSETS

Consolidated balance sheet structure

On June 30, 2025, the Volkswagen Group's total assets stood at €637.7 billion, 0.8% more than at the end of 2024. At €198.0 (196.7) billion, the Group's equity was on a level with the end of 2024. The equity ratio was 31.1 (31.1)%.

Automotive Division balance sheet structure

Intangible assets and property, plant and equipment in the Automotive Division were almost unchanged compared to December 31, 2024. Equity-accounted investments decreased, due primarily to the Chinese joint ventures' dividend resolutions. Total non-current assets were on a level with the end of 2024 at €254.3 (256.4) billion.

Current assets amounted to €167.6 (163.4) billion on June 30, 2025, an increase compared to the end of 2024. Inventories expanded noticeably. Current other receivables and financial assets went up, buoyed mainly by a rise in trade receivables. Cash and cash equivalents declined by €2.6 billion to €25.5 billion.

At the end of the first six months of 2025, the Automotive Division reported equity on a level with the prior year at €175.8 (174.9) billion. Earnings performance, a decrease in actuarial losses from the remeasurement of pension plans because of the change in the discount rate, and the green hybrid notes issued in May 2025 stood against adverse effects resulting from currency translation, the dividend paid to the shareholders of Volkswagen AG, and the redemption of the hybrid note called in due time as of June 2025. Non-controlling interests increased notice-

BALANCE SHEET STRUCTURE BY DIVISION

	VOLKSWAGEN GROUP		AUTOMOTIVE		FINANCIAL SERVICES		CONSOLIDATION ADJUSTMENTS[1]	
€ million	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2025	Dec. 31, 2024[2]	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2025	Dec. 31, 2024
Assets								
Non-current assets	**387,707**	**387,674**	**254,302**	**256,386**	**192,397**	**191,166**	**-58,992**	**-59,878**
Intangible assets	94,036	93,333	93,561	92,811	483	529	-7	-7
Property, plant and equipment	70,333	71,452	68,263	69,228	925	949	1,145	1,274
Lease assets	75,719	73,193	5,392	5,502	75,507	73,086	-5,179	-5,395
Financial services receivables	99,396	101,087	1	21	99,951	101,795	-555	-729
Investments, equity-accounted investments and other equity investments, other receivables and financial assets	48,223	48,610	87,086	88,823	15,533	14,808	-54,396	-55,021
Current assets	**249,978**	**245,231**	**167,613**	**163,387**	**118,026**	**121,674**	**-35,661**	**-39,830**
Inventories	62,213	56,720	55,882	50,785	6,535	6,144	-203	-209
Financial services receivables	67,774	68,855	23	3	68,304	69,510	-553	-657
Other receivables and financial assets	57,078	52,033	62,527	61,411	25,612	25,597	-31,061	-34,975
Marketable securities and time deposits	28,110	27,326	23,661	23,099	4,449	4,227	–	0
Cash and cash equivalents	34,802	40,296	25,519	28,088	13,126	16,196	-3,844	-3,988
Total assets	**637,684**	**632,905**	**421,915**	**419,772**	**310,423**	**312,840**	**-94,654**	**-99,708**
Equity and liabilities								
Equity	**198,018**	**196,731**	**175,849**	**174,860**	**45,453**	**45,044**	**-23,283**	**-23,173**
Equity attributable to Volkswagen AG shareholders	168,716	168,404	146,832	146,836	45,100	44,693	-23,215	-23,125
Equity attributable to Volkswagen AG hybrid capital investors	14,164	13,890	14,164	13,890	–	–	–	-0
Equity attributable to Volkswagen AG shareholders and hybrid capital investors	182,880	182,294	160,996	160,726	45,100	44,693	-23,215	-23,125
Non-controlling interests	15,138	14,437	14,853	14,134	353	352	-68	-48
Non-current liabilities	**210,777**	**219,134**	**130,271**	**130,577**	**116,319**	**124,565**	**-35,813**	**-36,008**
Financial liabilities	129,905	137,061	55,595	55,011	103,991	111,887	-29,681	-29,837
Provisions for pensions	23,737	27,602	23,351	27,148	386	453	-0	-0
Other liabilities	57,135	54,472	51,325	48,418	11,941	12,225	-6,132	-6,171
Current liabilities	**228,889**	**217,039**	**115,795**	**114,335**	**148,651**	**143,230**	**-35,557**	**-40,526**
Financial liabilities	126,013	117,020	17,572	17,952	134,973	128,984	-26,533	-29,917
Trade payables	33,062	29,772	34,011	31,286	4,279	3,552	-5,229	-5,067
Other liabilities	69,815	70,247	64,212	65,097	9,399	10,694	-3,796	-5,543
Total equity and liabilities	**637,684**	**632,905**	**421,915**	**419,772**	**310,423**	**312,840**	**-94,654**	**-99,708**

1 Elimination of intragroup transactions between the Automotive and Financial Services divisions.
2 Figures reflect the changed reporting structure.

ably for reasons such as the sale of shares in TRATON; they related mainly to the non-controlling interest shareholders of the Porsche AG Group and of the TRATON Group. The equity ratio was 41.7 (41.7)%.

At €130.3 (130.6) billion, non-current liabilities at the end of the reporting period were on a level with the end of 2024. Non-current other liabilities, and in particular the non-current other provisions included in this item, went up noticeably, due mainly to provisions for long-term emissions obligations and restructuring measures, while pension provisions decreased significantly, driven primarily by actuarial remeasurement following a change in the discount rate.

On June 30, 2025, current liabilities of €115.8 (114.3) billion were in the range reported at the end of 2024. Trade payables increased noticeably, while current other provisions included in current other liabilities recorded a noticeable decrease.

At the end of June 2025, the Automotive Division had total assets of €421.9 billion, 0.5% more than on December 31, 2024.

Financial Services Division balance sheet structure

On June 30, 2025, the Financial Services Division's total assets stood at €310.4 billion, down 0.8% from the end of 2024.

At €192.4 (191.2) billion, total non-current assets were at almost the same level as on December 31, 2024. Lease assets expanded, driven mainly by higher volumes, while financial services receivables declined.

The Financial Services Division's current assets decreased by 3.0% to €118.0 billion. Current financial services receivables and cash and cash equivalents were lower than at the end of 2024.

At the end of the first six month of 2025, the Financial Services Division accounted for around 48.7 (49.4)% of the Volkswagen Group's assets.

Equity in the Financial Services Division was on a level with December 2024 at the end of June 2025, standing at €45.5 (45.0) billion. The equity ratio was 14.6 (14.4)%.

Non-current liabilities in the Financial Services Division went down to €116.3 (124.6) billion, due mainly to a noticeable decrease in non-current financial liabilities. Current liabilities were up slightly compared to December 31, 2024, at €148.7 (143.2) billion. This item includes financial liabilities, which increased slightly, and trade payables, which rose strongly, while current other liabilities decreased significantly.

Deposits from the direct banking business amounted to €65.2 billion on June 30, 2025, compared with €57.5 billion at the end of 2024.

REPORT ON EXPECTED DEVELOPMENTS, RISKS AND OPPORTUNITIES

In the second quarter of 2025, we revised our forecast for fiscal year 2025 published in the combined management report in the 2024 Annual Report to reflect in particular the impacts of the US import tariffs raised since April.

With regard to deliveries to customers, we now anticipate that the prior-year level will be reached (previously: in the range of the previous year).

We expect the sales revenue of the Volkswagen Group and the Passenger Cars and Light Commercial Vehicles segment to be on a level with the previous year (previously: increase of up to 5% compared with the prior year). We now forecast a range of between 4.0% and 5.0% (previously: 5.5% to 6.5%) for the Group's operating return on sales and of between 4.5% and 5.5% (previously: 6% to 7%) for the Passenger Cars and Light Commercial Vehicles segment. For the Commercial Vehicles segment, we anticipate sales revenue to be down noticeably on the previous year (previously: on a level with the previous year) and the operating return on sales to be between 7.0% and 8.0% (previously: 7.5% and 8.5%).

We project that net cash flow in the Automotive Division will amount to between €1 billion and €3 billion for 2025 (previously: €2 billion to €5 billion). In addition, we now expect net liquidity to be in the range of €31 billion to €33 billion (previously: €34 billion to €37 billion).

At the lower end of the ranges forecast for operating result, net cash flow and net liquidity, it is assumed that in particular the current US import tariffs of 27.5% will continue to apply in the second half of 2025; at the upper end, it is assumed that these tariffs will be reduced to 10%. There is high uncertainty about further developments in the tariff situation as well as its impact and any reciprocal effects.

The outlook for fiscal year 2025 can be found on page 30.

Litigation

Diesel issue

1. Criminal and administrative proceedings worldwide (excluding the USA/Canada)
In May 2025, the main trial proceedings relating to type EA 189 engines in connection with the diesel issue, which the Braunschweig Regional Court had commenced in September 2021 against individuals who were in some cases former employees of Volkswagen AG, concluded with the defendants' conviction on the charge of fraud. All four defendants were sentenced to prison terms, which were suspended subject to probation for two of them. The judgment is not yet final; all defendants filed appeals. The trial of a former chair of the Board of Management of Volkswagen AG, which had been severed from the aforementioned proceedings, was terminated on a provisional basis. Volkswagen AG is not party to these proceedings.

2. Product-related lawsuits worldwide (excluding the USA/Canada)
In the action brought against Volkswagen Group Automotive Retail France, Volkswagen Group France, and Volkswagen AG by the French consumer organization Confédération de la Consommation, du Logement et du Cadre de Vie (CLCV) for up to 1 million French owners and lessees of vehicles with type EA 189 engines, a procedural judgment was rendered in March 2025 holding the opt-in class action to be admissible with respect to Volkswagen Group France and Volkswagen AG. The complaint against Volkswagen Group Automotive Retail France was ruled inadmissible, however. In the further course of the proceedings, the trial court will now consider the substantive merits of the action, in which rescission without offset for the benefit from using the vehicle is the primary relief sought and damages amounting to 20-30% of the purchase price are claimed in the alternative. The procedural judgment is not yet final. The decision regarding the admissibility of the complaint may be subject to review in the context of an appeal against the anticipated trial court judgment.

Additional important legal cases

In April 2025, the European Commission and the English Competition and Markets Authority (CMA) assessed fines against various automobile manufacturers and automotive industry organizations pursuant to settlement procedures. This follows an investigation of European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization European Automobile Manufacturers' Association (ACEA) on suspicion of having agreed in the period from 2001/2002 and up until the initiation of the proceedings - in particular through the ACEA Working Group Recycling and related sub-groups thereof - to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (ELV) (specifically passenger cars and light utility vehicles). Also alleged was an agreement to refrain from competitive use of ELV issues, that is, not to publicize relevant recycling data (recyclates, recyclability, recovery) for competitive purposes. The European Commission assessed a fine of approximately €128 million against Volkswagen AG. The CMA imposed an overall fine of approximately GBP 15 million on Volkswagen AG and Volkswagen Group UK jointly, which are covered by existing provisions.

