

**VOLKSWAGEN GROUP**

# ANNUAL GENERAL MEETING OF VOLKSWAGEN AG MAY 16, 2025 SPEECH BY DR. OLIVER BLUME

Introduction

Thank you, Mr. Pötsch,

Dear Shareholders,  
Dear Members of the Supervisory Board,  
Dear Colleagues,

A warm welcome to the 2025 Annual General Meeting of Volkswagen AG. I am delighted you could join us today for this virtual AGM. The Volkswagen Group moves people. Our mission is mobility – for generation after generation. With fascinating products and excellent services, we are part of our customers' lives. Yesterday. Today. And – above all – tomorrow.

We are currently living in a rapidly-changing world. That means the way in which people understand and use mobility is also changing. Together with you, our shareholders, we want to shape this change. Worldwide, with confidence and a clear ambition: As the global technology driver of the automotive industry – to fulfill our ambition to become “The Global Automotive Tech Driver”.

As we set about realizing this vision, 2024 was a year when the Volkswagen Group laid the crucial groundwork. We reached key milestones in challenging times. In our products: in design, technologies and quality. In our structures, processes and costs. In software, battery technology and

our platforms. In our regions such as China and North America. And we delivered: the biggest product offensive in our company with over 30 new products.

For us, 2025 is the year we step up the pace. And we are doing so under conditions that remain challenging. A year when the new strength of the Volkswagen Group becomes tangible. Our product offensive continues: with around 30 more new models. We will be presenting our all-electric small car family at the IAA. We have switched to delivery mode in China. We will be starting our first in-house battery cell production in Salzgitter. And we are on the verge of groundbreaking milestones in highly automated driving. All of this is flanked by intensive work on costs and investment discipline.

2024 was a demanding year with all kinds of challenges. Our entire industry was challenged – and that remains the case today. Challenged by: a weak market in the EU with significantly stronger competition, the situation in China, the flatter ramp-up of e-mobility in Europe and the USA, a volatile supplier network. And added to these challenges were: increasing regional regulation, high expenses for flexible powertrains and products as part of the transformation, and trade uncertainty in the USA since early 2025.

All these factors have a massive impact on our Group's margin. We held our own in this environment with a strong substance, strong brands and strong products. At the same time, we know where our weaknesses lie. And we continue to work systematically on improving our costs and investments. increasing our productivity and profitability, and thereby further strengthening our financial robustness.

We delivered some 9 million vehicles in 2024, almost matching the level of the previous year. Sales revenue ran at € 324.7 billion. The operating result came in at some €19 billion. After special effects of €2.6 billion, in particular for provisions for restructuring our company. This corresponds to a return on sales of 5.9% incl. special effects, respectively 6.7% before special effects. Net cash flow in the Automotive Division was €5 billion. In other words: our net surplus after all costs. Net liquidity in this Group Division was some €34 billion.

Overall, these are solid results. In a challenging global environment. And in a phase of extensive restructuring. It is important to us that you, as our shareholders, also participate in these results. The Board of Management and Supervisory Board therefore propose a dividend of €6.30 per ordinary share and €6.36 per preferred share. This corresponds to a stable payout ratio of 30 % of our net profit.

Our net liquidity gives us the necessary leeway to continue investing in the future. And to pursue our strategic goals. The figures for the first quarter of 2025 clearly show: Our products are very well received in the markets. Our sales revenue is growing. Our order situation is positive. At the same time, our operating result in Q1 was only €2.9 billion. Impacted by many special effects, such as provisions for possible CO2 sanctions in Europe. It's clear we must focus on the things we can control – and continue to work with discipline on a competitive cost structure. That is our largest field of action. To counterbalance massive conflicting external developments in an ever-changing world in order to remain robust and successful.

Despite the uncertain economic conditions, we remain determined that we will be able to further consolidate our position of strength. Our performance programs will remain a key driver for the

profitability of our brands. We expect the sales revenue for the full year of 2025 to be around 5 percent and the operating margin to come in at between 5.5 and 6.5 percent. Possible effects from the recently announced import tariffs have not been taken into account here. Our net cash flow target for the Automotive Division is between €2 billion and €5 billion. This includes cash outflows for investments for the future as well as for restructuring measures from 2024. Net liquidity in this Division in 2025 is expected to be between €34 billion and €37 billion.

