



Drive Bigger

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The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group. These statements may be spoken or written and can be recognized by terms such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "will" or words with similar meaning. These statements are based on assumptions, 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. These assumptions relate in particular to the development of the economies of individual countries and markets, the regulatory framework and the development of the automotive industry. Therefore the estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

The recent outbreak of COVID-19 (commonly referred to as coronavirus) has negatively impacted and may continue to impact economic and social conditions in some of Volkswagen's primary markets, including China and Europe, as public, private, and government entities implement containment and quarantine measures. The continued spread of COVID-19 may cause shortages of necessary materials and parts from suppliers directly or indirectly affected by the outbreak and may cause operational disruptions and interruptions at Volkswagen's production facilities, leading to significant production downtimes

A negative development relating to ongoing claims or investigations, the continuation of COVID-19, an unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, and trade disputes among major trading partners will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

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Core Objective



T H E W H Y

.....

Make Volkswagen
Matter in the US





Core Strategy

THE HOW

- 01 Branding
- 02 Regionalization
- 03 Operational Excellence
- 04 Own the Future



Re-build a trusted brand

TDI

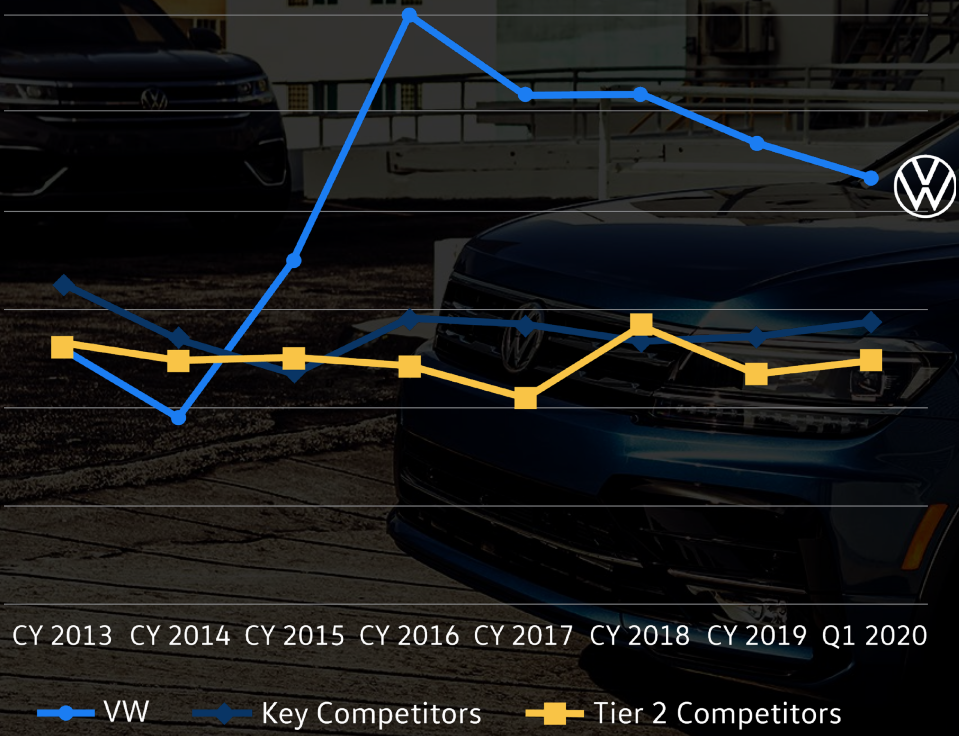
- >500k of US vehicles impacted
- Remarketed >200K vehicles
- 8K vehicles remaining
- Vehicle storage lots
2017: >36 2020: 5

Monitorship

- Robust compliance & Environmental departments
- Environmental Compliance Management System (ECMS)
- Products Compliance Management System (PCMS)
- Quality Management System (QMS)