In the action brought in Russia by Automobile Plant GAZ LLC (GAZ) alleging claims of approximately RUB 28.5 billion, the court of cassation – following the appellate court – has upheld the first instance court's July 2024 judgment ordering Volkswagen AG to pay damages in an amount of approximately RUB 16.9 billion. Volkswagen AG will appeal the decision of the cassation court as well and continue to mount a comprehensive defense. In April 2025, the plaintiff GAZ assigned its alleged claims to a third-party entity, Kameya JSC, which in this manner assumed the procedural role of plaintiff in the lawsuit.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to legal cases. This is so as to not compromise the results of the proceedings or the interests of the Company.

Beyond these events, there were no significant changes in the reporting period compared with the disclosure on the Volkswagen Group's expected development in fiscal year 2025 contained in the combined management report of the 2024 Annual Report in the sections "Report on Expected Developments" and "Report on Risks and Opportunities", including in section "Legal Risks".

Outlook for 2025

Our planning is based on the assumption that global economic output will grow overall in 2025 at a slightly slower pace than in 2024. Declining inflation in major economic regions and the resulting easing of monetary policy are expected to boost consumer demand. We continue to believe that risks will arise from increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects; risks are associated in particular with the Russia-Ukraine conflict, the confrontations in the Middle East, as well as the uncertainties regarding the political orientation of the USA and the corresponding measures that the new US administration is planning or has already implemented. We assume that both the advanced economies and the emerging markets will record somewhat weaker momentum on average than that of the previous reporting year.

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will intensify further. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on the volume of new registrations. Moreover, sudden new or intensified geopolitical tension and conflicts could lead in particular to rising prices for materials and declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but predominantly positive in 2025. Overall, the global volume of new car sales is expected to be on a level with that recorded in the prior year. For 2025, we also anticipate that the volume of new passenger car registrations in Western Europe will be on a level with the previous year. In the German passenger car market, we expect the volume of new registrations in 2025 to be similar to the prior-year level. Sales of passenger cars in 2025 are expected to significantly exceed the prior-year figures overall in markets in Central and Eastern Europe – subject to the further development of the Russia-Ukraine conflict. The sales volume in the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America overall and in the United States in 2025 is forecast to be noticeably lower than in the previous year. We anticipate a noticeable increase overall in new registrations in the South American markets in 2025 compared with the previous year. The passenger car markets in the Asia-Pacific region in 2025 are expected to be up slightly on the prior-year level.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2025 to be similar to the previous year's figure.

For 2025, we expect that new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes will be down noticeably on the previous year in the markets that are relevant for the Volkswagen Group, with variations from region to region. A slight year-on-year increase in demand is anticipated for 2025 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region.

We assume that automotive financial services will prove highly important to global vehicle sales in 2025 in synergy with the development of the vehicle markets.

In a challenging market environment, we anticipate that the number of deliveries to customers of the Volkswagen Group will be on a level with the previous year.

Challenges will arise in particular from an environment of political uncertainty, expanding trade restrictions and geopolitical tensions, the increasing intensity of competition, volatile commodity, energy and foreign exchange markets, and emissions-related requirements that have been more stringent since the beginning of the year.

We expect the sales revenue of the Volkswagen Group and the Passenger Cars and Light Commercial Vehicles segment to be on a level with the previous year in 2025. The operating return on sales is projected to be between 4.0% and 5.0% for the Group and between 4.5% and 5,5% for the Passenger Cars and Light Commercial Vehicles segment. For the Commercial Vehicles segment, we anticipate an operating return on sales of 7.0% to 8.0%, with sales revenue down noticeably on the previous year. For the Financial Services Division, we forecast an increase of up to 5% in sales revenue compared with the prior year and an operating result in the range of €4.0 billion.

In the Automotive Division, we are assuming an investment ratio of between 12% and 13% in 2025. We expect net cash flow for 2025 to be between €1 billion and €3 billion. This includes cash outflows for investments for the future as well as for restructuring measures. Net liquidity in the Automotive Division in 2025 is expected to be between €31 billion and €33 billion. Our goal remains unchanged, namely, to continue with our robust financing and liquidity policy.

At the lower end of the ranges forecast for operating result, net cash flow and net liquidity, it is assumed that in particular the current US import tariffs of 27.5% will continue to apply in the second half of 2025; at the upper end, it is assumed that these tariffs will be reduced to 10%. There is high uncertainty about further developments with regard to the tariffs, their impact and any reciprocal effects.

This report contains 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. Risks are associated with the estimates given, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, prices for energy and other commodities or the supply of 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 in the 2024 Annual Report 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. We do not assume any obligation beyond that required by law to update the forward-looking statements made in this report.

Brand Groups and Business Fields

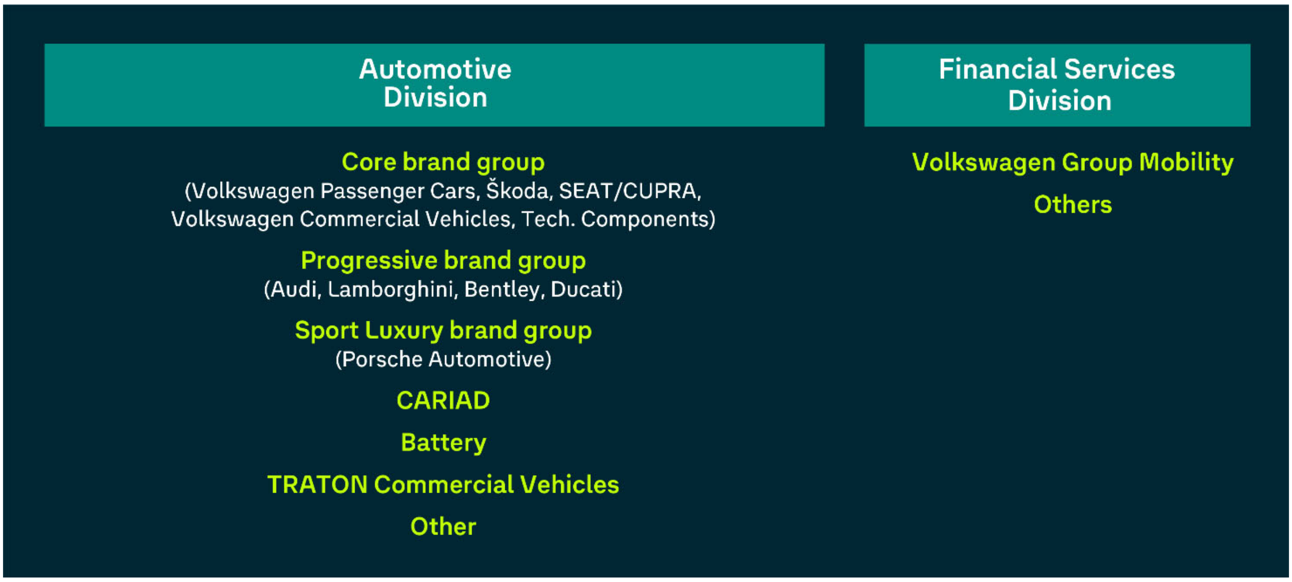
SALES REVENUE AND OPERATING RESULT BY BRAND GROUP AND BUSINESS FIELD

The Volkswagen Group generated sales revenue of €158.4 (158.8) billion in the period from January to June 2025. The operating result stood at €6.7 (10.0) billion.

The Core brand group sold 2.5 (2.5) million vehicles in the reporting period. Sales revenue rose to €72.5 (69.1) billion. The operating result amounted to €3.5 (3.4) billion.

Unit sales for the Volkswagen Passenger Cars brand in the first half of 2025 came to 1.5 (1.5) million vehicles, which was on a level with the previous year. The T-Cross, Saveiro and Amarok models recorded growth. The all-electric ID.7 was also popular. The Tayron was successfully launched on the market. Sales revenue amounted to €43.4 (42.2) billion. At €1.1 (0.9) billion, the operating result exceeded the prior-year figure, which had been influenced by higher expenses for restructuring measures. The recognition of provisions in connection with CO_2 fleet regulations and litigation costs incurred in connection with the diesel issue had a negative impact in the reporting period. Expenses for US import tariffs also weighed on earnings.

REPORTING STRUCTURE OF THE VOLKSWAGEN GROUP



KEY FIGURES BY BRAND GROUP AND BUSINESS FIELD FROM JANUARY 1 TO JUNE 30

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	2025	2024	2025	2024	2025	2024[1]
Core brand group	2,527	2,494	72,480	69,051	3,455	3,405
Progressive brand group	574	539	32,573	30,939	1,087	1,982
Sport Luxury brand group[2]	135	152	16,138	17,695	832	2,904
CARIAD	–	–	564	426	−1,172	−1,182
Battery	–	–	11	0	−592	−166
TRATON Commercial Vehicles	153	161	21,195	22,738	1,245	2,050
Equity-accounted companies in China[3]	1,242	1,265	–	–	–	–
Volkswagen Group Mobility	–	–	29,362	27,514	1,811	1,374
Other[4]	−267	−269	−13,959	−9,563	40	−387
Volkswagen Group	**4,363**	**4,341**	**158,364**	**158,800**	**6,707**	**9,979**

1 Prior-year figures adjusted.
2 Including Porsche Financial Services: sales revenue €18,157 (19,457) million, operating result €1,007 (3,061) million.
3 The sales revenue and operating result of the equity-accounted companies in China are not included in the consolidated figures; the share of the operating result generated by these companies amounted to €506 (801) million.
4 In the operating result, mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation, as well as companies not allocated to the brands.

KEY FIGURES FOR THE CORE BRAND GROUP FROM JANUARY 1 TO JUNE 30

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	2025	2024	2025	2024	2025	2024[1]
Volkswagen Passenger Cars	1,521	1,519	43,448	42,194	1,103	917
Škoda	582	548	15,070	13,652	1,285	1,149
SEAT/CUPRA	322	344	7,598	7,752	38	406
Volkswagen Commercial Vehicles	224	231	8,698	8,087	207	635
Tech. Components	–	–	11,909	10,815	751	323
Consolidation	−123	−148	−14,243	−13,450	71	−25
Core brand group	**2,527**	**2,494**	**72,480**	**69,051**	**3,455**	**3,405**

1 Prior-year figures adjusted.

Škoda sold a total of 582 thousand vehicles in the reporting period, an increase of 6.3% year-on-year that was due in particular to strong demand for the electric SUV models Elroq and Enyaq. Unit sales of the Kodiaq also rose. The Kylaq was successfully launched in the Indian market. Sales revenue increased by 10.4% to €15.1 billion. At €1.3 (1.1) billion, the operating result was above the prior-year level due to volume-related increases.

