Annual Financial Statements of Volkswagen AG

Balance Sheet of Volkswagen AG as of December 31, 2021

€ million	Note	Dec. 31, 2021	Dec. 31, 2020
Assets			
Fixed assets			
Intangible assets	1	953	822
Tangible assets	1	8,349	7,997
Long-term financial assets	1	127,590	121,558
		136,892	**130,377**
Current assets			
Inventories	2	6,921	6,542
Receivables and other assets	3	32,303	38,663
Cash-in-hand and bank balances	4	10,168	8,803
		49,392	**54,007**
Prepaid expenses		**52**	**103**
Total assets		**186,336**	**184,488**
Equity and Liabilities			
Equity			
Subscribed capital	5	1,283	1,283
Ordinary shares		755	755
Preferred shares		528	528
Capital reserve	6	15,021	15,021
Revenue reserves	7	5,767	19,217
Net retained profits		19,101	4,028
		41,172	**39,549**
Special tax-allowable reserves	**8**	**17**	**18**
Provisions	**9**	**45,350**	**43,201**
Liabilities	**10**	**98,540**	**100,374**
Deferred income	**11**	**1,257**	**1,346**
Total equity and liabilities		**186,336**	**184,488**

Income Statement of Volkswagen AG for the Period January 1 to December 31, 2021

€ million	Note	2021	2020
Sales	12	**70,917**	**67,535**
Cost of sales		−67,424	−63,418
Gross profit on sales		**3,494**	**4,117**
Distribution expenses		−5,281	−5,422
General and administrative expenses		−1,692	−1,847
Other operating income	13	6,161	6,022
Other operating expenses	14	−6,095	−5,625
Financial result	15	**8,545**	**10,477**
Write-downs of long-term financial assets		-	−690
Taxes on income		−1,091	−693
Earnings after taxes = Net income for the year		**4,041**	**6,338**

Notes to the Annual Financial Statements of Volkswagen AG for the Period ended December 31, 2021

Financial statements in accordance with the German Commercial Code

Volkswagen AG is domiciled in Wolfsburg, Germany, and entered in the commercial register at the Braunschweig Local Court under no. HRB 100484. The annual financial statements of Volkswagen AG have been prepared in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) and comply with the provisions of the Aktiengesetz (AktG – German Stock Corporation Act).
The fiscal year corresponds to the calendar year.

To enhance the clarity of presentation, individual items of the balance sheet and the income statement have been combined. These items are disclosed separately in the notes. The income statement uses the cost of sales (function of expense) format. Information that can be disclosed optionally in the balance sheet or income statement, in the notes to the annual financial statements, is disclosed in its entirety in the notes to the annual financial statements. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

Volkswagen AG performs electricity generation and distribution/sales activities together with a subsidiary. As a result, Volkswagen AG and this subsidiary are classed as a vertically integrated energy company within the meaning of section 3 no. 38 of the Energiewirtschaftsgesetz (EnWG – German Energy Industry Act) and are therefore subject to the provisions of the EnWG. Separate accounts must normally be maintained for certain activities in the energy sector in accordance with section 6b(3) of the EnWG (unbundling requirement in accounting systems). Volkswagen AG itself only operates customer systems in accordance with section 3 no. 24 b. a) of the EnWG (medium-voltage and low-voltage grids). The subsidiary distributes the electricity via a general supply network (high-voltage grid in Wolfsburg, section 3 no. 17 of the EnWG).

The list of all shareholdings is a component of the notes and can also be downloaded from the electronic companies register at www.unternehmensregister.de and from www.volkswagenag.com/ir.

The Board of Management completed preparation of the annual financial statements on March 1, 2022. On March 1, 2022, the period ended in which adjusting events after the reporting period are recognized.

Declaration on the German Corporate Governance Code in accordance with section 161 of the AktG/section 285 no. 16 of the HGB

The Board of Management and Supervisory Board of Volkswagen AG issued the declaration of conformity in accordance with section 161 of the AktG December 9, 2021.

The declaration of conformity has been made permanently available at www.volkswagenag.com/ir.

Significant events in the fiscal year

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. In this context, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA 189 diesel engines and that this engine type had been installed in roughly eleven million vehicles worldwide. On November 2, 2015, the EPA issued a “Notice of Violation” alleging that irregularities had also been discovered in the software installed in US vehicles with type V6 3.0 l diesel engines.

The so-called diesel issue is rooted in a modification of parts of the software of the relevant engine control units – which, according to Volkswagen AG’s legal position, is only unlawful under US law – for the type EA 189 diesel engines that Volkswagen AG was developing at that time. This software function was developed and implemented from 2006 on without knowledge at the level of the Board of Management. Members of the Board of Management did not learn of the development and implementation of this software function until the summer of 2015.

There are furthermore no findings that, following the publication in May 2014 of the study by the International Council on Clean Transportation, an unlawful “defeat device” under US law was disclosed to the persons responsible for preparing the 2014 annual and consolidated financial statements as the cause of the high NO_X emissions in certain US vehicles with 2.0 l type EA 189 diesel engines. Rather, at the time the 2014 annual and consolidated financial statements were being prepared, the persons responsible for preparing these financial statements remained under the impression that the issue could be resolved with comparatively little expense.

In the course of the summer of 2015, however, it became progressively apparent to individual members of Volkswagen AG’s Board of Management that the cause of the discrepancies in the USA was a modification of parts of the software of the engine control unit that was later identified as an unlawful “defeat device” as defined by US law. This culminated in Volkswagen's disclosure of a “defeat device” to the EPA and the California Air Resources Board, a department of the Environmental Protection Agency of the State of California, on September 3, 2015. According to the assessment at the time by the responsible persons dealing with the matter, the magnitude of the costs expected to result for the Volkswagen Group (recall costs, retrofitting costs, and financial penalties) was not fundamentally dis-similar to that in previous cases involving other vehicle manufacturers. It therefore appeared to be manageable overall considering the business activities of the Volkswagen Group. This assessment by Volkswagen AG was based, among other things, on the advice of a law firm engaged in the USA for regulatory approval issues, according to which similar cases had in the past been amicably resolved with the US authorities. The EPA's publication of the “Notice of Violation” on September 18, 2015, which the Board of Management had not expected, especially at that time, then presented the situation in an entirely different light.

In fiscal year 2021, special items in connection with the diesel issue amounted to €0.7 billion; they were mainly recognized in the other operating result.