We cannot be satisfied with this outlook, not least as our industry is undergoing fundamental transformation. This is why we must throw all our effort into focusing on our strengths: strong brands, great products, global economies of scale. At the same time, we must continue to consistently reduce costs and increase profitability.

Dear Shareholders, we have all been closely following the performance of our share price. Allow me to make one thing clear today: We are not satisfied with the overall trend. On the one hand, we have made great progress in realigning our Group. On the other, the capital market assesses the absolute performance and the current risk situation. In this environment, we are one of the very few manufacturers worldwide to see a positive share price trend in 2025. Albeit at a low level. Our sights are set significantly higher. We are working constantly to bring home the effect and visibility of our operational and strategic initiatives more clearly.

The strength of the Volkswagen Group lies in the strength of our brands. We inspire with a fascinating product range. In all segments. We delivered in 2024. As promised. Our most comprehensive product offensive: over 30 new models. More than half of them all-electric. Authentic highlights such as the new VW Tiguan, the Skoda Superb and the Cupra Terramar, to name just a few. The Audi Q6 e-tron and the Porsche Macan made a successful debut on the new PPE platform. Our all-electric platform – specially developed for a high-performance profile in the important premium and luxury segment. In our home market of Europe, we are increasing our market lead for all-electric vehicles.

The success of our products is based on a clear plan. We have significantly sharpened our designs. Fine-tuned the identity of our brands and our models even further. We have made measurable improvements in the quality of our products and services across all brands with systematic and disciplined programs. The reward: great feedback. From our customers – and from the trade press. Our products are winning numerous awards. Just one example: the ID. 7 – our top electric model from VW. The top scorer in the prestigious ADAC vehicle test, with a rating of “very good”. The first vehicle ever to achieve this rating.

Around 30 more new models will make their debut on markets worldwide in 2025. Fascinating vehicles that put us at the forefront of competition. Models such as the new Volkswagen T-Roc, the new Audi Q3, highly emotionalizing 911 derivatives from Porsche, and many more. We will be premiering the electric small cars from our VW, Skoda and Cupra brands at the IAA. Electric cars for around €25,000. E-mobility for everyone – a promise that the Volkswagen Group will deliver on. That is why we are going one step further – the electric entry-level model for €20,000. Just a few weeks ago we celebrated the world premiere of the VW ID. EVERY1. Charismatic design, striking presence, motivating feedback. Our junior has great potential to give e-mobility a big boost.

The speed at which mobility is being transformed varies from region to region around the world. The criticism that was still being leveled at the Volkswagen Group only recently is today our competitive advantage: our broad, flexible product portfolio across all powertrain types. All-electric vehicles, efficient combustion engines or modern hybrid concepts. We combine plug-in hybrids with our combustion powertrains. Going forward, it will also be possible to couple our all-electric products with range extenders.

We are seeing a trend towards this transition technology in China. A small combustion engine that charges the battery while the vehicle is traveling. And can extend the range of electric vehicles quite significantly. We will be entering this market in China from 2026. With the VW ID. ERA, that had its world premiere at the Shanghai Auto Show. Many people in the USA are also interested in this drivetrain for vehicles from our Scout brand.

Ladies and Gentlemen, our Top 10 programs remain the key management tool for our operational and strategic activities. With quantifiable milestones, ambitious goals, clear responsibilities and a systematic roadmap. For all brands, for all regions. We achieved the goals we set ourselves for 2024. With great discipline. Some of them faster than planned. An ambitious TOP 10 program will be our guide this year, too.

The "Zukunft Volkswagen" agreement concluded at the end of 2024 was an important milestone. It is the foundation for an economically successful future for Volkswagen and our German operations. This agreement has three strong pillars: A future-proof collective bargaining agreement. Competitive structures for the workforce and the plants. And works agreements to accelerate implementation. This makes the strategic target of a return on sales of at least 6.5 percent for the VW brand a realistic medium-term goal. A significant earnings boost with a great impact for the Group. We have agreed similar concepts for Audi and Porsche in Germany. Quality made in Germany at competitive costs – that is possible. Work has begun. But the lion's share of implementation still lies ahead of us.