Unit sales at SEAT/CUPRA came to 322 (344) thousand vehicles in the first six months of 2025. The figure includes the A1 manufactured for Audi. The all-electric models CUPRA Born and CUPRA Tavascan were very popular. At €7.6 billion, sales revenue was down 2.0% year-on-year. The operating result declined to €38 (406) million. Adverse factors arose from increased competition in key markets, changes in the product mix, EU tariffs on the CUPRA Tavascan produced in China and increased material costs.

In the first half of 2025, unit sales at Volkswagen Commercial Vehicles declined to 224 (231) thousand units worldwide. The all-electric ID. Buzz recorded growth. At €8.7 (8.1) billion, sales revenue was above the prior-year figure. The operating result fell to €207 (635) million, which was attributable not only to reduced volumes but also in particular to the recognition of provisions in connection with CO_2 fleet regulations.

In the period from January to June 2025, Tech. Components generated sales revenue of €11.9 (10.8) billion. Driven primarily by volume and mix effects, the operating result at €751 (323) million was higher than in the previous year, in which expenses for restructuring measures had to be recognized.

Unit sales at the Progressive brand group (Audi, Bentley, Lamborghini, Ducati) came to 574 (539) thousand vehicles globally in the reporting period. The Q6 e-tron, Q7 and Q8 model series in particular recorded growth. The new Q5 and the all-electric A6 e-tron were successfully introduced. The new models will see progressive volume growth as the year goes on. Ducati sold 30.4 (34.2) thousand motorbikes in the reporting period. Sales revenue amounted to €32.6 (30.9) billion. The operating result was influenced by expenses for US import tariffs, restructuring measures, provisions in connection with CO_2 fleet regulations and numerous model changes and amounted to €1.1 (2.0) billion.

The Sport Luxury brand group (Porsche Automotive) sold 135 (152) thousand vehicles globally in the first half of 2025. Demand for the Macan rose compared with the previous year. Sales revenue decreased to €16.1 (17.7) billion and the operating result declined to €0.8 (2.9) billion. This was mainly due to lower sales volumes attributable to the continuously challenging market situation in China, higher material costs, the increased impact of development activities on profit, and additional expenses connected with battery activities, US import tariffs and to measures for the strategic realignment.

CARIAD's sales revenue rose by €138 million to €564 million in the period from January to June 2025. This was mainly attributable to successful supplies of software by CARIAD to the Group brands. Despite provisions for restructuring costs as part of the CARIAD transformation program, the operating result of €–1.2 (–1.2) billion was marginally up on the prior-year level.

The Battery business field brings together the Group's global battery activities, which relate to the future manufacture of battery cells and other activities along the battery value chain. As a result of the establishment of the business field operating result in the Battery business in the reporting period amounted to €–592 (–166) million due mainly to fixed costs-related factors.

At 153 (161) thousand vehicles, unit sales by TRATON Commercial Vehicles (Scania, MAN, International (formerly Navistar), Volkswagen Truck & Bus) were lower than in the previous year. Sales revenue contracted by 6.8% to €21.2 billion. The operating result declined to €1.2 (2.0) billion due in particular to volume factors.

The number of new financing, leasing, service and insurance contracts signed with Volkswagen Group Mobility in the reporting period stood at 5.1 (5.1) million. With credit eligibility criteria remaining unchanged, the penetration rate, expressed as the ratio of leased or financed vehicles to relevant Group delivery volumes, rose to 35.8 (34.6)%. At 27.1 (26.7) million, the total number of contracts at the end of June 2025 was higher than the figure for December 31, 2024. The number of contracts in the customer financing/leasing area amounted to 10.3 (10.2) million, and in the service/insurance area to 16.8 (16.5) million. On June 30, 2025, Volkswagen Bank managed 2.0 (1.9) million deposit accounts. The operating result rose to €1.8 (1.4) billion, mainly on the back of higher volumes.

UNIT SALES AND SALES REVENUE BY MARKET

In the Europe/Other Markets region, the Volkswagen Group's unit sales for the first half of 2025 totaled 2.2 (2.1) million vehicles, which was similar to the previous year. Sales revenue rose to €100.7 (96.8) billion, due mainly to volume growth and higher sales revenue in the Financial Services Division.

In the North American markets, the Volkswagen Group sold 0.4 (0.5) million vehicles in the reporting period. Sales revenue amounted to €29.3 (32.0) billion.

Unit sales in South America rose year-on-year to 307 (258) thousand vehicles in the period from January to June 2025. As a result, sales revenue improved to €9.2 (8.8) billion.

In the Asia-Pacific region, the unit sales of the Volkswagen Group – including those of the equity-accounted companies in China – in the reporting period were on a level with the previous year at 1.5 (1.5) million vehicles. Sales revenue amounted to €19.3 (21.5) billion due mainly to exchange rate-related factors. This figure does not include sales revenue from our equity-accounted companies in China.

KEY FIGURES BY MARKET FROM JANUARY 1 TO JUNE 30

	VEHICLE SALES		SALES REVENUE	
Thousand vehicles/€ million	2025	2024	2025	2024
Europe/Other Markets	2,171	2,104	100,735	96,772
North America	435	516	29,287	31,973
South America	307	258	9,220	8,790
Asia-Pacific[1]	1,450	1,463	19,350	21,483
Hedges on sales revenue	–	–	–227	–217
Volkswagen Group[1]	**4,363**	**4,341**	**158,364**	**158,800**

1 The sales revenue of the joint venture companies in China is not included in the figures for the Group and the Asia-Pacific market.

Interim Consolidated Financial Statements (Condensed)

Income Statement of the Volkswagen Group for the Period January 1 to June 30

€ million	2025	2024[1]
Sales revenue	**158,364**	**158,800**
Cost of sales	–131,962	–129,538
Gross result	**26,402**	**29,262**
Distribution expenses	–10,881	–10,516
Administrative expenses	–6,614	–6,616
Other operating result	–2,200	–2,150
Operating result	**6,707**	**9,979**
Share of the result of equity-accounted investments	317	66
Interest result and other financial result	–601	32
Financial result	**–284**	**98**
Earnings before tax	**6,423**	**10,077**
Income tax expense	–1,946	–2,800
Earnings after tax	**4,477**	**7,278**
of which attributable to		
Non-controlling interests	160	642
Volkswagen AG hybrid capital investors	312	321
Volkswagen AG shareholders	4,005	6,315
Basic/diluted earnings per ordinary share in €[2]	**7.97**	**12.57**
Basic/diluted earnings per preferred share in €[2]	**8.03**	**12.63**

1 Prior-year figures adjusted (see disclosures on IAS 8 in the "Prior-year corrections in accordance with IAS 8" section).
2 Explanatory information on earnings per share is presented in the "Earnings per share" section.

Statement of Comprehensive Income for the Period January 1 to June 30

€ million	2025	2024[1]
Earnings after tax	**4,477**	**7,278**
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	3,801	2,103
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	–1,145	–625
Pension plan remeasurements recognized in other comprehensive income, net of tax	2,657	1,478
Fair value valuation of equity instruments that will not be reclassified to profit or loss		
Fair value valuation of equity instruments that will not be reclassified to profit or loss, before tax	540	–327
Deferred taxes relating to fair value valuation of equity instruments that will not be reclassified to profit or loss	–57	81
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	483	–246
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	–8	4
Items that will not be reclassified to profit or loss	**3,132**	**1,236**
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	–3,873	327
Transferred to profit or loss	4	228
Exchange differences on translating foreign operations, before tax	–3,869	555
Deferred taxes relating to exchange differences on translating foreign operations	–3	2
Exchange differences on translating foreign operations, net of tax	–3,872	557
Hedging		
Fair value changes recognized in other comprehensive income (OCI I)	2,057	225
Transferred to profit or loss (OCI I)	–502	–451
Cash flow hedges (OCI I), before tax	1,555	–226
Deferred taxes relating to cash flow hedges (OCI I)	–517	90
Cash flow hedges (OCI I), net of tax	1,038	–136
Fair value changes recognized in other comprehensive income (OCI II)	–479	–388
Transferred to profit or loss (OCI II)	360	517
Cash flow hedges (OCI II), before tax	–119	130
Deferred taxes relating to cash flow hedges (OCI II)	41	–42
Cash flow hedges (OCI II), net of tax	–78	87
Fair value valuation of debt instruments that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	71	–9
Transferred to profit or loss	–6	–1
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	66	–11
Deferred taxes relating to fair value valuation of debt instruments recognized in other comprehensive income	–17	7
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	49	–4
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	–124	89
Items that may be reclassified to profit or loss	**–2,987**	**594**
Other comprehensive income, before tax	1,843	2,318
Deferred taxes relating to other comprehensive income	–1,697	–488
Other comprehensive income, net of tax	**145**	**1,830**
Total comprehensive income	**4,622**	**9,108**
of which attributable to		
Non-controlling interests	489	626
Volkswagen AG hybrid capital investors	312	321
Volkswagen AG shareholders	3,821	8,161

1 Prior-year figures adjusted (see disclosures on IAS 8 in the "Prior-year corrections in accordance with IAS 8" section).

Income Statement of the Volkswagen Group for the Period April 1 to June 30

€ million	2025	2024[1]
Sales revenue	**80,806**	**83,339**
Cost of sales	–67,204	–67,591
Gross result	**13,602**	**15,749**
Distribution expenses	–5,455	–5,411
Administrative expenses	–3,270	–3,257
Other operating result	–1,042	–1,653
Operating result	**3,834**	**5,427**
Share of the result of equity-accounted investments	196	–193
Interest result and other financial result	–716	–293
Financial result	**–520**	**–486**
Earnings before tax	**3,314**	**4,941**
Income tax expense	–1,023	–1,342
Earnings after tax	**2,291**	**3,599**
of which attributable to		
Non-controlling interests	–44	361
Volkswagen AG hybrid capital investors	160	158
Volkswagen AG shareholders	2,175	3,081
Basic/diluted earnings per ordinary share in €[2]	**4.34**	**6.15**
Basic/diluted earnings per preferred share in €[2]	**4.34**	**6.15**

1 Prior-year figures adjusted (see disclosures on IAS 8 in the "Prior-year corrections in accordance with IAS 8" section).
2 Explanatory information on earnings per share is presented in the "Earnings per share" section.