The contingent liabilities within the meaning of IAS 37 recognized in connection with the diesel issue totaled €4.2 billion (previous year: €4.2 billion), of which €3.6 billion (previous year: €3.5 billion) was attributable to investor lawsuits. Also included are certain elements of the class action lawsuits relating to the diesel issue as well as criminal proceedings/misdemeanor proceedings as far as these can be quantified.

Further information on the litigation in connection with the diesel issue can be found in the “Litigation” section of the management report.

IMPACT OF THE COVID-19 PANDEMIC/ SHORTAGE OF SEMICONDUCTORS

Many restrictive measures were eased in the course of 2021 for reasons that include the rising vaccination rate. In the annual financial statements as of December 31, 2021, no material impairment losses attributable to the Covid-19 pandemic had to be recognized.

The semiconductor shortage and the resulting supply bottlenecks had an increasingly negative impact across the entire industry. This also affected production in the Volkswagen AG. As a result, Volkswagen AG recorded a reduction in inventories of finished goods and a simultaneous increase in raw materials and work in progress in the fiscal year (see also the information provided in the notes on inventories).

Please also refer to our comments in the 2021 group management report, specifically in the chapters entitled Business Development, Results of Operations, Financial Position and Net Assets, Report on Expected Developments and Report on Risks and Opportunities.

MATERIAL TRANSACTIONS

To finance its participation in a capital contribution and financing round by NorthVolt AB, Stockholm, Volkswagen AG injected further capital of €703.5 million into Volkswagen Finance Luxemburg.

Under a “pay-out-and-reinvest” transaction, Volkswagen Finance Luxemburg also distributed dividends of €3.2 billion to Volkswagen AG, which Volkswagen AG simultaneously reinvested in Volkswagen Finance Luxemburg in the form of capital increase.

Accounting policies

The accounting policies applied in the previous year were retained. Investment income, income from other investments and long-term loans, as well as net interest income, are combined in the income statement and presented as the financial result. This item is addressed in greater detail in note (15) Financial result.

Purchased intangible assets are recognized at cost and amortized over three to five years using the straight-line method. Internally generated intangible assets are not recognized. Grants paid for third-party assets are capitalized as purchased rights to use and amortized over five years. Software and grants paid are derecognized once they have been fully amortized.

Tangible assets are carried at cost and reduced by depreciation. Investment grants are deducted from cost.

Depreciation is based primarily on the following useful lives:

	Useful life
Buildings	14 – 50 years
Leasehold improvements	10 – 35 years
Technical equipment and machinery	5 – 20 years
Other equipment, operating and office equipment including special tools	3 – 30 years

For additions up until December 31, 2009, to the extent allowed by tax law, depreciation of movable items of tangible assets is generally charged initially using the declining balance method, and subsequently using the straight-line method, and also reflects the use of assets in multishift operation. The option to retain and adjust lower carrying amounts of tangible asset balances at December 31, 2009 in accordance with section 67(4) of the Einführungsgesetz zum Handelsgesetzbuch (EGHGB – Introductory Act to the German Commercial Code) has been exercised. Movable items of tangible assets purchased or manufactured as from January 1, 2010 are depreciated using the straight-line method.

Prepayments made for tangible and intangible assets are measured at their nominal value.

As a general rule, additions of assets are depreciated or amortized ratably in the year of acquisition.

Low-value assets are written off and derecognized in full in the year they are acquired. In addition, certain items of operating and office equipment with individual purchase costs of up to €1,500 are treated as disposals when their standard useful life has expired.

Write-downs are recognized if the impairment is expected to be permanent; write-downs are reversed up to the amount of historical cost, net of depreciation or impairment, as soon as the reasons for impairment no longer apply.

Shares in affiliated companies and other equity investments are measured at the lower of cost and fair value. Fair values are by preference calculated using the discounted cash flow method on the basis of corporate plans, if available, or derived from observable market prices if not.

The basis for calculating fair value using the discounted cash flow method is management's current planning, which is based on expectations regarding future economic trends. The planning period generally covers five years. The discount rate used for the expected cash flows is the weighted average cost of capital (WACC).

As a general principle, all loans are measured at their nominal amount. Non- or low-interest-bearing loans are carried at their present value.

Long-term investments are carried at the lower of cost or fair value in the case of permanent impairment.

Securities held as plan assets for post-employment benefit obligations are measured at fair value and offset against the corresponding provisions. These securities are assets that are exempt from attachment by all creditors and that exclusively serve to settle liabilities from post-employment benefit obligations. The fair value of these assets corresponds to the market price (section 255(4) of the HGB).

Raw materials, consumables and supplies, and merchandise carried in inventories are measured at the lower of average cost and replacement cost. In addition to direct materials and direct labor costs, the carrying amount of finished goods and work in progress also includes proportionate indirect materials and labor costs, including depreciation in the amount required. Adequate valuation allowances take account of all identifiable storage and inventory risks. Prepayments made for inventories are recognized at their nominal amounts.

Volkswagen AG recognizes emissions certificates as of the date of issue or acquisition. They are measured at the lower of cost or fair value. Emissions certificates issued free of charge are recognized as a memorandum item. Each certificate is valued at €79.51 per tonne of CO_2 as of the reporting date.

Receivables and other assets are carried at their principal amounts. Write-downs to the lower fair value are recognized for identifiable specific risks.

Non-interest-bearing receivables due after more than one year are carried at their present value at the balance sheet date by applying an interest rate to match the maturity.

Receivables denominated in foreign currencies are translated at the middle spot rate prevailing at the date of initial recognition. Receivables that are due within less than one year are translated at the middle spot rate at the reporting date. In the case of receivables with a longer term, a lower exchange rate at the balance sheet date results in the remeasurement of the receivable at a lower carrying amount, with the difference recognized in the income statement; a higher exchange rate at the balance sheet date (remeasurement gain) is not recognized. Hedged receivables are not remeasured at the closing rate ("net hedge presentation method").

Purchased foreign currency options are carried at the lower of cost or fair value until maturity.

Securities classified as current assets are carried at the lower of cost or fair value.

Cash and bank balances are measured at their nominal amount.

Expenditure prior to the balance sheet date that represents an expense for a specific period after this date is recognized under prepaid expenses on the assets side of the balance sheet.

Deferred taxes are recognized for temporary differences between the carrying amounts required by the HGB and the tax base of all assets and liabilities. As Volkswagen AG is the consolidated tax group parent and thus also the taxpayer for affiliated companies with which there are profit and loss transfer agreements, the differences at those companies are also included when calculating deferred taxes. Volkswagen AG is also a partner in various partnerships. Deferred taxes in respect of the difference between the HGB carrying amounts of assets and liabilities and their tax base are also reported at Volkswagen AG where these relate to corporation tax. The deferred taxes in respect of these differences are calculated on the basis of an average income tax rate of 30.0% or 15.8% for temporary differences that are attributable to different carrying amounts at partnerships in which Volkswagen AG is a partner. The option to recognize excess assets in accordance with section 274 of the HGB is not exercised.

