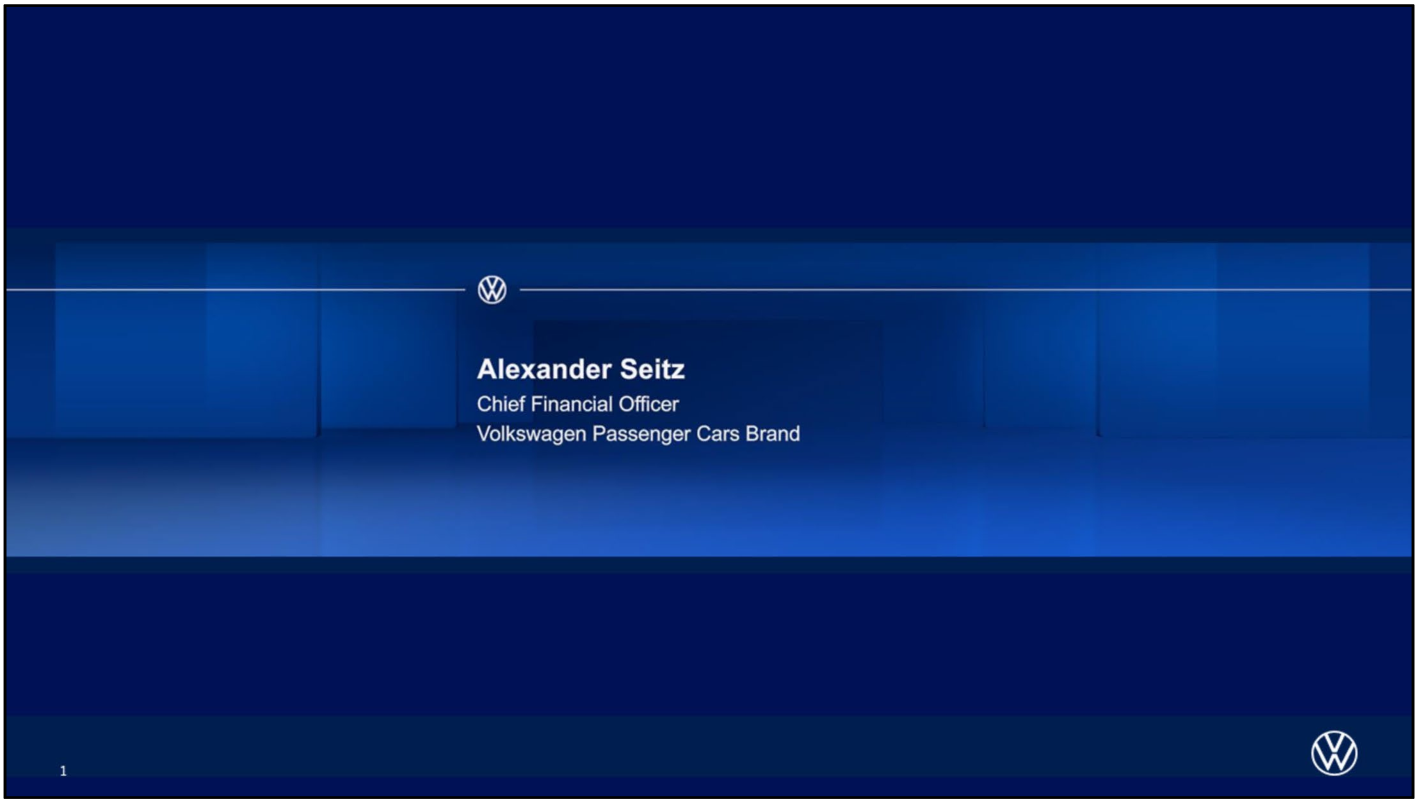
Disclaimer:
The following presentations as well as remarks/comments and explanations in this context contain forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates or commodities relevant to the Volkswagen Group or deviations in the actual effects of the Covid-19 pandemic from the scenario presented will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors influencing value enhancement and of risks and opportunities presented develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.