Statement of Comprehensive Income for the Period April 1 to June 30

€ million	2025	2024[1]
Earnings after tax	**2,291**	**3,599**
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	1,070	1,251
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	–317	–379
Pension plan remeasurements recognized in other comprehensive income, net of tax	753	872
Fair value valuation of equity instruments that will not be reclassified to profit or loss		
Fair value valuation of equity instruments that will not be reclassified to profit or loss, before tax	159	–19
Deferred taxes relating to fair value valuation of equity instruments that will not be reclassified to profit or loss	36	4
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	195	–15
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	–9	3
Items that will not be reclassified to profit or loss	**939**	**860**
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	–3,109	–29
Transferred to profit or loss	2	184
Exchange differences on translating foreign operations, before tax	–3,107	155
Deferred taxes relating to exchange differences on translating foreign operations	1	0
Exchange differences on translating foreign operations, net of tax	–3,106	155
Hedging		
Fair value changes recognized in other comprehensive income (OCI I)	1,151	–49
Transferred to profit or loss (OCI I)	–331	–281
Cash flow hedges (OCI I), before tax	820	–331
Deferred taxes relating to cash flow hedges (OCI I)	–318	113
Cash flow hedges (OCI I), net of tax	502	–218
Fair value changes recognized in other comprehensive income (OCI II)	–339	–216
Transferred to profit or loss (OCI II)	150	282
Cash flow hedges (OCI II), before tax	–189	65
Deferred taxes relating to cash flow hedges (OCI II)	77	–21
Cash flow hedges (OCI II), net of tax	–112	44
Fair value valuation of debt instruments that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	54	2
Transferred to profit or loss	–1	–1
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	53	1
Deferred taxes relating to fair value valuation of debt instruments recognized in other comprehensive income	–16	2
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	37	3
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	–154	33
Items that may be reclassified to profit or loss	**–2,832**	**16**
Other comprehensive income, before tax	–1,357	1,158
Deferred taxes relating to other comprehensive income	–537	–282
Other comprehensive income, net of tax	**–1,894**	**876**
Total comprehensive income	**397**	**4,476**
of which attributable to		
Non-controlling interests	125	371
Volkswagen AG hybrid capital investors	160	158
Volkswagen AG shareholders	112	3,947

1 Prior-year figures adjusted (see disclosures on IAS 8 in the “Prior-year corrections in accordance with IAS 8” section).

Balance Sheet of the Volkswagen Group as of June 30, 2025 and December 31, 2024

€ million	2025	2024
Assets		
Non-current assets	**387,707**	**387,674**
Intangible assets	94,036	93,333
Property, plant and equipment	70,333	71,452
Lease assets	75,719	73,193
Financial services receivables	99,396	101,087
Investment property, equity-accounted investments and other equity investments, other receivables and financial assets	48,223	48,610
Current assets	**249,978**	**245,231**
Inventories	62,213	56,720
Financial services receivables	67,774	68,855
Other receivables and financial assets	57,078	52,033
Marketable securities and time deposits	28,110	27,326
Cash and cash equivalents	34,802	40,296
Total assets	**637,684**	**632,905**
Equity and liabilities		
Equity	**198,018**	**196,731**
Equity attributable to Volkswagen AG shareholders	168,716	168,404
Equity attributable to Volkswagen AG hybrid capital investors	14,164	13,890
Equity attributable to Volkswagen AG shareholders and hybrid capital investors	182,880	182,294
Non-controlling interests	15,138	14,437
Non-current liabilities	**210,777**	**219,134**
Financial liabilities	129,905	137,061
Provisions for pensions	23,737	27,602
Other liabilities	57,135	54,472
Current liabilities	**228,889**	**217,039**
Financial liabilities	126,013	117,020
Trade payables	33,062	29,772
Other liabilities	69,815	70,247
Total equity and liabilities	**637,684**	**632,905**

Statement of Changes in Equity[1]

				OTHER RESERVES								
					HEDGING							
€ million	Subscribed capital	Capital reserve	Retained earnings	Currency translation reserve	Cash flow hedges (OCI I)	Deferred costs of hedging (OCI II)	Equity and debt instruments	Equity-accounted investments	Equity attributable to Volkswagen AG hybrid capital investors	Equity attributable to Volkswagen AG shareholders and hybrid capital investors	Equity attributable to non-controlling interests	Total equity
Balance at Jan. 1, 2024	**1,283**	**14,551**	**147,830**	**–3,431**	**1,472**	**–676**	**–966**	**476**	**15,155**	**175,694**	**14,218**	**189,912**
Prior-year corrections in accordance with IAS 8	–	–	–726	–	–	–	–	–	–	–726	–	–726
Adjusted balance at Jan. 1, 2024	**1,283**	**14,551**	**147,104**	**–3,431**	**1,472**	**–676**	**–966**	**476**	**15,155**	**174,968**	**14,218**	**189,186**
Earnings after tax	–	–	6,315	–	–	–	–	–	321	6,636	642	7,278
Other comprehensive income, net of tax	–	–	1,423	565	–70	84	–248	93	–	1,846	–16	1,830
Total comprehensive income	**–**	**–**	**7,738**	**565**	**–70**	**84**	**–248**	**93**	**321**	**8,482**	**626**	**9,108**
Disposal of equity instruments	–	–	0	–	–	–	0	–	–	–	–	–
Capital increases/Capital decreases	–	–	–	–	–	–	–	–	–1,244	–1,244	35	–1,209
Dividend payments	–	–	–4,524	–	–	–	–	–	–479	–5,003	–594	–5,597
Capital transactions involving a change in ownership interest	–	–	–	–	–	–	–	–	–	–	–	–
Other changes	–	–	71	–	–	–	–	–	–	71	0	71
Balance at June 30, 2024	**1,283**	**14,551**	**150,389**	**–2,866**	**1,402**	**–592**	**–1,214**	**569**	**13,752**	**177,273**	**14,285**	**191,558**
Balance at Jan. 1, 2025	**1,283**	**14,551**	**155,130**	**–2,156**	**466**	**–267**	**–906**	**303**	**13,890**	**182,294**	**14,437**	**196,731**
Earnings after tax	–	–	4,005	–	–	–	–	–	312	4,317	160	4,477
Other comprehensive income, net of tax	–	–	2,568	–3,724	665	–48	466	–110	–	–184	330	145
Total comprehensive income	**–**	**–**	**6,573**	**–3,724**	**665**	**–48**	**466**	**–110**	**312**	**4,133**	**489**	**4,622**
Disposal of equity instruments	–	–	3	–	–	–	–3	–	–	–	–	–
Capital increases/Capital decreases	–	–	–	–	–	–	–	–	400	400	–	400
Dividend payments	–	–	–3,170	–	–	–	–	–	–437	–3,607	–624	–4,231
Capital transactions involving a change in ownership interest	–	–	–432	48	0	0	14	0	–	–369	723	353
Other changes	–	–	29	–	–	–	–	1	–	30	113	143
Balance at June 30, 2025	**1,283**	**14,551**	**158,134**	**–5,831**	**1,131**	**–315**	**–429**	**193**	**14,164**	**182,880**	**15,138**	**198,018**

1 Prior-year figures adjusted (see disclosures on IAS 8 in the "Prior-year corrections in accordance with IAS 8" section).

Cash Flow Statement of the Volkswagen Group for the Period January 1 to June 30

€ million	2025	2024[1]
Cash and cash equivalents at beginning of period	**40,296**	**43,522**
Earnings before tax	6,423	10,077
Income taxes paid	–3,044	–3,452
Depreciation and amortization expense[2]	16,096	14,598
Change in pension provisions	–61	32
Share of the result of equity-accounted investments	1,070	1,944
Other non-cash income/expense and reclassifications[3]	–987	647
Gross cash flow	**19,497**	**23,846**
Change in working capital	**–16,183**	**–19,359**
Change in inventories	–7,177	–7,309
Change in receivables	–4,714	–4,447
Change in liabilities	7,853	2,272
Change in other provisions	809	2,454
Change in lease assets (excluding depreciation)	–11,131	–8,540
Change in financial services receivables	–1,823	–3,790
Cash flows from operating activities	**3,315**	**4,487**
Cash flows from investing activities attributable to operating activities	**–11,708**	**–11,540**
of which: Investments in intangible assets (excluding capitalized development costs), property, plant and equipment, and investment property	–6,488	–6,023
capitalized development costs	–4,328	–5,158
acquisition and disposal of equity investments	–1,328	–730
Net cash flow[4]	***–8,393***	***–7,053***
Change in investments in securities, time deposits and loans	–659	–1,863
Cash flows from investing activities	**–12,367**	**–13,403**
Cash flows from financing activities	**4,732**	**15,798**
of which: capital transactions with non-controlling interests	358	–
capital contributions/capital redemptions	397	–1,215
Effect of exchange rate changes on cash and cash equivalents	–1,175	–9
Change of loss allowance within cash and cash equivalents	0	1
Net change in cash and cash equivalents	**–5,495**	**6,875**
Cash and cash equivalents at June 30[5]	**34,802**	**50,398**
Securities and time deposits and loans	45,372	43,200
Gross liquidity	**80,173**	**93,598**
Total third-party borrowings	–255,918	–257,170
Net liquidity at June 30[6]	**–175,745**	**–163,573**
For information purposes: at Jan. 1	–169,122	–147,433

1 Prior-year figures adjusted (see disclosures on IAS 8 in the "Prior-year corrections in accordance with IAS 8" section).
2 Net of impairment reversals.
3 These relate mainly to the reclassification of gains/losses on disposal of non-current assets and equity investments to investing activities.
4 Net cash flow: cash flows from operating activities, net of cash flows from investing activities attributable to operating activities (investing activities excluding change in investments in securities, time deposits and loans).
5 Cash and cash equivalents comprise cash at banks, checks, cash-in-hand and call deposits.
6 The total of cash, cash equivalents, securities and time deposits, as well as loans to affiliates and joint ventures net of third-party borrowings (non-current and current financial liabilities).

Explanatory notes on the cash flow statement are presented in the section relating to the cash flow statement.

Notes

to the Interim Consolidated Financial Statements of the Volkswagen Group as of June 30, 2025

Accounting in accordance with IFRS Accounting Standards (IFRSs)

In accordance with Regulation No. 1606/2002 of the European Parliament and of the Council, Volkswagen AG prepared its consolidated financial statements for 2024 in compliance with the IFRS Accounting Standards (IFRSs), as adopted by the European Union. These interim consolidated financial statements for the period ended June 30, 2025 were thus also prepared in accordance with IAS 34 (Interim Financial Reporting) and are condensed in scope compared with the consolidated financial statements.

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

The accompanying interim consolidated financial statements were reviewed by auditors in accordance with section 115 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act).

Accounting policies

Volkswagen AG has applied all accounting pronouncements adopted by the EU and effective for periods as of January 1, 2025.

A discount rate of 4.0% (December 31, 2024: 3.4%) was applied to German pension provisions in the accompanying interim consolidated financial statements.

In all other respects, the same accounting policies and consolidation methods that were used for the 2024 consolidated financial statements are generally applied to the preparation of the interim consolidated financial statements and the measurement of the prior-year comparatives. A detailed description of the policies and methods applied is published in the "Accounting policies" section of the notes to the 2024 consolidated financial statements. In addition, details of the effects of new standards can be found in the "New and amended IFRSs not applied" section. The 2024 consolidated financial statements can also be accessed on the internet at www.volkswagen-group.com/investor-relations.