Based on the decision of the Federal Constitutional Court, interest anticipated on retrospective tax payments in Germany has been calculated using an interest rate of 6% (until 2018) and an expected interest rate of 3% (from 2019 onward).

The differences between the carrying amounts required by the HGB and the lower carrying amounts allowed under tax law were recorded in the special tax-allowable reserves presented between equity and liabilities in the balance sheet.

Existing special reserves are retained since they were recognized before the year of the transition to the provisions of the Bilanzrechtsmodernisierungsgesetz (BilMoG – German Accounting Law Modernization Act). These are reversed to the income statement and are based on the provisions of section 3(2) of the Zonenrandförderungsgesetz (German Zonal Border Development Act), section 6b of the Einkommensteuergesetz (EStG – German Income Tax Act)/regulation 6.6 of the Einkommensteuerrichtlinien (EStR – German Income Tax Regulations), section 7d of the EStG, section 82d of the Einkommensteuer-Durchführungsverordnung (EStDV – German Income Tax Implementing Regulation) and regulation 35 of the EStR. No new special reserves have been recognized since January 1, 2010.

Provisions for pensions and similar obligations are measured in accordance with actuarial principles; the projected unit credit method is used for defined benefit plans. Future obligations are measured on the basis of the ratable benefit entitlements earned as of the balance sheet date. In addition to the pension payments and vested entitlements known at the balance sheet date, future increases in salaries and pensions are taken into consideration, along with other relevant parameters. The discount rate published by the Deutsche Bundesbank as of December 31, 2021 is used. This figure is used to measure pension provisions in accordance with section 253(2) of the HGB and is based on the discount rate of 1.87% for a remaining maturity of 15 years. For externally funded pension obligations, the fair value of the fund assets is offset against the settlement amount of the obligations in accordance with section 246(2) of the HGB. The fair value of the fund assets is determined on the basis of market values.

Provisions for obligations under partial retirement agreements are also measured in accordance with actuarial principles, taking account of expected salary trends and the latest mortality tables. They are discounted using a discount rate of 0.34% in accordance with section 253 (2) of the HGB. This rate has been determined on the basis of a seven-year average and a remaining maturity of two years. For agreements entered into in the reporting year, it is assumed that the agreed benefits constitute remuneration. Consequently, the top-up amounts are accumulated ratably over the vesting period.

Provisions for taxes and other provisions are calculated according to the principles of prudent business judgment.

Adequate provisions are recognized at their settlement amount for identifiable risks and uncertain obligations on the basis of prudent business judgment, taking into account expected future price and cost increases. Provisions cover all identifiable risks of future settlement.

Provisions that have an expected remaining maturity of more than one year are discounted at an interest rate to match the maturity.

Provisions for warranty obligations are recognized on the basis of the historical or estimated probability of claims affecting vehicles delivered. Assumptions were made in respect of the warranty provisions recognized in connection with the diesel issues. These depend on the series, model year and country concerned and relate in particular to the effort, material costs and hourly wage rates involved, or to vehicle values in the case of repurchases. These assumptions are based on qualified estimates, which are based in turn on external data, and also reflect additional information available internally, such as values derived from past experience.

Provisions for litigation risks relating to the diesel issue, which comprise criminal, civil and administrative law cases as well as product-related lawsuits, including adequate defense and legal advice expenses, were calculated as the best estimate based on the present state of knowledge and current estimates.

Provisions for long-service jubilees and death benefits are also measured using the projected unit credit method.

Liabilities are carried at their settlement amount.

Liabilities denominated in foreign currencies are translated at the middle exchange rate prevailing at the date of initial recognition. Short-term foreign currency liabilities due within one year or less are measured at the middle spot rate. Long-term foreign currency liabilities are recognized at a higher carrying amount, with the difference recognized in the income statement if the closing rate is higher. Lower exchange rates at the balance sheet date (remeasurement gains) are not recognized.

Payments received are recognized at their nominal value.

Receipts prior to the balance sheet date that represent income for a specific period after that date are reported under deferred income on the equity and liabilities side of the balance sheet.

Currency forwards and commodity futures contracts are measured by comparing the agreed rate with the forward rate for the same maturity at the balance sheet date. A provision is recognized for any resulting unrealized loss. Any positive gains (remeasurement gains) are not recognized. Gains and losses are not offset. Measurement gains or losses are discounted to the present value.

Where possible and feasible, derivatives entered into for hedging purposes are combined to form hedges if they have comparable risks to the hedged item. These are recognized using the “net hedge presentation method”; i.e. the items are not measured to the extent that and for as long as offsetting changes in fair value or cash flows are compensated. In some cases, the gross hedge presentation method is used, i.e. offsetting changes or cash flows are recognized separately and compensate each other. In some cases, the gross hedge presentation method is used, i.e. offsetting changes or cash flows are recognized separately and compensate each other.

Derivatives not included in hedge accounting are measured individually at fair value. Any resulting unrealized losses are recognized in income. Assets or liabilities hedged by cross-currency swaps and currency forwards are translated at the contractually agreed rates at the time of initial recognition. Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the transaction dates or at agreed exchange rates. Expected exchange rate losses at the balance sheet date are reflected in the measurement of the items. Receivables and liabilities due within less than one year that are denominated in foreign currencies are translated at the middle spot rate prevailing at the balance sheet date.

Equity investments are translated at the rate prevailing at the date of acquisition.

Production costs are recognized on the basis of directly attributable material and labor costs, as well as proportionate indirect material and labor costs, including depreciation and amortization. Administrative cost components are not included.

Cost of sales contains all expenses relating to the purchase of materials and the production function, the costs of merchandise, the cost of research and development, and warranties and product liability expenses including the amounts recharged by subsidiaries.

Selling expenses include personnel and non-personnel operating costs of our sales and marketing activities, as well as shipping, advertising, sales promotion, market research and customer service costs.

General and administrative expenses include personnel and non-personnel operating costs of the administrative functions.

Other taxes are allocated to the functional areas.

Balance Sheet Disclosures

(1) FIXED ASSETS

The classification of the assets combined in the balance sheet and their changes during the year are presented on pages 12 to 13.