Alexander Seitz
Chief Financial Officer
Volkswagen Passenger Cars Brand
1

- I too would like to extend you a warm welcome to our virtual Annual Media Conference.
- Let me look back at the past fiscal year from the financial perspective.
- Unit sales for the Volkswagen brand in 2020 amounted to 2.8 million vehicles, representing a significant drop of 23% year-on-year. Double-digit losses were recorded in all regions of the world due to the impact of the Covid-19 pandemic, but market shares remained stable.
- Because of mix- and price-related factors, the decline in sales revenue of 20% was lower than the drop in sales volume.
- In this crisis situation, and due in particular to a strong focus on costs, we were extremely pleased to be able to close the year with our operating profit in positive territory – despite the decline of 17 billion euros in sales revenue.
- The operating profit before special items amounted to almost 0.5 billion euros at the end of the year.

ID.3 - power consumption in kWh/100 km (combined): 15.4-13.1 (NEDC); CO2-emissions in g/km: 0 (combined); efficiency class: A+

- A breakdown into the individual quarters shows how we were able to recover the significant losses of almost 2 billion euros from the second quarter due to a strong performance in quarters three and four.
- Over the course of the second quarter, urgent measures were taken to compensate for the impact of the global lockdown. In particular, we placed a strict and ongoing focus on costs and implemented measures for plant management and inventory control.
- As a result, a recovery in terms of results was apparent in May. We were able to restore stability to our financial situation in the third quarter.
- With an operating profit of 1.4 billion euros, we put in a particularly strong performance in the fourth quarter of 2020, benefiting greatly from our hard work on the cost side as well as from the market recovery.
- However, in addition to the recovery in demand, various one-off effects also contributed to the operating profit.

- When we turn to the factors influencing the 2020 results, it becomes clear that the year-on-year volume losses of around 840,000 vehicles caused by Covid-19 were the main reason for the decline in profits amounting to 3.3 billion euros.

- Exchange rates had a negative impact compared to the previous year, but were more than compensated for by pricing measures. Significant effects were felt with hyperinflationary currencies such as those in Argentina, Brazil and Russia.

- Higher expenses for compliance with legal emission standards had a negative impact on earnings of some 400 million euros.

- Two factors in particular had a positive year-on-year impact on our earnings:

  - Firstly, our strong focus on costs that resulted in a reduction in fixed costs of more than 1 billion euros compared to the previous year. An excellent performance.

  - Secondly, there was a positive structural effect amounting to 0.6 billion euros from the carve-out of CSO.

  We have made provisions amounting to 0.1 billion euros for the restructuring of our business in Brazil. The associated package of measures will play an important role in achieving the 2021 break-even target in the region.

- At the bottom line, we were able to generate an operating profit of approximately half a billion euros in 2020, and were even positive in terms of net cash flow despite Covid-19.

- Financially speaking, last year's greatest achievement was undoubtedly the significant reduction in our fixed costs. We worked hard on many different levers to achieve this:
  - a level freeze on the headcount side, i.e. no headcount increases and a reduction in external recruitment to an absolute minimum in areas of importance to the future.
  - rigorous postponement and cancellation of investment projects.
  - zero-based budgeting and challenge boards across all business areas, companies and regions.
  - optimization of our marketing spending.
- This meant we were able to at least partially cushion the negative volume effects due to Covid-19. Despite a 23% decline in unit sales, we still managed to exceed the break-even point by almost €0.5 billion.