Prior-year corrections in accordance with IAS 8

It was found during the previous year that obligations related to the granting of fringe benefits had not been included in full when calculating the provision for time assets. The error was corrected in the 2024 consolidated financial statements in accordance with IAS 8 by adjusting the affected items accordingly in the consolidated financial statements for the prior years.

The retrospective correction resulted in a change in equity as of December 31, 2023/January 1, 2024 and January 1, 2023, respectively. This is attributable to the increase in other provisions and the recognition of deferred tax assets. A quantification of these effects is published in the "Prior-year corrections in accordance with IAS 8" section of the notes to the 2024 consolidated financial statements. The recognition of the additional fringe benefits did not have a material impact on the income statement, the statement of comprehensive income, or the cash flow statement. The comparative period has been adjusted accordingly in the interim consolidated financial statements as of June 30, 2025.

Key events

DIESEL ISSUE

On September 18, 2015, the US Environmental Protection Agency (EPA) publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. This was followed by further reports on the scope of the diesel issue. Detailed information can be found in the "Key events" section of the 2024 consolidated financial statements.

Expenses of €0.2 billion were recognized in connection with the diesel issue in the first half of fiscal year 2025. From fiscal year 2025 onwards, the effects of the diesel issue will no longer be disclosed separately as special items.

Further information on the litigation in connection with the diesel issue can be found in the "Litigation" section.

RIVIAN

In June 2025, as part of the cooperation with the US electric vehicle manufacturer Rivian Automotive, Inc., Irvine/USA (Rivian), Volkswagen invested a further USD 1 billion in ordinary shares of Rivian on the basis of the agreement entered into in the previous year. As a result, Volkswagen's interest in Rivian has risen to 12.3%. The purchase price is based on a defined average market price for the ordinary shares of Rivian plus a premium. The investment in Rivian is measured at fair value through other comprehensive income in the consolidated financial statements.

A detailed explanation of the cooperation with Rivian can be found in the "Material transactions" section of the notes to the 2024 consolidated financial statements.

RESTRUCTURING IN THE VOLKSWAGEN GROUP

In the first half of fiscal year 2025, the Volkswagen Group recognized restructuring costs of €1.0 billion, mostly in the other operating result. They are primarily attributable to AUDI AG, CARIAD SE and Volkswagen Sachsen GmbH. They were offset in this context by income of €0.3 billion from the reversal of personnel-related provisions at AUDI AG, most of which was recognized in cost of sales.

EFFECTS OF THE INCREASED IMPORT DUTIES IMPOSED BY THE USA

The US government introduced additional tariffs of 25% on vehicles on April 3, 2025 and additional tariffs in the same amount on vehicle parts on May 3, 2025. The tariffs thus amount to 27.5% in total. In addition to the increased tariffs on vehicles and vehicle parts sold, the operating result was also weighed down by impairment losses for the measurement of vehicle inventories at net realizable value, as well as by higher provisions required for warranty obligations. In total, the additional tariffs imposed by the USA resulted in a reduction in the operating result of around €1.3 billion in the first half of 2025.

CO_2 FLEET REGULATION

In the first quarter of fiscal year 2025, expenses of €0.6 billion were recognized for Europe for provisions in connection with the CO_2 fleet regulation; they are presented in cost of sales. Following the approval of amended regulations in the EU in the second quarter of 2025, these expenses decreased to €0.3 billion in the reporting period. In addition, expenses were incurred for recognizing provisions for emissions obligations in the USA in an amount of €0.3 billion. The measurement of the provisions for the US business is based on the US regulations valid on June 30, 2025 and does not yet take account of the legislative changes resulting from the "One Big Beautiful Bill Act" of July 4, 2025. The final impact of the "One Big Beautiful Bill Act" on emissions obligations for the US market is currently being analyzed. At present, this is expected to have a positive effect on the operating result in the low to mid three-digit-million euro range.

PLACEMENT OF TRATON SE SHARES

In March 2025, Volkswagen completed the placement of 11 million shares in TRATON SE, Munich (TRATON SE) at a price of €32.75 per share with a total value of €0.4 billion via its subsidiary Volkswagen International Luxembourg S.A., Strassen/Luxembourg. The placement corresponds to an interest of 2.2% in TRATON SE's share capital and reduces the direct interest in TRATON SE from 89.7% to 87.5%. In connection with the transaction, Volkswagen made known its intention to alter its shareholding to 75% plus 1 share in the medium term.

NORTHVOLT AB

The Swedish company Northvolt AB, Stockholm/Sweden, in which the Volkswagen Group holds an equity investment, filed for bankruptcy in Sweden on March 12, 2025. As a result, inclusion of the investment in the consolidated financial statements using the equity method ended as of March 31, 2025. This resulted in a non-cash loss of €0.1 billion, which is reported in the share of the result of equity-accounted investments. The loss is primarily the result of realizing currency translation effects, which had previously been recognized directly in equity. They were reclassified from other reserves attributable to equity-accounted investments to the share of the result of equity-accounted investments. The carrying amount of the investment had already been written down in full in fiscal year 2024.

Basis of consolidation

In addition to Volkswagen AG, which is domiciled in Wolfsburg and entered in the commercial register at the Braunschweig Local Court under No. HRB 100484, the consolidated financial statements comprise all significant German and non-German subsidiaries, including structured entities, that are controlled directly or indirectly by Volkswagen AG. This is the case if Volkswagen AG obtains power over the potential subsidiaries directly or indirectly from voting rights or similar rights, is exposed or has rights to, positive or negative variable returns from its involvement with the subsidiaries, and is able to influence those returns.

Disclosures on the interim consolidated financial statements

1. Sales revenue

STRUCTURE OF GROUP SALES REVENUE: H1 2025

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other operating companies	Reconciliation	Volkswagen Group
Vehicles	91,543	14,450	–	105,994	–	–12,008	93,986
Genuine parts	8,165	3,333	–	11,498	–	–92	11,406
Used vehicles and third-party products	6,907	872	12,922	20,701	–	–2,791	17,910
Engines, powertrains and parts deliveries	6,522	459	–	6,982	–	–43	6,939
Power Engineering	–	–	–	–	2,299	–6	2,293
Motorcycles	454	–	–	454	–	0	454
Leasing business	496	694	10,893	12,082	1	–834	11,249
Interest and similar income	127	0	7,170	7,297	–	–356	6,941
Hedges sales revenue	–211	4	–	–208	–	–20	–227
Other sales revenue	5,972	1,383	487	7,843	933	–1,362	7,414
	119,976	**21,195**	**31,471**	**172,642**	**3,233**	**–17,511**	**158,364**

STRUCTURE OF GROUP SALES REVENUE: H1 2024[1]

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other operating companies	Reconciliation	Volkswagen Group
Vehicles	88,011	15,681	–	103,692	–	–8,313	95,379
Genuine parts	8,408	3,411	–	11,819	–	–95	11,724
Used vehicles and third-party products	7,151	1,171	12,039	20,361	–	–2,116	18,245
Engines, powertrains and parts deliveries	6,917	482	–	7,398	–	–54	7,344
Power Engineering	–	–	–	–	1,998	–1	1,998
Motorcycles	516	–	–	516	–	–	516
Leasing business	435	724	9,800	10,959	0	–694	10,265
Interest and similar income	145	0	7,264	7,409	–	–512	6,897
Hedges sales revenue	–276	–6	–	–282	–	64	–217
Other sales revenue	5,490	1,276	332	7,098	839	–1,287	6,650
	116,798	**22,738**	**29,435**	**168,970**	**2,837**	**–13,008**	**158,800**

1 The prior-year figures reflect the changed reporting structure (for explanations, see the "Segment reporting" section).

Other sales revenue comprises revenue from workshop services and license revenues, among other things.

2. Cost of sales

Cost of sales includes interest expenses of €4,767 million (previous year: €5,177 million) attributable to the financial services business.

In addition to depreciation and amortization expenses, cost of sales also includes impairment losses on capitalized development costs, property, plant and equipment, and lease assets. The impairment losses totaled €821 million (previous year: €609 million); they are mostly recognized in cost of sales.

3. Research and development costs

In the first half of 2025, the Volkswagen Group's research and development costs recognized in profit or loss amounted to €8,975 million (previous year: €9,293 million).

4. Earnings per share

Basic earnings per share are calculated by dividing earnings attributable to Volkswagen AG shareholders by the weighted average number of ordinary and preferred shares outstanding during the reporting period. Since there were no transactions in the reporting period that had a dilutive effect on the number of shares, diluted earnings per share are equivalent to basic earnings per share.

In accordance with Article 27(2) No. 3 of the Articles of Association of Volkswagen AG, preferred shares are entitled to a €0.06 higher dividend than ordinary shares.

		Q2		H1	
		2025	2024[1]	2025	2024[1]
Weighted average number of:					
Ordinary shares – basic/diluted	Shares	295,089,818	295,089,818	295,089,818	295,089,818
Preferred shares – basic/diluted	Shares	206,205,445	206,205,445	206,205,445	206,205,445
Earnings after tax	€ million	2,291	3,599	4,477	7,278
Non-controlling interests	€ million	-44	361	160	642
Earnings attributable to Volkswagen AG hybrid capital investors	€ million	160	158	312	321
Earnings attributable to Volkswagen AG shareholders	€ million	2,175	3,081	4,005	6,315
of which: basic/diluted earnings attributable to ordinary shares	€ million	1,280	1,813	2,351	3,710
of which: basic/diluted earnings attributable to preferred shares	€ million	895	1,267	1,655	2,605
Earnings per ordinary share – basic/diluted	€	4.34	6.15	7.97	12.57
Earnings per preferred share – basic/diluted	€	4.34	6.15	8.03	12.63

1 Prior-year figures adjusted (see disclosures on IAS 8 in the "Prior-year corrections in accordance with IAS 8" section).

5. Non-current assets

CHANGES IN SELECTED NON-CURRENT ASSETS BETWEEN JANUARY 1 AND JUNE 30, 2025

€ million	Carrying amount at Jan. 1, 2025	Additions/ Changes in consolidated Group	Disposals/ Other changes	Depreciation and amortization	Carrying amount at June 30, 2025
Intangible assets	93,333	5,796	792	4,301	94,036
Property, plant and equipment	71,452	6,582	2,008	5,693	70,333
Lease assets	73,193	19,540	10,948	6,067	75,719

6. Inventories

€ million	June 30, 2025	Dec. 31, 2024
Raw materials, consumables and supplies	8,896	8,926
Work in progress	5,578	5,100
Finished goods and purchased merchandise	36,584	32,905
Current lease assets	7,628	6,226
Prepayments	3,495	3,587
Hedges on inventories	31	–25
	62,213	**56,720**

Loss allowances (excluding lease assets) recognized as expenses in the reporting period amounted to €1,094 million (December 31, 2024: €839 million). There were no material reversals of impairment losses.