Our company does not merely want to be part of the accelerated technological change throughout the world. We want to shape it. As a global technology driver. The best automotive technology for everyone. From the entry-level model to the sport-luxury segment. That is our ambition. What gives us the strength and the confidence to achieve this? Our unique combination of global presence and local competence. Our flexibility – and our will to change. And: we don't just develop technology, we scale it. In all crucial fields of innovation: software, battery technology and vehicle platforms.

Volkswagen stands for automotive know-how, design and quality. Our maxim: we concentrate on our own strengths. But: where meaningful, we cooperate with leading partners from industry and technology. This is our approach to software, for example. Software is a key success factor. We made significant progress in this field in 2024. That was necessary, too. The problems of the past are known. We successfully realigned our CARIAD subsidiary and integrated our new competitive software architectures in our cars. The feedback was positive: we are winning comparison tests. As regards software in particular, that wasn't always the case in the past.

What's in demand are reliable cars with reliable highly-automated driving systems, first-class infotainment, greater comfort thanks to connectivity and individualization as well as continuous over-the-air updates – in other words, new software functions for the car – without having to pay the workshop a visit. That is the new orientation for our software activities.

Going forward, our in-house software company CARIAD will concentrate on key cross-sectional technologies: autonomous driving, infotainment, cloud services, data management and back end. We have partners for bolstering our global strategy: Xpeng for China and our US partner Rivian for the other regions. The starting point for the way we design cars today is the smart, digital world. Software characteristics are a defining factor in the development of our vehicles. The name for this is Software Defined Vehicles – or SDV for short. Our ambition is to set benchmarks here. Together with Rivian, we are designing an advanced, high-performance SDV architecture. We will integrate it in the Volkswagen Group's product portfolio from 2027. Scalable for all segments. We are already rolling out our locally developed new software architecture in the intensely competitive Chinese market this year.

We see automated driving as a vital part of our offering. For all vehicle classes. With highly-developed assistance systems and the use of artificial intelligence. This is what the Automated Driving Alliance, or ADA, stands for. ADA is our cooperation between CARIAD and Bosch to develop a unique European tech stack for automated driving. In China, we have set up a joint venture between CARIAD and Horizon Robotics. Our CORIZON joint venture will deliver Level 2+ solutions for the Chinese market from this year, followed by Level 2 ++ from 2026. Vehicles equipped with these advanced driver assistance systems come very close to highly automated driving. Giving mobility ever greater safety and comfort.

Innovative mobility services also play an important role in autonomous driving. In Hamburg we will soon be launching the series version of the first autonomous ID.Buzz shuttle. As the first carmaker to develop an autonomous Level 4 fleet vehicle for high-volume production. Level 4 means driving without the intervention of a human driver. Our development partner Mobileye is supplying the digital driver. Our Group's own mobility service provider MOIA handles fleets, booking apps and passenger management. And in the vehicle itself, software performs all processes and safety tasks.

In the USA, we will be deploying the autonomous ID. Buzz on the platform of Uber, the ridesharing company. Test drives start this year. It is planned to begin rides in 2026. Initially in Los Angeles. The medium-term goal of this ground-breaking strategic partnership: a fleet of several thousand ID.Buzz in the USA.

We have reached a milestone in the development of the SSP. This is our high-performance scalable platform for electric vehicles. The technical scope of the modular architecture has been defined. We are now forging ahead with implementation. The first vehicles based on the SSP will be presented in 2027. We plan to introduce the SSP across our brands by 2030. In combination with the software architecture from Rivian, this is a major leap in technology. It will give our brands great flexibility to design their product portfolios. Concurrently, we will be launching the CSP platform in China.

Battery development is also an integral part of our technology strategy. With the unified cell, we have created a global, cross-brand technology platform. It reduces complexity and enables scale effects. On the one hand, we are turning to external battery suppliers. On the other, we are also taking this key technology into our own hands with our PowerCo subsidiary. In development as well as manufacture. We start production in Salzgitter this year. In Valencia, Spain, and St. Thomas, Canada, construction work on the production plants is on schedule.

And we are already working on the next generations of batteries: sodium-nickel and the solid-state cell. Solid state cells do not need any liquid materials. And they offer even greater range and higher charging speeds. Sodium-nickel works without lithium. In terms of success, the entire battery value chain is of relevance for us. That is why we acquired a stake in a mining company in North America in 2024. This is a further step towards securing our supply of raw materials. The key to less costly batteries – and therefore to less expensive products for our customers.