ID.3 - power consumption in kWh/100 km (combined): 15.4-13.1 (NEDC); CO2-emissions in g/km: 0 (combined); efficiency class: A+

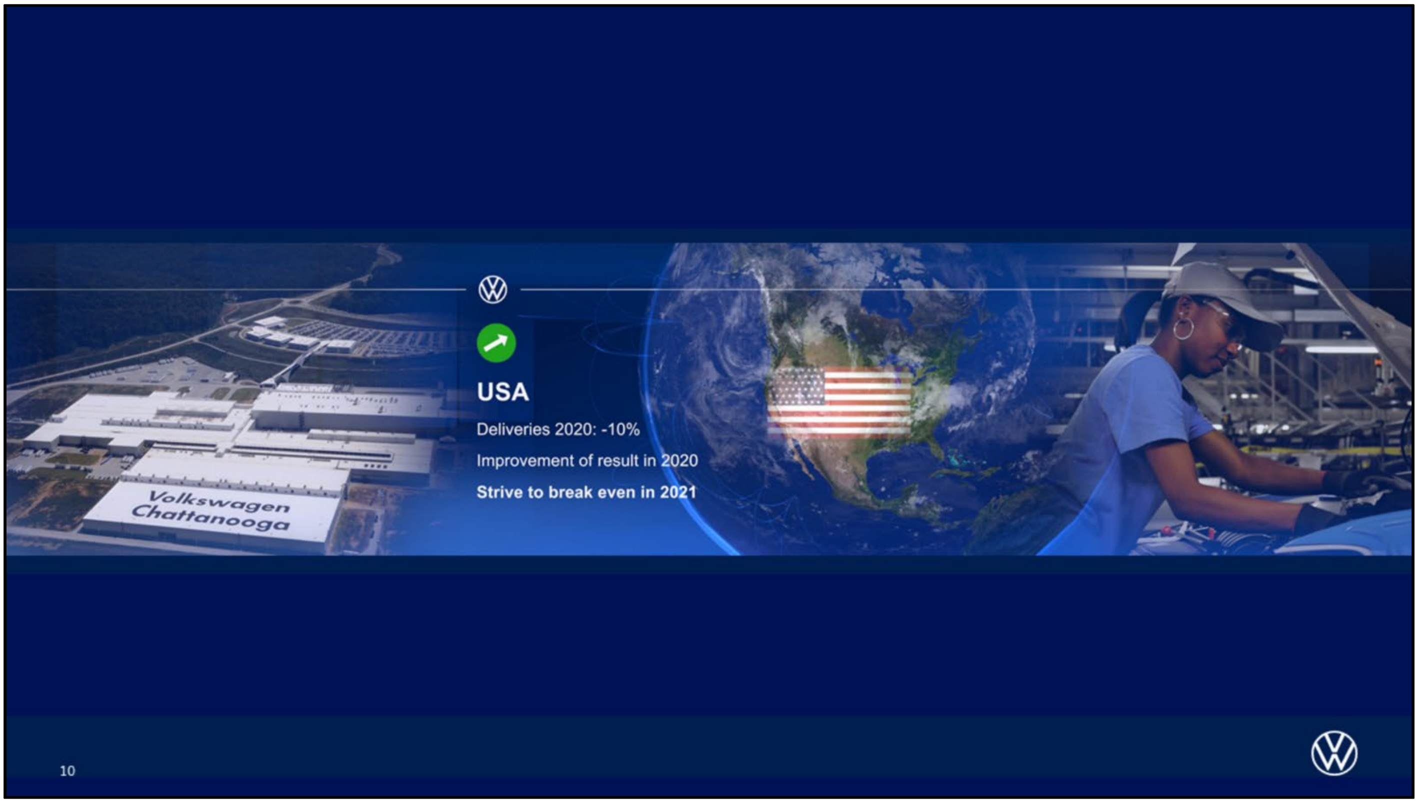
ID.4 - power consumption in kWh/100 km (NEDC): combined 16.9-15.5; CO2 emissions in g/km: 0; efficiency class: A+

- At 2.7 billion euros, our R&D costs declined around half a billion euros compared to the previous year owing to a structural effect.
- In connection with the carve-out of Car.Software Org., R&D expenses amounting to around 600 million euros were reallocated to the new organization in order to leverage Group synergies in software development and thus create a joint backbone.
- Due to this structural shift, our R&D ratio of 3.9% meant we were almost able to meet our strategic target of 4% despite the clear slump in revenue.
- This can be seen as a real success – even during the pandemic year we continued our transformation at an undiminished pace and carried on investing in our future projects.