7. Current other receivables and financial assets

€ million	June 30, 2025	Dec. 31, 2024
Trade receivables	23,281	21,130
Miscellaneous other receivables and financial assets	33,798	30,904
	57,078	**52,033**

Of the trade receivables, €17.7 billion (previous year: €15.5 billion) is attributable to the Automotive Division.

In the period January 1 to June 30, 2025, impairment losses and reversals of impairment losses on non-current and current financial assets reduced operating profit by a total of €907 million (previous year: €439 million).

8. Equity

The subscribed capital is composed of 295,089,818 no-par value ordinary shares and 206,205,445 no-par value preferred shares, and amounts to €1,283 million (previous year: €1,283 million).

Non-controlling interests are mainly attributable to the Porsche AG Group and the TRATON GROUP.

Following the completion of the placement of Traton SE shares in March 2025, the direct non-controlling interests in the TRATON GROUP have risen from 10.3% to 12.5%. Further disclosures can be found in the "Key events" section.

In May 2025, Volkswagen AG called a hybrid note (maturity: 5 years) with a principal amount of €1,500 million, which had been placed in 2020 via Volkswagen International Finance N.V., Amsterdam/the Netherlands (issuer). Once called, the note was classified as debt in accordance with IAS 32. Equity and net liquidity of the Volkswagen Group were reduced accordingly. The hybrid note was redeemed on June 17, 2025.

From the hybrid capital issued on May 15, 2025, Volkswagen AG recorded a cash inflow of €1,900 million less transaction costs of €8 million. In addition, the recognition of deferred taxes led to non-cash effects of €2 million. The hybrid capital is to be classified as equity granted.

9. Non-current financial liabilities

€ million	June 30, 2025	Dec. 31, 2024
Bonds, commercial paper and notes	100,323	106,945
Liabilities to banks	19,090	18,834
Deposit business	3,315	3,927
Lease liabilities	5,731	5,924
Other financial liabilities	1,446	1,430
	129,905	**137,061**

10. Current financial liabilities

€ million	June 30, 2025	Dec. 31, 2024
Bonds, commercial paper and notes	48,390	47,534
Liabilities to banks	13,343	13,446
Deposit business	62,022	53,632
Lease liabilities	1,269	1,252
Other financial liabilities	989	1,156
	126,013	**117,020**

11. Fair value disclosures

Generally, the principles and techniques used for fair value measurement remained unchanged year-on-year. Detailed explanations of the measurement principles and techniques can be found in the "Accounting policies" section of the 2024 consolidated financial statements.

Fair value generally corresponds to the market or quoted market price. If no active market exists, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models.

Financial assets and liabilities measured at fair value through profit or loss consist of derivative financial instruments to which hedge accounting is not applied. They include primarily commodity swaps, currency forwards relating to commodity swaps, call options on equity instruments as well as, in certain cases, interest rate swaps, currency swaps and cross-currency interest rate swaps. Moreover, other equity investments (shares representing an ownership interest of less than 20% as a rule) in partnerships (debt instruments), customer financing receivables whose returns contain more than just interest and principal repayments, and financial assets held in special funds controlled by the Volkswagen Group are measured at fair value through profit or loss. Derivative financial instruments to which hedge accounting is applied are measured at fair value either directly in equity or through profit or loss, depending on the underlying hedged item.

Financial assets measured at fair value through other comprehensive income include equity investments (shares representing an ownership interest of less than 20% as a rule) in corporations (equity instruments) and shares for which the Volkswagen Group normally exercises the option of fair value measurement through other comprehensive income, as well as securities (debt instruments) whose cash flows comprise solely payments of interest and principal and that are held under a business model aimed at both collecting contractual cash flows and selling financial assets. For instruments measured through other comprehensive income, changes in fair value are recognized directly in equity, taking deferred taxes into account. Impairment losses on securities (debt instruments) are recognized through profit or loss.

Uniform valuation techniques and inputs are used to measure fair value. The fair value of Level 2 and Level 3 financial instruments is measured in the individual divisions on the basis of Group-wide specifications.

Reconciliation of balance sheet items to classes of financial instruments

The following table shows the reconciliation of the balance sheet items to the relevant classes of financial instruments, broken down by the carrying amount and fair value of the financial instruments.

The fair value of financial instruments measured at amortized cost, such as receivables and liabilities, is calculated by discounting the carrying amount using a market rate of interest for a similar risk and matching maturity. For reasons of materiality, the fair value of current financial assets and liabilities is generally deemed to be their carrying amount.

The risk variables governing the fair value of the receivables are risk-adjusted interest rates.

RECONCILIATION OF BALANCE SHEET ITEMS TO CLASSES OF FINANCIAL INSTRUMENTS AS OF JUNE 30, 2025

	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASURE-MENT CATEGORY	BALANCE SHEET ITEM AT JUNE 30, 2025
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	–	–	–	–	9,264	9,264
Other equity investments	3,463	–	–	–	3,180	6,644
Financial services receivables	16	53,364	54,482	–	46,016	99,396
Other financial assets	2,619	6,884	7,102	2,772	–	12,275
Current assets						
Trade receivables	–	23,281	23,281	–	–	23,281
Financial services receivables	15	44,584	44,584	–	23,175	67,774
Other financial assets	1,986	15,411	15,411	2,403	–	19,799
Marketable securities and time deposits	27,577	534	534	–	–	28,110
Cash and cash equivalents	–	34,802	34,802	–	–	34,802
Non-current liabilities						
Financial liabilities	–	124,174	125,085	–	5,731	129,905
Other financial liabilities	2,053	2,424	2,424	2,287	–	6,764
Current liabilities						
Financial liabilities	–	124,744	124,744	–	1,269	126,013
Trade payables	–	33,062	33,062	–	–	33,062
Other financial liabilities	1,016	12,406	12,406	1,246	–	14,667

RECONCILIATION OF BALANCE SHEET ITEMS TO CLASSES OF FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2024

	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASUREMENT CATEGORY	BALANCE SHEET ITEM AT DEC. 31, 2024
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	–	–	–	–	10,269	10,269
Other equity investments	2,460	–	–	–	3,271	5,731
Financial services receivables	33	55,188	56,567	–	45,866	101,087
Other financial assets	2,427	6,931	7,069	2,771	–	12,129
Tax receivables	–	–	–	–	409	409
Current assets						
Trade receivables	0	21,130	21,130	–	–	21,130
Financial services receivables	16	46,542	46,542	–	22,297	68,855
Other financial assets	1,687	14,775	14,775	2,187	–	18,649
Tax receivables	–	10	10	–	2,029	2,038
Marketable securities and time deposits	26,963	363	363	–	–	27,326
Cash and cash equivalents	–	40,296	40,296	–	–	40,296
Non-current liabilities						
Financial liabilities	–	131,137	131,680	–	5,924	137,061
Other financial liabilities	1,561	2,405	2,390	2,583	–	6,548
Current liabilities						
Financial liabilities	–	115,768	115,768	–	1,252	117,020
Trade payables	–	29,772	29,772	–	–	29,772
Other financial liabilities	1,160	11,109	11,109	2,095	–	14,364
Tax payables	–	18	18	–	705	724

The category headed "not allocated to a measurement category" is used in particular for shares in equity-accounted investments, shares in non-consolidated affiliated companies as well as for lease receivables.

The carrying amount of lease receivables was €69.2 billion (previous year: €68.2 billion) and their fair value was €70.2 billion (previous year: €68.9 billion).

The following tables contain an overview of the financial assets and liabilities measured at fair value:

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE BY LEVEL

€ million	June 30, 2025	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	3,463	1,782	717	963
Financial services receivables	16	–	–	16
Other financial assets	2,619	–	988	1,631
Current assets				
Financial services receivables	15	–	–	15
Other financial assets	1,986	–	1,495	490
Marketable securities and time deposits	27,577	27,442	115	20
Non-current liabilities				
Other financial liabilities	2,053	–	1,537	516
Current liabilities				
Other financial liabilities	1,016	–	905	110

€ million	Dec. 31, 2024	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	2,460	1,795	0	665
Financial services receivables	33	–	–	33
Other financial assets	2,427	–	1,015	1,412
Current assets				
Trade receivables	0	–	–	0
Financial services receivables	16	–	–	16
Other financial assets	1,687	–	1,207	480
Marketable securities and time deposits	26,963	26,850	113	–
Non-current liabilities				
Other financial liabilities	1,561	–	920	640
Current liabilities				
Other financial liabilities	1,160	–	823	337

DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING BY LEVEL

€ million	June 30, 2025	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	2,772	–	2,685	87
Current assets				
Other financial assets	2,403	–	2,403	–
Non-current liabilities				
Other financial liabilities	2,287	–	2,179	108
Current liabilities				
Other financial liabilities	1,246	–	1,246	–

€ million	Dec. 31, 2024	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	2,771	–	2,697	74
Current assets				
Other financial assets	2,187	–	2,187	–
Non-current liabilities				
Other financial liabilities	2,583	–	2,431	152
Current liabilities				
Other financial liabilities	2,095	–	2,095	–

The allocation of fair values to the three levels in the fair value hierarchy is based on the availability of observable market prices. Level 1 is used to report the fair value of financial instruments for which a price is directly available in an active market. Examples include marketable securities and other equity investments measured at fair value that are listed and traded on a public market. Fair values in Level 2, for example of derivatives, are measured on the basis of market inputs using market-based valuation techniques. In particular, the inputs used include exchange rates, yield curves, commodity prices and stock exchange prices of listed shares that are observable in the relevant markets and obtained through pricing services. Fair values in Level 3 are calculated using valuation techniques that incorporate inputs that are not directly observable in active markets. In the Volkswagen Group, long-term commodity swaps are allocated to Level 3 because the prices available on the market must be extrapolated for measurement purposes. This is done on the basis of observable inputs obtained for the different commodities through pricing services. Options on equity instruments, residual value protection models, customer financing receivables and receivables from vehicle financing programs and other equity investments are also reported in Level 3. Equity instruments are measured primarily using the relevant business plans and entity-specific discount rates. The significant inputs used to measure fair value for the residual value protection models include forecasts and estimates of used vehicle residual values for the appropriate models. The measurement of vehicle financing programs requires in particular the use of the corresponding vehicle price.