Successful e-mobility needs a high-quality charging infrastructure. Today, our Elli network already provides access to over 850,000 charging points in Europe – a 30 percent increase. And we are already thinking further ahead: bidirectional charging, cars as mobile powerbanks, managing a battery network. With Elli, we are also planning to build and operate large-scale energy storage systems. A growth market with enormous potential. And an important Group contribution to the energy transformation.

Ladies and Gentlemen, let us move on to take a look at the major markets and their potential for the Volkswagen Group. Europa is our home. It is where we lead the market. And we intend to consolidate this position further. The figures for the first quarter give us another boost. We almost doubled unit sales of electric vehicles in Europe. And expanded our market share significantly to 26 percent. 7 of the 10 bestselling all-electric models in Germany come from the Volkswagen Group. We outperformed the market all over the world – apart from China, where we deliberately continue to operate based on our strategy of “Value over Volume”.

The Chinese market has an unparalleled dynamic. The Volkswagen Group is keeping up with this “China speed”. We made decisive progress with our “In China, for China” approach in 2024. With strong regional tech partners, a realigned product strategy, fully tailored to Chinese customers in technology and design, the start of our development center in Hefei with a workforce currently totaling 3,000 Chinese experts, and systematic cost efforts.

The success is tangible: development times have been shortened by some 30 percent. Costs have been cut by 40 percent. Our goal: a further 10 percent cut by 2026. Without compromising on the Volkswagen standard of quality and safety. We are returning to being competitive in China. And we have switched to delivery mode. On the world’s largest automotive market.

Together with our partner SAIC, we have started the new progressive AUDI brand. There was an overwhelming response to the world premieres of our VW Aura, Era und Evo models at the Shanghai Auto Show. Our first model developed in China for China hits the market at the end of 2025. By 2027 alone, we will be putting 40 new models from our brands on the road. More than half will be electric. Intelligent cars, fully connected, equipped with systems for highly automated driving developed in-house. Top products. With state-of-the-art technology. At market-competitive costs and prices.

We expect 2025 to be another demanding year in the Chinese market. With continued intense competitive pressure. From 2026, we plan to unleash our full potential with our product offensive. And to also play a leading role in intelligent, connected vehicles in China by the end of the decade. Thanks to our strong position in the combustion engine business, we continue to operate efficiently there. Our basis for extensive investments in new models and technologies.

North America remains a key element in the Volkswagen Group's growth strategy. And for well-balanced regional business on markets worldwide. We are sending a clear signal for further growth. We have invested some 14 billion dollars in recent years. In production and strategic partnerships. An increase of over 6 percent in deliveries in North America in 2024 proves us right.

We believe this region has significant potential – despite the current known challenges regarding trade policy. We are formulating a vision for North America, just as we did for China. With a clear plan of measures and responsibilities. We want to grow in the region. With products that are consistently geared to the expectations of American customers. The revival of heritage brand Scout allows us to enter the attractive pick-up and rugged SUV business in the USA. Scout Motors presented two models in 2024. Meanwhile, we have received some 100,000 reservations.

All these topics share a common thread – sustainability. This is the foundation for our activities. In 2024, we launched regenerate+, a sustainability strategy that gives our Group a binding framework for action. The Volkswagen Group bears responsibility for shaping sustainable mobility for generations. We reduced emissions from production and logistics by some 51% from 2018 to 2024. And we have reduced the environmental impact per vehicle by 48% since 2010. We are working on developing a strategy for the circular economy. Along the entire automotive value chain. One example is the battery recycling plant in Salzgitter.

Ladies and Gentlemen, the Volkswagen Group has laid the fundamental groundwork to lead this unique company into a successful future. With determination. With a clear plan. There is visible progress in our comprehensive realignment and restructuring. In technologies, software, design, quality and new products. In the regions of China and North America. In structures and processes. In improvements in costs and investments.

At the same time, we are surrounded by massive risks created by external influences. Not only that – we still have our homework to do. That is why there remains a substantial need for action to bolster the Group's robustness. In all our cost categories: from development, materials, production and sales through to fixed costs.

We know what we have to do. And we will not let up in our focused and determined efforts to execute our plan. The coming years will determine who will play a role in the new automotive world in future. It's like sport: whoever has the determination to win and gives their all will ultimately take the victory.

We have made up our mind: we want to be among the winners. Together with you.

Thank you for your attention.