Capital expenditures amounted to:

€ million	2021	2020
Intangible assets	266	324
Tangible assets	2,393	2,788
Long-term financial assets	6,545	10,585
	9,204	**13,697**

The additions of €6.5 billion (previous year: €10.6 billion) are accompanied by disposals of €0.6 billion (previous year: €1.1 billion).

Depreciation, amortization and write-downs were charged on:

€ million	2021	2020
Intangible assets	132	154
Tangible assets	2,021	2,142
Long-term financial assets	-	690
	2,154	**2,986**

Assets recognized before the introduction of the BilMoG continue to be depreciated using the declining balance method. Depreciation of tangible assets includes an amount of € - million (previous year: €21.0 million) for write-downs for other equipment, operating and office equipment and an amount of €0.4 million (previous year: €4.8 million) for declining-balance depreciation.
Write-downs of long-term financial assets in previous year primarily relate to impairment losses on long-term equity investments required on the basis of updated corporate plans or expected selling prices.

Disclosures in accordance with section 285 no. 26 of the HGB

Securities investment funds (values as of December 31, 2021)

€ million	Carrying amount	Fair value	Fair value – carrying amount	Distribution 2021	Daily redemption possible
UI-TV Fund[1]	10,976	10,548	–428	49	yes
UI-ZW Fund[1]	2,483	2,483	-	39	yes
UI-BAV Fund[1]	6,040	6,040	-	93	yes
UI-SA Fund[1]	653	653	-	-	yes

1 Distributions received in 2021 were for 2020.

The funds' investment objectives are a return to match the maturity with appropriate risk diversification using the following asset classes: equities, fixed-income securities, cash investments and other assets. These can be invested in both Germany and internationally. The fund units can be redeemed on a daily basis. Fair values are calculated on the basis of quoted market prices.

The DWS fund was replaced with the UI-SA fund in October 2021. The UI-SA fund is a combination of special fund and interest-bearing capital investment (capitalization product).

The treasury fund (UI-TV) is allocated to fixed assets at Volkswagen AG and measured at cost. The UI-TV Fund was not written down to the lower fair value in 2021 as no permanent impairment was expected.

The UI-ZW fund (Time Assets fund), the UI-SA fund (security-based annuity fund) and the UI-BAV fund (occupational investment fund) solely serve the purpose of meeting occupational pension obligations and similar long-term obligations and are measured at fair value. The assets of these funds are offset against the related obligations. As the settlement amount exceeds the present value of the UI-BAV fund due to the decline in the applicable interest rate, provisions were recognized. Income and expenses from fair value measurement of the funds are recognized immediately in income.

Changes in Fixed Assets

€ million	GROSS CARRYING AMOUNTS				
	Cost Jan. 1, 2021	Additions	Transfers	Disposals	Cost Dec. 31, 2021
Intangible assets					
Industrial and similar rights and assets, and licenses in such rights and assets	891	82	5	98	880
Payments on account	237	183	−7	-	414
	1,128	**266**	**−1**	**98**	**1,294**
Tangible assets					-
Land, land rights and buildings, including buildings on third-party land	6,312	197	52	6	6,555
Technical equipment and machinery	12,632	319	592	589	12,954
Other equipment, operating and office equipment	24,455	1,173	305	535	25,398
Payments on account and assets under construction	1,695	705	−947	-	1,453
	45,095	**2,393**	**1**	**1,129**	**46,360**
Long-term financial assets					
Shares in affiliated companies	108,065	6,502	-	336	114,231
Loans to affiliated companies	3,755	-	-	230	3,525
Other equity investments	1,231	-	-	-	1,231
Long-term investments	10,947	43	-	0	10,990
Other loans	21	-	-	1	20
	124,020	**6,545**	**-**	**567**	**129,998**
Total fixed assets	**170,242**	**9,204**	**-**	**1,794**	**177,652**

	DEPRECIATION, AMORTIZATION AND WRITE-DOWNS						
Cumulative depreciation, amortization and write-downs Jan. 1, 2021	Depreciation, amortization and write-downs in current year	Disposals	Transfers	Reversals of write-downs	Cumulative depreciation, amortization and write-downs Dec. 31, 2021	Carrying amounts Dec. 31, 2021	Carrying amounts Dec. 31, 2020
306	132	98	-	-	341	540	585
-	-	-	-	-	-	414	237
306	**132**	**98**	**-**	**-**	**341**	**953**	**822**
-							
4,644	124	4	-	-	4,763	1,791	1,668
11,346	608	583	0	-	11,371	1,583	1,286
21,108	1,289	520	−0	-	21,877	3,521	3,347
-	-	-	-	-	-	1,453	1,695
37,098	**2,021**	**1,108**	**-**	**-**	**38,011**	**8,349**	**7,997**
-							
2,164	-	3	-	14	2,147	112,085	105,901
-	-	-	-	-	-	3,525	3,755
284	-	-	-	36	247	984	948
14	-	-	-	0	14	10,976	10,933
-	-	-	-	-	-	20	21
2,462	**-**	**3**	**-**	**51**	**2,408**	**127,590**	**121,558**
39,865	**2,154**	**1,208**	**-**	**51**	**40,760**	**136,892**	**130,377**

(2) INVENTORIES

€ million	Dec. 31, 2021	Dec. 31, 2020
Raw materials, consumables and supplies	3,163	2,299
Work in progress	1,146	1,024
Finished goods and merchandise	2,341	2,902
Payments on account	271	317
	6,921	**6,542**

The entire industry is currently experiencing supply shortages of semiconductor components. This fact had an effect on the structure of inventories as of December 31, 2021, causing a reduction in finished goods compared with December 31, 2020, set against an increase in inventories of work in progress and raw materials.

(3) RECEIVABLES AND OTHER ASSETS

€ million	Dec. 31, 2021	Dec. 31, 2020
Trade receivables	1,168	1,141
of which due after more than one year	*39*	*1*
Receivables from affiliated companies	26,852	34,255
of which trade receivables	*5,566*	*5,025*
of which due after more than one year	*3,079*	*4,334*
Receivables from other investees and investors	1,612	1,427
of which trade receivables	*1,597*	*1,401*
of which due after more than one year	-	-
Other assets	2,671	1,840
of which due after more than one year	*182*	*191*
	32,303	**38,663**

In addition to trade receivables, receivables from affiliated companies are composed primarily of short- and medium-term loans and receivables relating to profit distributions, including income tax allocations.
Other assets primarily include tax reimbursements that are not yet due in the amount of €929 million (previous year: €759 million), fixed-term deposits with a term of more than three months in the amount of €450 million (previous year: €- million), payments on account of orders in the amount of €327 million (previous year: €354 million), option premiums paid in the amount of €297 million (previous year: €312 million) and receivables from the sale of used vehicles on behalf of subsidiaries in the amount of €97 million (previous year: €90 million).