The table below provides a summary of changes in Level 3 balance sheet items measured at fair value:

CHANGES IN BALANCE SHEET ITEMS MEASURED AT FAIR VALUE BASED ON LEVEL 3

€ million	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance at Jan. 1, 2025	**2,607**	**977**
Foreign exchange differences	–102	–46
Changes in consolidated Group	0	–
Total comprehensive income	709	–66
recognized in profit or loss	402	–66
recognized in other comprehensive income	307	–
Additions (purchases)	145	–
Sales and settlements	–224	–239
Transfers into Level 2	0	–1
Transfers Hedge Accounting	0	1
Balance at June 30, 2025	**3,135**	**626**
Total gains or losses recognized in profit or loss	**402**	**66**
Other operating result	83	88
of which attributable to assets/liabilities held at the reporting date	91	88
Financial result	318	–22
of which attributable to assets/liabilities held at the reporting date	318	–

€ million	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance at Jan. 1, 2024	**1,734**	**237**
Foreign exchange differences	13	2
Changes in consolidated Group	7	–
Total comprehensive income	–207	255
recognized in profit or loss	–214	255
recognized in other comprehensive income	7	–
Additions (purchases)	2,166	–
Sales and settlements	–53	–12
Transfers into Level 2	–47	–27
Transfers Hedge Accounting	–127	–76
Balance at June 30, 2024	**3,486**	**379**
Total gains or losses recognized in profit or loss	**–214**	**–255**
Other operating result	–250	–268
of which attributable to assets/liabilities held at the reporting date	–251	–269
Financial result	37	12
of which attributable to assets/liabilities held at the reporting date	31	–

CHANGES IN DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING BASED ON LEVEL 3

€ million	Active derivative financial instruments within hedge accounting	Passive derivative financial instruments within hedge accounting
Balance at Jan. 1, 2025	**74**	**152**
Foreign exchange differences	–	–
Changes in consolidated Group	–	–
Total comprehensive income	48	3
recognized in profit or loss	1	0
recognized in other comprehensive income	47	3
Transfers non Hedge Accounting	0	–1
Transfers into Level 2	–35	–46
Balance at June 30, 2025	**87**	**108**

€ million	Active derivative financial instruments within hedge accounting	Passive derivative financial instruments within hedge accounting
Balance at Jan. 1, 2024	**–**	**–**
Foreign exchange differences	–	–
Changes in consolidated Group	–	–
Total comprehensive income	4	35
recognized in profit or loss	0	1
recognized in other comprehensive income	4	34
Transfers non Hedge Accounting	127	76
Transfers into Level 2	–32	–
Balance at June 30, 2024	**99**	**111**

The transfers between the levels of the fair value hierarchy are reported at the respective reporting dates. The transfers out of Level 3 into Level 2 comprise commodity swaps for which observable quoted prices are now available for measurement purposes due to the decline in their remaining maturities; consequently, no further extrapolation is required.

Commodity prices are the key risk variable for the fair value of commodity swaps. Sensitivity analyses are used to present the effect of changes in commodity prices on earnings after tax and equity.

If commodity prices for commodity swaps classified as Level 3 had been 10% higher (lower) as of June 30, 2025, earnings after tax would have been €15 million (previous year: €49 million) higher (lower) and equity would have been €224 million (previous year: €126 million) higher (lower).

The key risk variable for measuring options on equity instruments held by the Company is the relevant enterprise value. Sensitivity analyses are used to present the effect of changes in risk variables on earnings after tax.

If the assumed enterprise values at June 30, 2025 had been 10% higher, earnings after tax would have been €2 million (previous year: €2 million) higher. If the assumed enterprise values as of June 30, 2025 had been 10% lower, earnings after tax would have been €2 million (previous year: €2 million) lower.

Residual value risks result from hedging agreements with dealerships under which earnings effects caused by market-related fluctuations in residual values that arise from buy-back obligations under leases are borne in part by the Volkswagen Group.

The key risk variable influencing the fair value of the options relating to residual value risks is used car prices. Sensitivity analyses are used to quantify the effects of changes in used car prices on earnings after tax.

If the prices of the used cars covered by the residual value protection model had been 10% higher as of June 30, 2025, earnings after tax would have been €456 million (previous year: €427 million) higher. If the prices of the used cars covered by the residual value protection model had been 10% lower as of June 30, 2025, earnings after tax would have been €457 million (previous year: €462 million) lower.

If the risk-adjusted interest rates applied to receivables measured at fair value had been 100 basis points higher as of June 30, 2025, earnings after tax would have been €4 million (previous year: €19 million) lower. If the risk-adjusted interest rates as of June 30, 2025 had been 100 basis points lower, earnings after tax would have been €4 million (previous year: €18 million) higher. If the market price of the convertible loan measured at fair value had been 10% higher as of June 30, 2025, earnings after tax would have been €75 million higher. If the market price of the convertible loan measured at fair value had been 10% lower as of June 30, 2025, earnings after tax would have been €75 million lower.

If the corresponding vehicle price used in the vehicle financing programs had been 10% higher as of June 30, 2025, earnings after tax would have been €11 million (previous year: €11 million) higher. If the corresponding vehicle prices used in the vehicle financing programs had been 10% lower as of June 30, 2025, earnings after tax would have been €11 million (previous year: €11 million) lower.

If the result of operations of equity investments measured at fair value had been 10% better as of June 30, 2025, equity would have been €66 million (previous year: €25 million) higher, and earnings after tax would have been €9 million (previous year: €26 million) higher. If the result of operations of equity investments measured at fair value had been 10% worse, equity would have been €65 million (previous year: €25 million) lower, and earnings after tax would have been €9 million (previous year: €26 million) lower.

12. Cash flow statement

The cash flow statement presents the cash inflows and outflows in the Volkswagen Group and in the Automotive and Financial Services divisions. Cash and cash equivalents comprise cash at banks, checks, cash-in-hand and call deposits.

€ million	June 30, 2025	June 30, 2024
Cash and cash equivalents as reported in the balance sheet	34,802	50,391
Cash and cash equivalents held for sale	–	6
Cash and cash equivalents as reported in the cash flow statement	**34,802**	**50,398**

Cash inflows and outflows from financing activities are presented in the following table:

	H1	
€ million	2025	2024
Capital contributions/Capital redemptions	397	–1,215
Dividends paid	–4,231	–5,597
Capital transactions with non-controlling interest shareholders	358	–
Proceeds from issuance of bonds	16,650	22,328
Repayments of bonds	–18,349	–17,359
Proceeds from issuance of unlisted notes	5,672	7,325
Repayments of unlisted notes	–5,002	–3,857
Changes in other financial liabilities	9,969	14,793
Repayments of lease liabilities	–732	–620
	4,732	**15,798**

13. Segment reporting

Segments are identified on the basis of the Volkswagen Group's internal management and reporting. In line with the Group's multibrand strategy, each of its brands (operating segments) is managed by its own Board of Management. The Group targets and requirements laid down by the Board of Management of Volkswagen AG must be complied with. As from fiscal year 2025, segment reporting comprises three reportable segments: Passenger Cars and Light Commercial Vehicles, Commercial Vehicles and Financial Services. For reasons of materiality, the Power Engineering segment is no longer reported separately. The prior-year figures were adjusted accordingly.

The activities of the Passenger Cars and Light Commercial Vehicles segment cover the development of vehicles, engines, vehicle software and vehicle batteries, the production and sale of passenger cars and light commercial vehicles, and the corresponding genuine parts business. In the Passenger Cars and Light Commercial Vehicles reporting segment, the individual brands are combined into a single reportable segment, in particular as a response to the high degree of technological and economic interlinking in the production network. Furthermore, there is collaboration within key areas such as procurement, research and development or treasury.

The Commercial Vehicles segment primarily comprises the development, production and sale of trucks and buses, the corresponding genuine parts business and related services. As in the case of the passenger car brands, there is collaboration within the areas procurement, development and sales. The aim is to create closer cooperation within the business areas.

Information on other business activities and segments which are not subject to reporting requirements are summarized under "Other operating companies". This combines primarily the large-bore diesel engines, turbomachinery and propulsion components businesses.

The activities of the Financial Services segment comprise dealership and customer financing, leasing, direct banking and insurance activities, fleet management and mobility services. In this segment, activities are combined for reporting purposes taking into particular account the comparability of the type of services and of the regulatory environment.

The reconciliation includes the consolidation adjustments between the segments, unallocated Group financing activities, and the holding company function. It no longer includes other operating companies, which by definition do not constitute segments. These companies are reported under "Other operating companies". The prior-year figures were adjusted accordingly.

Purchase price allocation for companies acquired is allocated directly to the corresponding segments.

At Volkswagen, segment profit or loss is measured on the basis of the operating result.

As a matter of principle, business relationships between the companies within the segments of the Volkswagen Group are transacted at arm's length prices.

REPORTING SEGMENTS: H1 2025

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other operating companies	Reconciliation	Volkswagen Group
Sales revenue from external customers	106,489	20,459	28,837	155,785	2,599	–20	158,364
Intersegment sales revenue	13,487	736	2,635	16,857	634	–17,491	–
Total sales revenue	119,976	21,195	31,471	172,642	3,233	–17,511	158,364
Segment result (operating result)	4,398	1,248	1,911	7,556	164	–1,013	6,707

REPORTING SEGMENTS: H1 2024[1,2]

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Financial Services	Total reporting segments	Other operating companies	Reconciliation	Volkswagen Group
Sales revenue from external customers	106,903	22,131	27,446	156,480	2,255	65	158,800
Intersegment sales revenue	9,895	607	1,989	12,490	582	–13,073	–
Total sales revenue	116,798	22,738	29,435	168,970	2,837	–13,008	158,800
Segment result (operating result)	7,386	2,059	1,416	10,862	134	–1,016	9,979

1 Prior-year figures adjusted (see disclosures on IAS 8 in the “Prior-year corrections in accordance with IAS 8” section).
2 The prior-year figures reflect the changed reporting structure.

RECONCILIATION[1,2]

€ million	H1 2025	H1 2024
Segment result (operating result)	**7,556**	**10,862**
Other operating companies	164	134
Group financing	–19	–19
Consolidation/Holding company function	–994	–997
Operating result	**6,707**	**9,979**
Financial result	**–284**	**98**
Consolidated earnings before tax	**6,423**	**10,077**

1 Prior-year figures adjusted (see disclosures on IAS 8 in the “Prior-year corrections in accordance with IAS 8” section).
2 The prior-year figures reflect the changed reporting structure.

14. Related party disclosures

Porsche Automobil Holding SE (Porsche SE) holds the majority of the voting rights in Volkswagen AG.

The creation of rights of appointment for the State of Lower Saxony was resolved at the extraordinary General Meeting of Volkswagen AG on December 3, 2009. This means that, even though it holds the majority of voting rights in Volkswagen AG, Porsche SE cannot appoint the majority of the members of Volkswagen AG's Supervisory Board for as long as the State of Lower Saxony holds at least 15% of Volkswagen AG's ordinary shares. However, Porsche SE is therefore classified as a related party as defined by IAS 24.