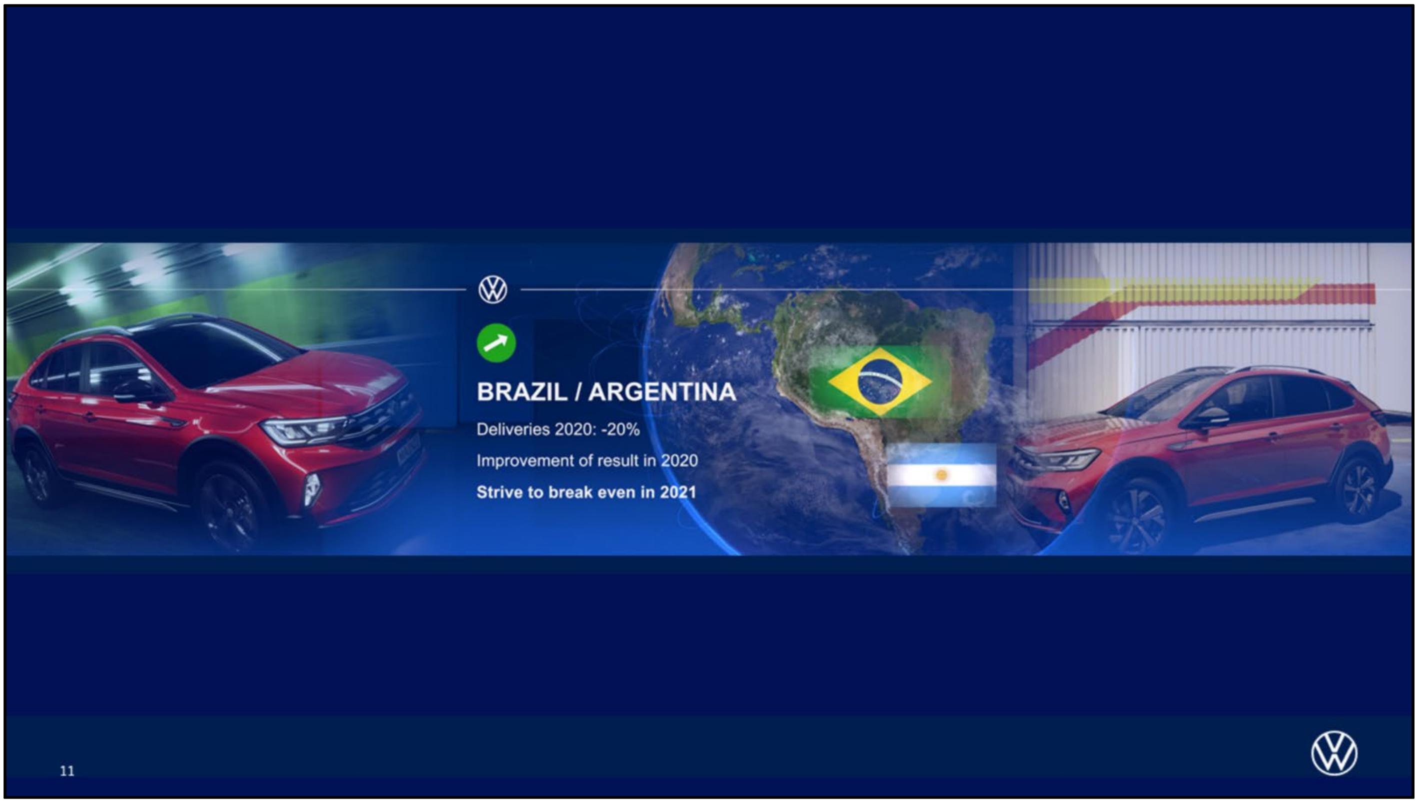
- In spite of the significant decline in sales revenue, we were able to keep our capex ratio within our strategic target corridor, at 4.8%.
- Thanks to our enormous efforts, we managed to significantly reduce our investments, particularly in the second half of the year.
- In absolute terms, the investments of 3.4 billion euros made in 2020 were around 800 million euros lower than those in the previous year.
- Investments not ranked as “business critical” were either canceled or postponed. But this also means that we did not hold back on investments in our transformation.