Re-build a liked brand

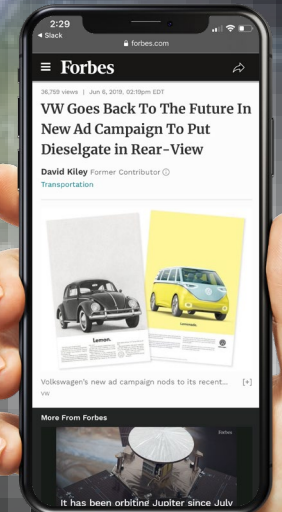
Avoidance Due to Brand Reputation



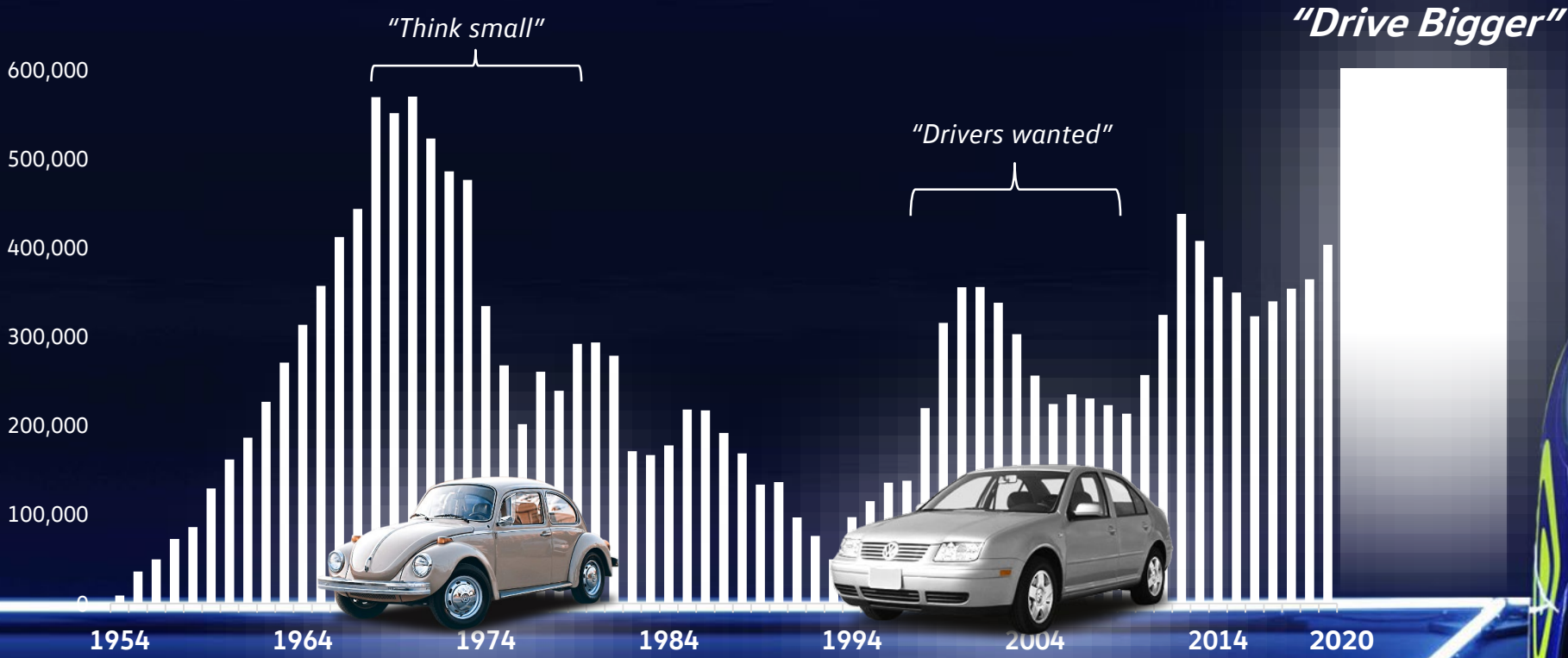
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Branding

Drive Bigger.



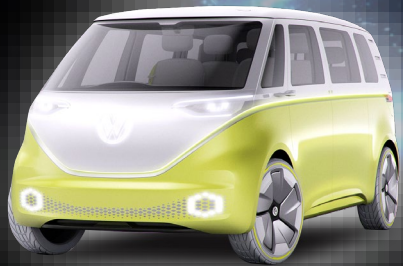
Twice before, VW brought the brand from nothing to something in the US.



Vehicles for the region, made by the region

LOCALIZE R&D

Define, Design, Develop, Test, Certify



LOCALIZE SUPPLIERS

USMCA, Logistics

Approx. 725 suppliers in NAR

CHA: 275 | PUE: 350

LOCALIZE PRODUCTION

Region specific products, Low cost, Jobs

**98% of sold cars
produced in NAR**



Product Portfolio based on market demand

Eliminated Models

- eGolf
- Beetle
- Beetle Convertible
- Golf TSI
- Golf Sportswagon
- Golf Alltrack

New 2020



Atlas Cross Sport



Atlas PA

New 2021



New Compact SUVe



New Golf GTI



Tiguan PA



Jetta PA



New Compact SUV

New 2022/2023



Localized Compact SUVe



Atlas PA2



Cross Sport PA



\$ Mapping future products to profit pools

2016: 15% SUVs | 2020: >50% SUVs

SUV Line-up: Tiguan, Atlas, Cross Sport



1 Atlas Cross Sport = Contribution Margin



MI Timing

Ensure competitive Market Introduction timing



Scale

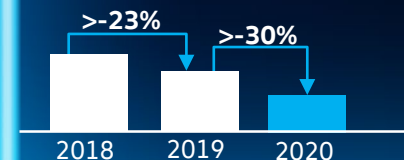
Maximize production capacity & optimize production cost in Chattanooga & Puebla



Vehicle Logistics

Accelerating vehicles to dealer more efficiently

AVERAGE DWELL TIME AT PORT (IN%)



Go-to-Market

Incentive steering & optimization, ideal network plan executions, EV readiness, dealer coaching