€ million	SUPPLIES AND SERVICES RENDERED H1		SUPPLIES AND SERVICES RECEIVED H1	
	2025	2024	2025	2024
Porsche SE and its majority interests	2	2	0	0
Supervisory Board members	2	2	1	3
Unconsolidated subsidiaries	632	588	1,233	1,121
Joint ventures and their majority interests	7,816	8,649	977	679
Associates and their majority interests	272	171	1,400	1,355
State of Lower Saxony, its majority interests and joint ventures	4	3	2	2

€ million	RECEIVABLES FROM		LIABILITIES (INCLUDING OBLIGATIONS) TO	
	June 30, 2025	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024
Porsche SE and its majority interests	0	0	2	2
Supervisory Board members	0	0	134	123
Unconsolidated subsidiaries	2,290	2,575	2,313	2,334
Joint ventures and their majority interests	19,028	17,710	4,951	5,004[1]
Associates and their majority interests	477	403	1,121	9,194[1]
State of Lower Saxony, its majority interests and joint ventures	2	1	1	1

1 Prior-year figures adjusted.

The tables above do not contain the dividend payments (net of withholding tax) of €670 million (previous year: €930 million) received from joint ventures and associates. The tables likewise do not contain the dividends of €1,223 million paid to Porsche SE (previous year: €1,703 million) or the dividend of €372 million (previous year: €531 million) paid to the State of Lower Saxony.

Receivables from joint ventures are primarily attributable to loans granted in an amount of €13,776 million (December 31, 2024: €11,941 million) as well as trade receivables in an amount of €4,041 million (December 31, 2024: €3,770 million). Receivables from unconsolidated subsidiaries also result primarily from loans granted in an amount of €1,464 million (December 31, 2024: €2,920 million) as well as trade receivables in an amount of €160 million (December 31, 2024: €157 million).

Outstanding related party receivables include doubtful receivables on which impairment losses of €73 million (previous year: €28 million) were recognized. These incurred expenses of €53 million (previous year: €10 million) in the first half of 2025.

In addition, the Volkswagen Group has furnished guarantees to external banks on behalf of related parties in the amount of €64 million (December 31, 2024: €73 million).

Between January and June 2025, the Volkswagen Group made capital contributions of €385 million (previous year: €468 million) at related parties.

Obligations to members of the Supervisory Board relate primarily to interest-bearing bank balances of Supervisory Board members that were invested at standard market terms and conditions at Volkswagen Group companies.

Transactions with related parties are regularly conducted on an arm's length basis. Some of these transactions also include reservation of title clauses.

15. Litigation

DIESEL ISSUE

1. Criminal and administrative proceedings worldwide (excluding the USA/Canada)
In May 2025, the main trial proceedings relating to type EA 189 engines in connection with the diesel issue, which the Braunschweig Regional Court had commenced in September 2021 against individuals who were in some cases former employees of Volkswagen AG, concluded with the defendants' conviction on the charge of fraud. All four defendants were sentenced to prison terms, which were suspended subject to probation for two of them. The judgment is not yet final; all defendants filed appeals. The trial of a former chair of the Board of Management of Volkswagen AG, which had been severed from the aforementioned proceedings, was terminated on a provisional basis. Volkswagen AG is not party to these proceedings.

2. Product-related lawsuits worldwide (excluding the USA/Canada)
In the action brought against Volkswagen Group Automotive Retail France, Volkswagen Group France, and Volkswagen AG by the French consumer organization *Confédération de la Consommation, du Logement et du Cadre de Vie* (CLCV) for up to 1 million French owners and lessees of vehicles with type EA 189 engines, a procedural judgment was rendered in March 2025 holding the opt-in class action to be admissible with respect to Volkswagen Group France and Volkswagen AG. The complaint against Volkswagen Group Automotive Retail France was ruled inadmissible, however. In the further course of the proceedings, the trial court will now consider the substantive merits of the action, in which rescission without offset for the benefit from using the vehicle is the primary relief sought and damages amounting to 20-30% of the purchase price are claimed in the alternative. The procedural judgment is not yet final. The decision regarding the admissibility of the complaint may be subject to review in the context of an appeal against the anticipated trial court judgment.

ADDITIONAL IMPORTANT LEGAL CASES

In April 2025, the European Commission and the English Competition and Markets Authority (CMA) assessed fines against various automobile manufacturers and automotive industry organizations pursuant to settlement procedures. This follows an investigation of European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization European Automobile Manufacturers' Association (ACEA) on suspicion of having agreed in the period from 2001/2002 and up until the initiation of the proceedings - in particular through the ACEA Working Group Recycling and related sub-groups thereof - to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (ELV) (specifically passenger cars and light utility vehicles). Also alleged was an agreement to refrain from competitive use of ELV issues, that is, not to publicize relevant recycling data (recyclates, recyclability, recovery) for competitive purposes. The European Commission assessed a fine of approximately €128 million against Volkswagen AG. The CMA imposed an overall fine of approximately GBP 15 million on Volkswagen AG and Volkswagen Group UK jointly, which are covered by existing provisions.

In the action brought in Russia by Automobile Plant GAZ LLC (GAZ) alleging claims of approximately RUB 28.5 billion, the court of cassation – following the appellate court – has upheld the first instance court's July 2024 judgment ordering Volkswagen AG to pay damages in an amount of approximately RUB 16.9 billion. Volkswagen AG will appeal the decision of the cassation court as well and continue to mount a comprehensive defense. In April 2025, the plaintiff GAZ assigned its alleged claims to a third-party entity, Kameya JSC, which in this manner assumed the procedural role of plaintiff in the lawsuit.

In line with IAS 37.92, no further statements have been made concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to legal cases. This is so as to not compromise the results of the proceedings or the interests of the Company.

Beyond these events, there were no significant changes in the reporting period compared with the disclosure on the Volkswagen Group's expected development in fiscal year 2025 contained in the combined management report of the 2024 Annual Report in the sections "Report on Expected Developments" and "Report on Risks and Opportunities", including in section "Legal Risks".

16. Contingent liabilities

As of June 30, 2025, there were no material changes to the contingent liabilities as reported in the 2024 consolidated financial statements.

17. Other financial obligations

Compared with the 2024 consolidated financial statements, other financial obligations decreased by €0.1 billion to €44.5 billion as of June 30, 2025.

18. Events after the balance sheet date

On July 11, 2025, Germany's upper house of parliament, the Bundesrat, approved a gradual reduction in the current rate of corporation tax from 15% to 10% – starting from fiscal year 2028. This is expected to result in a gain on the remeasurement of deferred tax liabilities in a three-digit-million euro amount.

Wolfsburg, July 24, 2025

Volkswagen Aktiengesellschaft

The Board of Management

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim condensed consolidated financial statements, prepared in compliance with generally accepted accounting principles, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group in the remainder of the fiscal year.

Wolfsburg, July 24, 2025

Volkswagen Aktiengesellschaft

The Board of Management

Review Report

On completion of our review, we issued the following unqualified review report dated 24 July 2025 in German language. The following text is a translation of this review report. The German text is authoritative:

To VOLKSWAGEN AKTIENGESELLSCHAFT

We have reviewed the interim condensed consolidated financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, - comprising the condensed income statement, condensed statement of comprehensive income, condensed balance sheet, condensed statement of changes in equity, condensed cash flow statement as well as selected explanatory notes - and the interim group management report for the period from 1 January 2025 to 30 June 2025, which are part of the half-year financial report pursuant to Sec. 115 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The executive directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company's employees and analytical assessments and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Hanover, 24 July 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Gaenslen	Dr. Janze
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Glossary

Selected terms at a glance

Hybrid notes
Hybrid notes issued by Volkswagen are classified in their entirety as equity. The issuer has call options at defined dates during their perpetual maturities. They pay a fixed coupon until the first possible call date, followed by a variable rate depending on their terms and conditions.

Plug-in hybrid
Performance level of hybrid vehicles. Plug-in hybrid electric vehicles (PHEVs) have a larger battery with a correspondingly higher capacity that can be charged via the combustion engine, the brake system, or an electrical outlet. This increases the range of the vehicle.

Automotive investment ratio
The automotive investment ratio indicates the ratio of investment to sales revenue and is calculated by adding the research and development ratio (R&D ratio) and the capex to sales revenue ratio. The R&D ratio in the Automotive Division shows total research and development costs as a share of sales revenue. Research and development costs comprise a range of expenses, from futurology to the development of our marketable products. Particular emphasis is placed on the environmentally friendly orientation and digitalization of our product portfolio, the expansion of our battery expertise, the development of software and new platforms and the creation of new technologies. The R&D ratio reflects the activities we have undertaken to safeguard the Company's future viability. The ratio of capex (investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs) to sales revenue in the Automotive Division reflects both our innovative power and our future competitiveness. It shows our capital expenditure – largely for modernizing, expanding, electrifying and digitalizing our product range and for environmentally friendly drivetrains, as well as for adjusting production capacities and improving production processes – in relation to the Automotive Division's sales revenue.

Capitalization ratio
The capitalization ratio is defined as the ratio of capitalized development costs to total research and development costs in the Automotive Division. It shows the proportion of primary research and development costs subject to capitalization.

Equity ratio
The equity ratio measures the percentage of total assets attributable to shareholders' equity as of a reporting date. This ratio indicates the stability and financial strength of the company and shows the degree of financial independence.

Gross margin
Gross margin is the percentage of sales revenue attributable to gross profit in a period. Gross margin provides information on profitability net of cost of sales.

Net cash flow
Net cash flow in the Automotive Division represents the excess funds from operating activities available for dividend payments, for example. It is calculated as cash flows from operating activities less cash flows from investing activities attributable to operating activities.

Net liquidity
Net liquidity in the Automotive Division is the total of cash, cash equivalents, securities, time deposits and loans not financed by third-party borrowings.

Operating result
Sales revenue, which does not include the figures for our equity-accounted Chinese joint ventures, reflects our market success in financial terms. Following adjustment for our use of resources, the operating result reflects the Company's actual business activity and documents the economic success of our core business.

Operating return on sales
The operating return on sales is the ratio of the operating result to sales revenue.

Return on sales before tax
The return on sales is the ratio of profit before tax to sales revenue in a period, expressed as a percentage. It shows the level of profit generated for each unit of sales revenue. The return on sales provides information on the profitability of all business activities before deducting income tax expense.

Total shareholder return
Total shareholder return (TSR) is a financial metric that considers both share price performance and dividends. Assuming the dividend paid is reinvested (excluding deduction of tax) at the time of distribution, the ending share price for the performance period is expressed as a percentage of the beginning share price.

Contact Information

Published by
Volkswagen AG
Group Financial Publications
Letterbox 1848
38436 Wolfsburg
Germany
Phone + 49 (0) 5361 9-0

Investor Relations
Volkswagen AG
Investor Relations
Letterbox 1849
38436 Wolfsburg
Germany
E-Mail: ir@volkswagen.de
Internet: www.volkswagen-group.com

Financial Calender

→ **October 30**
Interim Report January – September 2025

558.809.634.20