(4) CASH-IN-HAND AND BANK BALANCES

Bank balances (€10.2 billion; previous year: €8.8 billion) include a total of €2.4 billion (previous year: €2.4 billion) held by an affiliated company. Bank balances include restricted current time deposits of €7.6 billion (previous year: €6.1 billion) with a maximum maturity of three months. Bank balances of €2.4 billion (previous year: €2.4 billion) are held by the affiliated company and are subject to pledges.

(5) SUBSCRIBED CAPITAL

The subscribed capital of Volkswagen AG is composed of no-par value bearer shares with a notional value of €2.56. As well as ordinary shares, there are preferred shares that entitle the bearer to a €0.06 higher dividend than ordinary shares, but do not carry voting rights.

As before, 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).

The amount to be recognized for provisions for pension obligations that would result if the corresponding average market interest rate for the past seven fiscal years were applied, exceeds the amount recognized in the balance sheet by €2.8 billion.

Fund assets to cover pension obligations and liabilities relating to Time Assets are measured at fair value in accordance with section 253 (1) sentence 4 of the HGB. Since fair value is higher than the historical cost of the fund assets, net income for the year determined in accordance with the HGB includes unrealized gains, of which an amount of €428.6 million is not eligible for distribution in accordance with section 268 (8) sentence 3 of the HGB.

Based on the resolution by the Annual General Meeting on May 14, 2019, authorized capital of up to €179 million, expiring on May 13, 2024, was approved for the issue of new preferred bearer shares.

(6) CAPITAL RESERVES

€ million	Dec. 31, 2021	Dec. 31, 2020
Capital Reserves	15,021	15,021

The capital reserves comprise the share premium from various capital increases (€14,695 million), the premium from the issue of bonds with warrants (€219 million) and an amount of €107 million appropriated on the basis of the capital reduction implemented in 2006.

(7) REVENUE RESERVES

€ million	Dec. 31, 2021	Dec. 31, 2020
Legal reserve	31	31
Other revenue reserves	5,736	19,186
	5,767	**19,217**

An amount of €13.5 billion was reclassified from other revenue reserves to net retained profits (see also the information provided in the notes on report on subsequent events).

(8) SPECIAL TAX-ALLOWABLE RESERVES

€ million	Dec. 31, 2021	Dec. 31, 2020
Accelerated tax depreciation	17	18
	17	**18**

(9) PROVISIONS

€ million	Dec. 31, 2021	Dec. 31, 2020
Provisions for pensions and similar obligations	21,261	19,030
Provisions for taxes	4,842	4,309
Other provisions	19,247	19,862
	45,350	**43,201**

Provisions for pensions and similar obligations

Provisions for pensions are recognized for commitments in the form of retirement, invalidity and dependents' benefits payable under pension plans. The benefits usually depend on the employees' length of service and remuneration. At Volkswagen AG, pension plans are based on defined benefit plans, whereby a distinction is made between provision-funded and externally funded pension plans.

Provisions for pensions and similar obligations are measured on the basis of the following assumptions:

	Dec. 31, 2021	Dec. 31, 2020
Discount rate	1.87%	2.30%
Salary trend	3.30%	3.40%
Wage/pension trend	1.70%	1.50%
Fluctuation	1.10%	1.10%
Basis of calculation	2018 G mortality tables	2018 G mortality tables
Age limits	RV-Altersgrenzen-anpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System) 2007	RV-Altersgrenzen-anpassungsgesetz (German Act to Adapt the Standard Retirement Age to Reflect Demographic Trends and to Strengthen the Funding Basis for the Statutory Pension Insurance System) 2007

The percentage figure used to calculate the salary trend takes into account increases attributable to career development as a surcharge on regular salary increases. The discount rate applied is based on the average market interest rate for the past ten years. Because of continuing inflation, the pension trend was increased by 0.2% percentage points.

The pension obligations reported in the balance sheet are composed of the following items:

€ million	Dec. 31, 2021	Dec. 31, 2020
Externally funded pension obligation		
Cost of the pension fund	5,611	5,117
Fair value of the pension fund	6,040	5,307
Settlement amount of the obligations in the pension fund model (fair value)	9,131	7,399
Offset against the fair value of the pension fund (in accordance with section 246(2) of the HGB)	**3,091**	**2,092**
Provision-funded pension obligation		
Settlement amount of the obligations outside the pension fund model	18,169	16,938
Pension provisions reported in the balance sheet	**21,261**	**19,030**

Externally funded pension benefits

The fund assets of externally funded pension obligations are measured at fair value. The settlement amount of the obligation exceeds the present value of the pension fund due to the decline in the interest rate applied. Consequently, corresponding provisions have been recognized. Since 1996, the occupational pension arrangements of Volkswagen AG have been based on a specially developed expense-related pension model. With effect from January 1, 2001, this model was developed into a pension fund, with the annual remuneration-linked contributions being invested in funds by Volkswagen Pension Trust e.V., Wolfsburg, as the trustee. By investing in funds, this model offers an opportunity for increasing benefit entitlements, while at the same time fully safeguarding them.

The following amounts were offset in the income statement:

€ million	2021	2020
Reinvested distributions from the pension fund	93	106
Measurement of the pension fund	237	215
Change in value	**330**	**321**
Adjustment of externally funded pension obligations in profit or loss	−330	−321
Balance of income and expenses	**-**	**-**

Other provisions

Significant provisions were recognized for selling expenses including warranties (€8.0 billion; previous year: €8.9 billion), legal and litigation risks (€1.7 billion; previous year: €1.6 billion) and personnel expenses (€4.5 billion, mainly for long-service benefits, special benefits, partial retirement and other workforce costs; previous year: €4.3 billion).

Provisions for personnel expenses include liabilities relating to employee Time Assets. Volkswagen AG has been issuing Time Assets as a retirement benefit concept for working life planning since January 1, 1998. This allows employees to acquire Time Assets, which represent liabilities for Volkswagen AG. An approved fund (Time Assets fund) was launched to safeguard employees' claims. Investments are also made in a money market fund. By investing in funds, the model offers an opportunity for increasing the value of Time Assets, while at the same time fully safeguarding them.