Incentive spend reduced as % of MSRP every year -

FY2016 - FY 2020: -22%

Off lease proceeds improved

\$1,300 YoY vs. RV April YTD

2019 - April YTD 2020



COVID-19 Crisis Management: Strategy Pillars



Protect our People

- ✓ Policies for employees
- ✓ Guidelines and best practices for managers
- ✓ Upgraded IT infrastructure for home-office
- ✓ Employee communications



Protect our Liquidity

- ✓ Stricter cost control & liquidity management
- ✓ Closed PUE/CHA Production
- ✓ Prioritization of investments

▶ **High Cost Savings & efficient cash management**



Compete in "new" normal

- ✓ Set right Brand tone
- ✓ **Monitored sales/stock situation**
- ✓ State regulations & offer sales/service alternatives (online alternatives)
- ✓ Support customers & dealers together with VCI

▶ **Healthy Stock Situation**

▶ **Market Share**

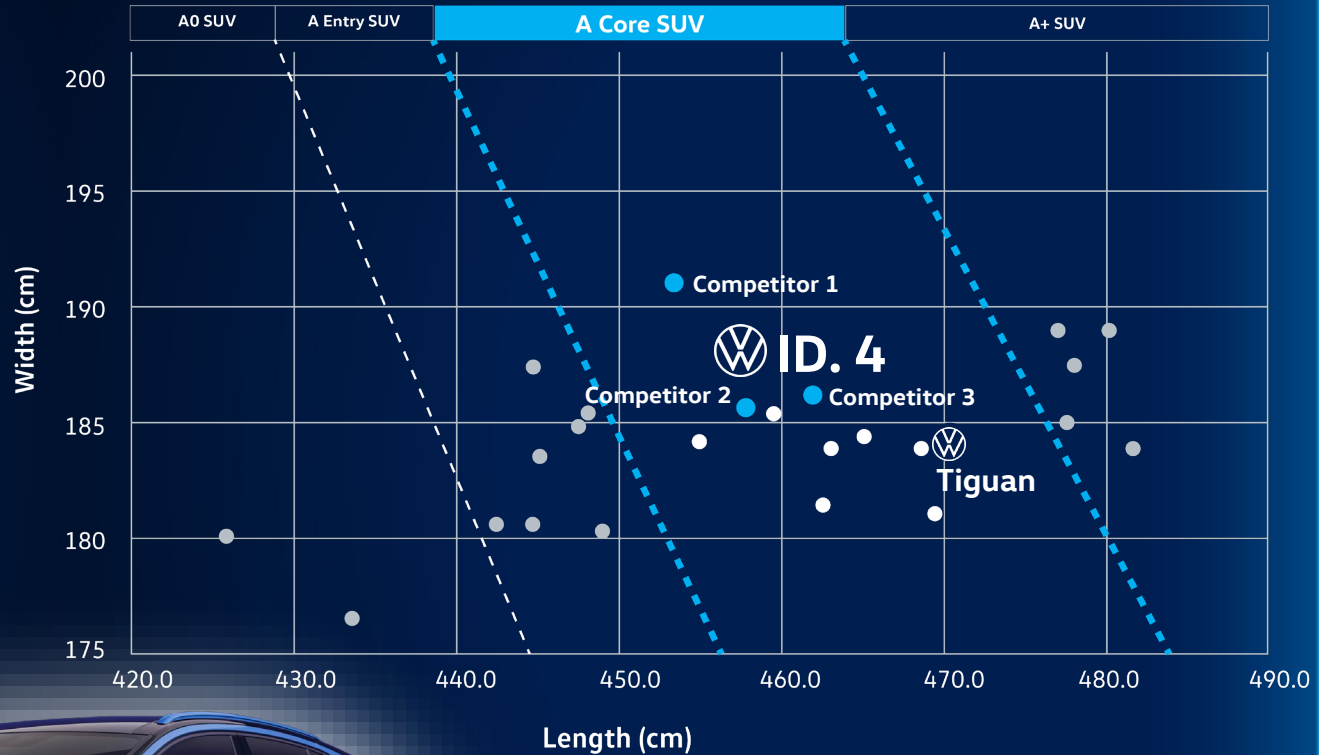


Ready for the return

- ✓ Monitored changes within the market as signposts
- ✓ Monitored health and State regulations
- ✓ Monitor Supply Chain Impacts (global/national/local)
- ✓ Keeping production and sales in balance to avoid overstocking



Overcoming barriers with the right product to hit the sweet spot of the segment...



600+
VW EV Dealer Network



2020 ASUV Segment Size
4.2 Mio vehicles

\$34K ASUV Segment Average
Transaction Price



Electrify America

The growing network to serve our owners today and tomorrow.

END OF 2019

42 States

17 Large Metros

~380 Stations

1,700+ DC Fast Chargers

END OF 2020

45 States + DC

27 Large Metros

500+ Stations

2,000+ DC Fast Chargers



Core Belief

WHAT

T H E W H A T

Breakeven

Leader in Electrification

Sustainable/Profitable
Future Brand



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Thank you.