ID.3 - power consumption in kWh/100 km (combined): 15.4-13.1 (NEDC); CO2-emissions in g/km: 0 (combined); efficiency class: A+

- With regard to operating net cash flow we reached the break-even point for 2020 as a whole.
- Thanks to a positive performance of 3.8 billion euros in the second half, we managed to compensate for the dramatically negative first half of 2020.
- The improvement in our operating profit combined with our focus on strict investment discipline were the drivers for the strong cash flow development in the second half of the year.
- The reduction in our net inventories also played a role. Despite significant headwinds in precious metals, we were able to reduce our inventories by almost 10% in 2020 thanks to strict management of our stocks. Compared to 2017, the reduction is nearly 23%, showing the impact of our efforts even more clearly.

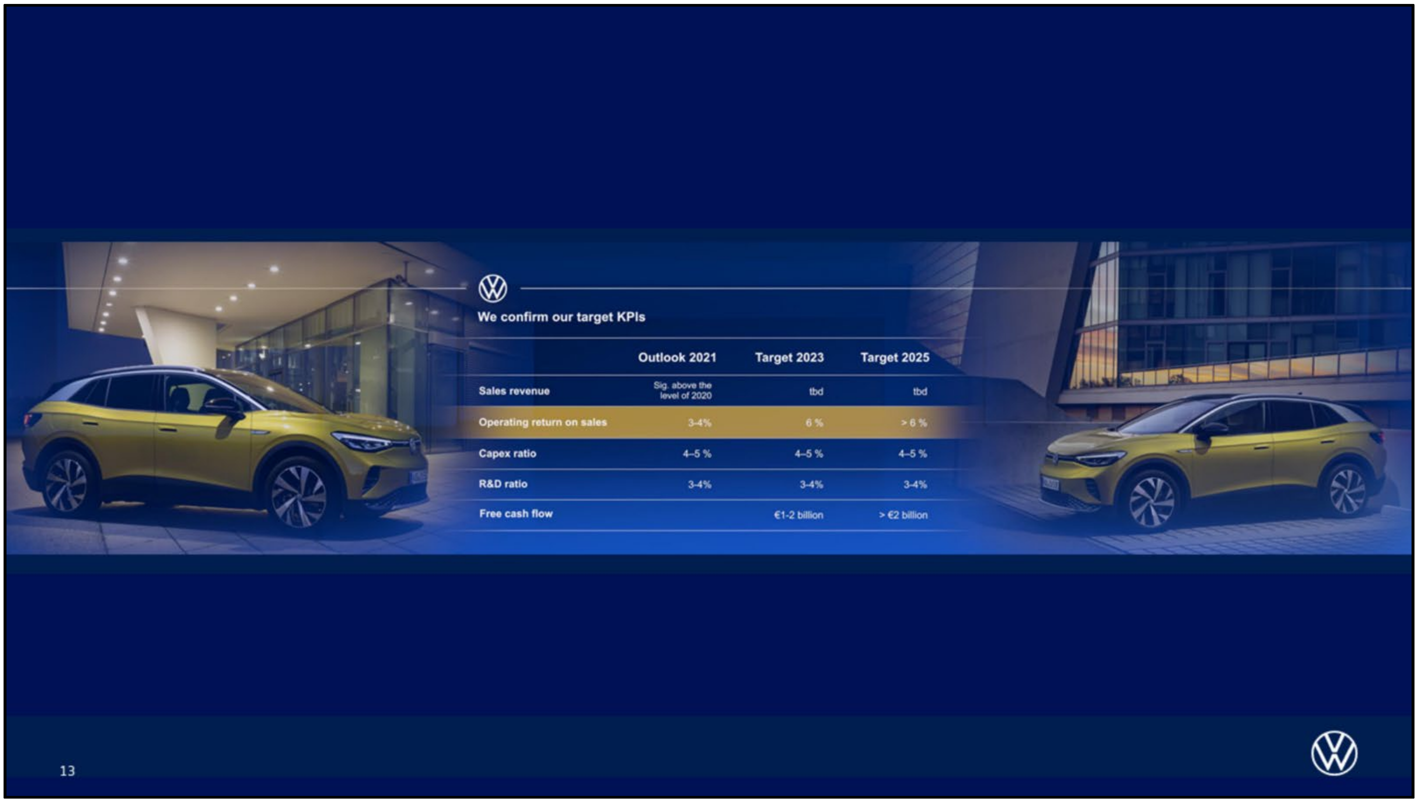


- In fiscal year 2020, our regions were also severely impacted by the effects of the Covid-19 pandemic.
- Although our deliveries in the U.S. fell by 10%, thanks to our hard work on costs we still managed to reduce our year-on-year loss.
- By continuing these efforts and combining them with a clear growth strategy for the U.S market, we are very confident of achieving profitability there this year. And with a sales volume that is around 15% lower than that envisaged for reaching positive territory in the original break-even plans.
- Positive impulses in this year will come from the planned market launch of the Taos and the ID.4, and the product upgrade for the Tiguan.



The vehicle is not sold in Germany.

- Despite 20% fewer deliveries to customers, we were able to improve earnings in South America as well in 2020.
- We put a lot of work into improving our cost situation there too, and initiated an ambitious
  restructuring program for the Brazilian market.
- This includes capacity adjustments at the plants through fewer shifts, higher localization of the MQB, a new Polo Track model as an entry-level car for the region, and harnessing export potential outside South America.
- We expect to break-even this year in South America as well. This is despite the fact that we are 30% below the overall market expectations in this market, which formed the basis for the old turnaround plans.
- Overall, reaching the break-even point in the regions is an important milestone for the Volkswagen brand on the path to sustained competitiveness and profitability.