The plan assets from both funds are measured at fair value in accordance with section 253(1) of the HGB. The fair value of offset assets in the Time Assets fund was determined by reference to market prices (stock market prices) in an active market. Fund assets and liabilities relating to Time Assets are offset:

€ million	Dec. 31, 2021	Dec. 31, 2020
Cost of the Time Asset funds	3,174	3,005
Fair value of the Time Asset funds	3,137	2,898
Settlement amount of the Time Asset obligation	3,142	2,899
Balance of the Time Asset fund and the settlement amount of the Time Asset obligation	**5**	**1**

The following amounts were offset:

€ million	2021	2020
Reinvested distributions from the Time Asset funds, including realization effects	34	50
Measurement of the Time Asset funds	71	74
Change in value	**105**	**123**
Settlement amount of the Time Asset obligation	–105	–123
Balance of income and expenses	**-**	**-**

(10) LIABILITIES

€ million	Dec. 31, 2021	TERM TO MATURITY due within one year	due in more than one year	*of which due within one to five years*	*of which due over 5 years*
Type of liability					
Liabilities to banks	**3,165**	846	2,320	*2,315*	*5*
Payments received on account of orders	**309**	309	-	-	-
Trade payables	**2,178**	2,178	-	-	-
Liabilities to affiliated companies	**90,056**	43,101	46,956	*24,866*	*22,090*
Liabilities to other investees and investors	**1,082**	1,082	-	-	-
Other liabilities	**1,750**	1,584	166	*166*	-
of which taxes	***157***	*157*	*0*	*0*	-
of which social security	***40***	*40*	-	-	-
	98,540	**49,099**	**49,441**	***27,346***	***22,095***

€ million	Dec. 31, 2020	TERM TO MATURITY due within one year	due in more than one year	*of which due within one to five years*	*of which due over 5 years*
Type of liability					
Liabilities to banks	**4,033**	2,707	1,326	*1,318*	*8*
Payments received on account of orders	**128**	128	-	-	-
Trade payables	**2,265**	2,265	-	-	-
Liabilities to affiliated companies	**90,325**	40,979	49,346	*24,417*	*24,929*
Liabilities to other investees and investors	**1,133**	1,133	-	-	-
Other liabilities	**2,490**	2,308	182	*182*	-
of which taxes	***199***	*199*	*0*	*0*	-
of which social security	***40***	*40*	-	-	-
	100,374	**49,519**	**50,854**	***25,917***	***24,937***

The syndicated line of credit amounting to €10.0 billion taken out by Volkswagen AG in December 2019 was extended by one year by making use of the second extension option. This credit facility was unused as of the end of 2021. In November 2021, Volkswagen AG concluded for the first time a loan with terms tied to achieving a sustainability target (sustainability linked loan). The interest rate on the three-year €1.8 billion agreement depends on the Volkswagen Group achieving its CO_2 fleet emission targets in Europe.

In the Canadian refinancing market, VW Credit Canada, Inc./Crédit VW Canada, Inc. issued notes with a volume of CAD 1.0 billion.

In addition, Volkswagen International Finance N.V. issued private placements in euros and Chinese yuan under the automotive issuance program.

€3.2 billion (previous year: €2.6 billion) of the liabilities to affiliated companies relates to trade payables. The liabilities to other investees and investors contain trade payables of €88 million (previous year: €54 million). Other liabilities include option premiums received in the amount of €230 million (previous year: €258 million).

Standard retention of title applies to the liabilities from deliveries of goods contained in the amounts shown above.

Other liabilities include liabilities to employees of €0.4 million (previous year: €1 million) that are secured by real estate liens.

(11) DEFERRED INCOME

Deferred income primarily comprises amounts for extended warranties and fees collected in relation to online services (Car-Net).

CONTINGENCIES AND COMMITMENTS

€ million	Dec. 31, 2021	Dec. 31, 2020
Contingent liabilities from guarantees	171	178
Contingent liabilities from warranties	34,313	39,076
of which relating to pensions	1,080	1,008
of which relating to affiliated companies	483	451
Granting of security for third-party liabilities	1,145	1,440
of which relating to affiliated companies	1,035	1,055
	35,630	**40,694**

The shareholders of Volkswagen Original Teile Logistik GmbH & Co. KG, Baunatal (VW OT Logistik), were granted a put option that entitles them to tender their shares in VW OT Logistik to Volkswagen AG until December 31, 2024. The value of this obligation amounted to €0.05 billion (previous year: €0.04 billion) as of the reporting date.

Contingent liabilities from warranties

Contingent liabilities from warranties relate primarily to guarantees given to creditors of subsidiaries and for bonds issued by these subsidiaries.

Risk assessment of the settlement of contingent liabilities

Volkswagen AG provides guarantees for the capital market issues of the finance companies, for development loans from supranational financial institutions and, in specific cases, for loans to newly formed subsidiaries. Volkswagen AG manages its subsidiaries in such a way that they can discharge their financial obligations at any time. In addition to the preparation of a monthly liquidity report for Volkswagen AG, regular financial reviews are held during which the variances between the actual and projected liquidity are analyzed and the necessary corrective measures are implemented. Based on this information, the Company sees no risk of a claim being brought under the guarantees provided.

For more information, please refer to the disclosures on existing contingent liabilities in the section entitled “Related party disclosures”.

Transactions not included in the balance sheet (section 285 no. 3 of the HGB)

Volkswagen AG finances its trade receivables from foreign affiliated companies and certain selected non-Group importers on the basis of nonrecourse factoring via foreign subsidiaries. In addition, selected receivables from partners of the domestic sales organization are financed on the basis of non-recourse factoring via a subsidiary. The total amount concerned was €26.6 billion (previous year: €26.1 billion) in the fiscal year. The Company received liquid funds in this amount. These transactions do not lead to any specific new risks.

Volkswagen AG sells a small number of vehicles, mainly to car rental companies, subject to the obligation to repurchase them for a predefined price after a fixed period of time. As of December 31, 2021, this was the case for 10,928 vehicles worth €0.2 billion (previous year: 13,930 vehicles worth €0.2 billion). Provisions are recognized for the risk arising from potential differences between the agreed prices and the market prices when such vehicles are marketed in the future.

TOTAL FEES PAID TO AUDITORS

The total fee paid to the auditors of the consolidated financial statements can be found in Note 41 of the notes to the consolidated financial statements.

The financial statement audit services related to the audit of the consolidated financial statements of Volkswagen AG and to the annual financial statements of subsidiaries, as well as to reviews of the interim consolidated financial statements of Volkswagen AG and of the interim financial statements of subsidiaries. Other assurance services mainly related to statutory and non-statutory audits as well as non-statutory assurance services for capital market transactions. The tax advisory services provided by the auditors in the reporting period related primarily to assistance in the preparation of tax returns for employees on delegations abroad. Other services provided by the auditors related primarily to advisory services in connection with transformation processes and in the area of human resources development.

OTHER FINANCIAL OBLIGATIONS

€ million	Dec. 31, 2021	Due 2022	Due 2023 - 2026	Due after 2026
Loan commitments	37,392	37,392	-	-
of which related to affiliated companies	*37,386*	*37,386*	-	-
Rental and leasing agreements	1,272	431	497	344
of which related to affiliated companies	*537*	*275*	*136*	*126*
Other Contracts	3,378	114	1,557	1,706
of which related to affiliated companies	*189*	*27*	*154*	*8*
of which related to associated companies	-	-	-	-
	42,042	**37,938**	**2,054**	**2,051**

The other financial obligations from long-term rental and leasing agreements comprise lease payments for business vehicles, rentals of storage, logistics and office space, test tracks as well as operating and office equipment. Around 44 hectares of land (carrying amount €7.1 million) are encumbered by heritable building rights. In accordance with Art. 5(10) of the statutes of the Einlagensicherungsfonds (Deposit Protection Fund), Volkswagen AG has given an undertaking to indemnify Bundesverband deutscher Banken e.V., Berlin, against any losses incurred that are attributable to measures taken by it in favor of a majority-owned bank.

Volkswagen AG has liabilities from its investments in commercial partnerships.
Other miscellaneous obligations primarily comprise obligations for investments in the infrastructure for zero-emission vehicles as well as initiatives for promoting access to and awareness of these technologies. The Volkswagen Group had committed itself to an amount of €0.7 billion under the settlement agreement relating to the diesel issue.

In addition to the other financial obligations shown in the table, purchase commitments exist for inventories with a short turnover period, which arise primarily from the Master Collaboration Agreement with Ford Motor Company for the joint development of vans and mid-sized pickups for the global market.

In addition, there are purchase commitments at normal levels for capital expenditure projects and advertising contracts.

Disclosures on derivatives

MEASUREMENT METHODS

The fair values of the derivatives generally correspond 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, and verified by confirmations from the banks that handle the transactions.

The calculations were based on the following term structures:

in %	EUR	AUD	CAD	CHF	CNY	GBP	JPY	SEK	USD
Interest rate for six months	−0.5757	0.1232	0.6290	−0.7100	2.4828	0.4944	−0.0375	−0.0219	0.1940
Interest rate for one year	−0.5103	0.3845	1.0454	−0.6700	2.4930	0.7582	−0.0375	0.0455	0.3900
Interest rate for five years	0.0160	1.6550	1.8370	−0.2255	3.0600	1.0514	−0.0125	0.7100	1.1150
Interest rate for ten years	0.3030	1.9800	1.9870	0.0955	4.0700	0.9541	0.0775	0.9680	1.3100

DERIVATIVES

Currency forwards, currency options, commodity futures, cross-currency swaps and interest rate swaps are used as hedging instruments. All instruments serve to hedge currency, interest rate and commodity price risk exposures of hedged items attributable to the real economy, independently of whether or not they are included in hedge accounting. In the fiscal year under review, existing hedges of sales revenue and, to a small extent, of purchase transactions were terminated because the hedged items no longer met the criteria for hedge accounting. In cases in which they were settled, new hedging relationships were designated for the currency forwards concerned.

The following table shows the hedging volume of the financial instruments not included in hedge accounting.

€ million	NOTIONAL AMOUNT		FAIR VALUE	
Type and volume	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Currency futures contracts	**3,596**	**4,042**		
of which currency purchases	3,244	3,413		
of which positive fair values			*148*	*20*
of which negative fair values			*−11*	*−118*
of which currency sales	352	629		
of which positive fair values			*2*	*7*
of which negative fair values			*0*	*−3*
Currency option contracts	**-**	**-**		
of which positive fair values			*-*	*-*
Commodity futures contracts	**3,203**	**3,116**		
of which positive fair values			*1,106*	*453*
of which negative fair values			*−39*	*−46*

Balance sheet items and carrying amounts

Derivatives not included in hedges are contained in the following balance sheet items at the carrying amounts shown:

€ million		CARRYING AMOUNT	
	Balance sheet item	Dec. 31, 2021	Dec. 31, 2020
Expected losses from open currency forwards	Other provisions	22	131
Expected losses from open commodity future contracts	Other provisions	41	46

Derivatives – included in hedges

Explanations of the risks hedged, the hedging strategy and the highly probable forecast transactions are included in the management report.

Hedges of currency, interest rate and commodity price risk exposures

The following risk exposures are included in hedge accounting:

€ million	NOTIONAL AMOUNT		FAIR VALUE	
Hedged risks	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Currency risk from assets (cross currency swaps, currency forwards) and forecasted transactions	**1,172**	**2,845**		
negative fair values			−29	−37
positive fair values			1	21
Currency risk from forecast transactions	**153,196**	**109,057**		
negative fair values			−2,760	−2,003
positive fair values			2,917	2,018
Currency option contracts	**46,045**	**34,433**		
negative fair values			−274	−291
positive fair values			283	402
Commodity futures contracts	**5,666**	**6,249**		
negative fair values			−1,003	−427
positive fair values			1,004	431
Currency risk from executory contracts	**9,688**	**8,642**		
negative fair values			−139	−312
positive fair values			234	157

A portfolio approach is used to hedge currency risk exposures, under which expected cash inflows and outflows in foreign currencies are offset in order to hedge the net position. Since the volume of the hedges is lower than the volume of the planned commodity purchases and sales, there is a strong presumption that the changes in cash flows from hedging instruments in the future will offset the effects relating to commodity purchases and sales. Furthermore, the extent of hedging decreases the later the commodity purchase or sale is planned within the planning period. All hedges were recognized using both the net hedge presentation method and the gross hedge presentation method. The recognized hedges were almost 100% effective.

Assets and liabilities in a nominal amount of €1.2 billion are hedged by combining cross-currency swaps with interest rate swaps of equal amounts in micro hedges; the term of the hedge is based on the term of the underlying transaction. An exposure of €29 million arising from assets was hedged as of the reporting date on December 31, 2021. The effectiveness of the hedge is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method.

Micro hedges, macro hedges and portfolio hedges are recognized for the forecast transactions. Their effectiveness is assessed prospectively using the critical terms match method and retrospectively using the dollar offset method. With respect to the hedging of forecast transactions using currency forwards, risk exposures in the amount of €118 billion are hedged by micro hedges, €35 billion by macro hedges and €22 million by portfolio hedges.