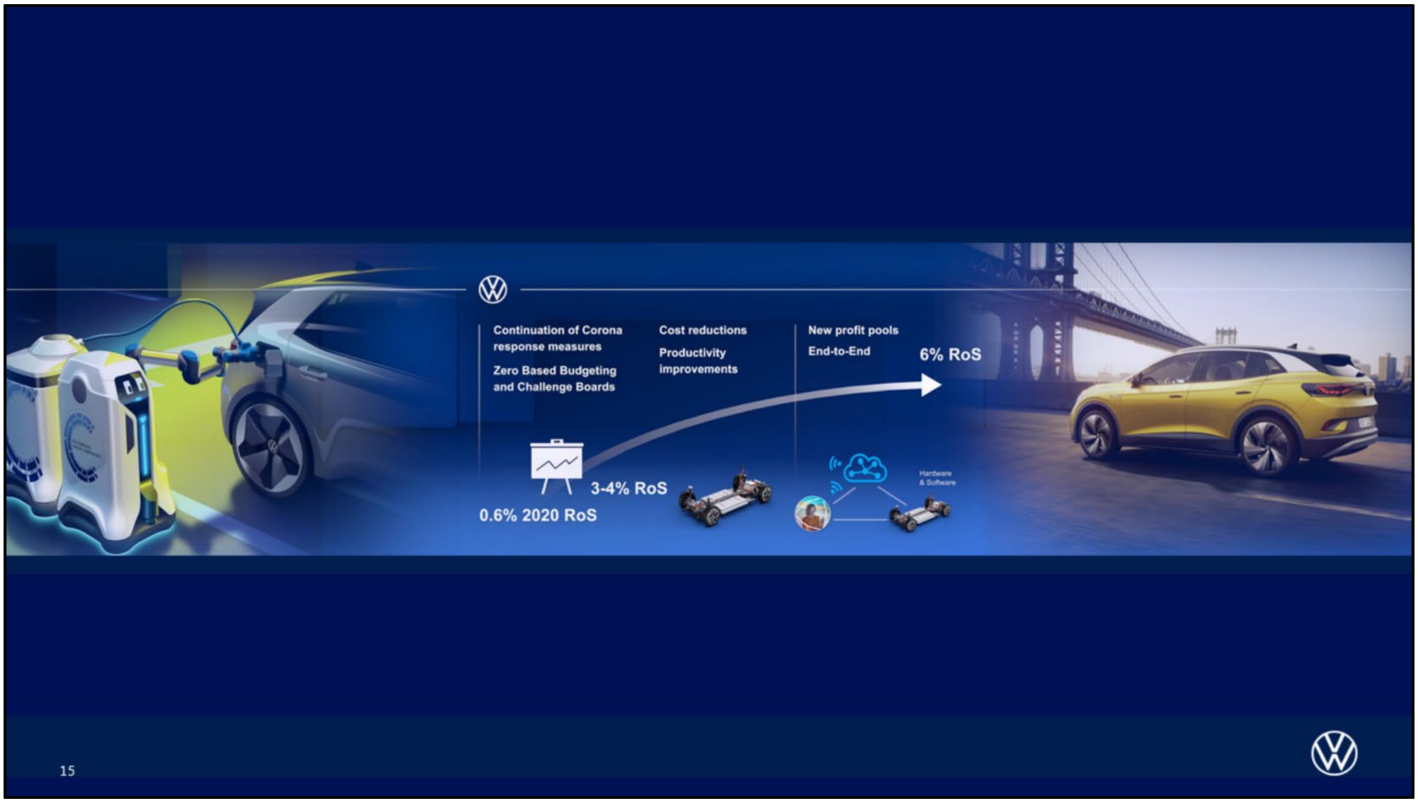


ID.4 - power consumption in kWh/100 km (NEDC): combined 16.9-15.5; CO2 emissions in g/km: 0; efficiency class: A+

- In 2021, and for the Volkswagen brand overall, we are confident of achieving a strong improvement in operational parameters compared to 2020.
- We expect a significant rise in unit sales and are also aiming for a significant year-on-year increase in sales revenue.
- In terms of operating return on sales, we are looking at a target corridor of 3-4% in 2021.
- However, I would like to point to two risk areas that we need to keep a close eye on:
    - On the one hand, the success of the measures to contain the Covid-19 pandemic in our main sales markets will be of decisive importance.
    - On the other hand, we need to continue to closely track the situation regarding the availability of semiconductors.
- A 6% return on sales by 2023 remains our clear goal.

ID.3 - power consumption in kWh/100 km (combined): 15.4-13.1 (NEDC); CO2-emissions in g/km: 0 (combined); efficiency class: A+

- We have defined four levers that will enable us to finance our transformation and to lower the break-even point:
  - First, a 5% reduction in our fixed costs by 2023. Last year proved that we can achieve major improvements through resolute action. And this is how we aim to continue.
  - Second, further increasing productivity at our plants by 5% annually.
  - Third, lowering our material costs by 7% by 2023.
  - Fourth, striving for clearly positive net incomes in the regions. This must be pushed forward even after reaching the break-even point.



ID.4 - power consumption in kWh/100 km (NEDC): combined 16.9-15.5; CO_2 emissions in g/km: 0; efficiency class: A+

- But we don’t only want to finance our transformation, we also want to grow our profitability.

- In addition to the measures already mentioned, we will be exploiting economies of scale through the industrialization of the MQB and MEB. The brand’s upfront investment means that, moving forward, we will be able to define 80% of the Group’s sales volume by means of these two platforms.

- This also represents our key lever to improve product margins.

- In a second step, tapping new sources of revenue through the connectivity of our vehicles will play an important role. Additionally, we will drastically reduce complexity with our forward-looking Trinity project.

- As you can see, ladies and gentlemen, we have ambitious plans, and are putting all our energies into the transformation of the brand from the financial perspective as well.