Forecast transactions relating to risk exposures of €46 billion are micro-hedged using currency options.

Planned commodity purchases in foreign currency and revenue from vehicle sales that are highly probable in the coming five years. There are also currency forwards that serve as offsetting transactions to close out terminated hedges.

An insignificant amount of individual planned sales and purchases in connection with the future electric vehicle strategy also relates to periods beyond this. Currency risk exposures relating to executory contracts are hedged by micro hedges.

In addition to the derivatives used for hedging foreign currency, interest rate and price risk, the Group held options and other derivatives in connection with fund investments at the reporting date with a notional amount of €13 billion. Credit default swaps, also in connection with fund investments, had a notional amount of €11.5 billion.

Hedging of currency and commodity price risk exposures for subsidiaries

Volkswagen AG combines the currency and purchase price risk exposures of certain subsidiaries with its own exposures as part of uniform planning in order to hedge them using currency forwards, currency options and commodity futures with external partners. The notional amounts of the aggregate hedging transactions entered into by Volkswagen AG for forecast transactions and planned commodity purchases therefore also includes amounts attributable to subsidiaries included in the consolidated financial statements. They are allocated to subsidiaries either via hedging transactions between the subsidiary and Volkswagen AG that mirror the external hedging transactions, or by the subsidiary participating in the gain or loss when the hedging transaction is settled

The term and method used to assess the effectiveness of hedging transactions entered into between Volkswagen AG and a subsidiary are the same as for external hedging transactions. Hedge accounting is applied only to micro hedges. The underlying is defined as the entire hedging transaction or a part of the hedging transaction entered into between Volkswagen AG and external partners.

Derivatives

The following table shows the hedging volume attributable to subsidiaries included in the consolidated financial statements that is not included in hedge accounting:

€ million	NOTIONAL AMOUNT		FAIR VALUE	
Hedged risks	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Currency futures contracts	**203**	**270**		
of which currency purchases	198	266		
of which positive fair values			*8*	*1*
of which negative fair values			*–1*	*–14*
of which currency sales	5	4		
of which positive fair values			*0*	*0*
of which negative fair values			-	-
Currency option contracts	**-**	**-**		
of which positive fair values			-	-
Commodity futures contracts	**200**	**274**		
of which positive fair values			*84*	*34*
of which negative fair values			-	*–2*

Balance sheet items and carrying amounts

The carrying amounts of hedges not included in hedge accounting and attributable to subsidiaries are contained in the following balance sheet items:

€ million		CARRYING AMOUNT	
	Balance sheet item	Dec. 31, 2021	Dec. 31, 2020
Expected losses from open currency forwards	Other provisions	1	14
Expected losses from open commodity future contracts	Other provisions	-	2

Hedging of currency and commodity price risk exposures

The following exposures were hedged for subsidiaries and included in hedge accounting:

€ million		DEC. 31, 2021		
Hedged exchange rate risks	Hedging instrument	Amount hedged	Positive fair value	Negative fair value
Forecast transactions	Currency futures contracts	59,208	1,899	–298
	Currency option contracts	21,133	165	–83
	Commodity futures contracts	2,833	25	–978
		83,175	**2,089**	**–1,359**
Executory contracts	Currency futures contracts	2,919	13	–106
Assets	Currency futures contracts	-	-	-
		86,094	**2,102**	**–1,465**

Income Statement Disclosures

(12) SALES

€ million	2021	%	2020	%
by region				
Germany	28,619	40.4	26,797	39.7
Europe / excl. Germany	30,338	42.8	30,478	45.1
North America	3,010	4.2	2,115	3.1
South America	745	1.1	602	0.9
Africa	1,310	1.8	1,064	1.6
Asia-Pacific	6,895	9.7	6,480	9.6
	70,917	**100.0**	**67,535**	**100.0**
by segment				
Vehicle sales	41,459	58.5	41,793	61.9
Genuine parts	6,595	9.3	5,645	8.4
Other sales	22,864	32.2	20,097	29.8
	70,917	**100.0**	**67,535**	**100.0**

Other sales comprise deliveries of materials and parts worth €12.1 billion (previous year: €10.5 billion) to subsidiaries.

(13) OTHER OPERATING INCOME

€ million	2021	2020
Other operating income	6,161	6,022
of which income from the reversal of special tax-allowable reserves	*1*	*0*

Other operating income relates primarily to income from the measurement and settlement of hedging transactions and income from the foreign currency translation of goods and services deliveries in the amount of €2.9 billion (previous year: €2.8 billion). Income from the reversal of provisions amounts to €1.8 billion (previous year: €1.8 billion). Other income that is attributable to previous fiscal years amounts to €0.2 billion (previous year: €0.1 billion).

(14) OTHER OPERATING EXPENSES

€ million	2021	2020
Other operating expenses	6,095	5,625

Other operating expenses include legal and litigation risks relates primarily from the diesel issue amounting to €1.8 billion (previous year: €1.1 billion). This item also includes expenses from the measurement and settlement of hedging transactions and foreign currency translation expenses of €3.2 billion (previous year: €2.9 billion).
Foreign currency translation expenses mainly relate to exchange rate losses from the measurement and settlement of foreign currency hedges, as well as exchange rate losses from the translation of operating receivables and liabilities that have not been offset.

(15) FINANCIAL RESULT

€ million	2021	2020
Income and expenses from investments	11,859	14,037
Interest income and expense	−1,438	−1,406
Other financial result	−1,876	−2,155
	8,545	**10,477**

Income and expenses from investments

€ million	2021	2020
Income from investments	6,342	4,238
of which from affiliated companies	*4,608*	*2,272*
Income from profit and loss transfer agreements	10,224	11,653
Other investment income	130	7
Other investment expenses	965	667
Cost of loss absorption	3,872	1,193
	11,859	**14,037**

Income from investments primarily comprises income Volkswagen Finance Luxemburg S.A., Luxemburg, der Volkswagen (China) Investment Co. Ltd., Peking, China, der FAW-Volkswagen Automotive Company Ltd., Changchun, China and SAIC-Volkswagen Automotive Company Ltd., Shanghai, China.

Income from profit and loss transfer agreements, which includes allocations of income-related taxes, primarily comprises income from AUDI AG, Ingolstadt, Porsche Holding Stuttgart GmbH, Stuttgart, Volkswagen Financial Services AG, Braunschweig and Volkswagen Bank GmbH, Braunschweig.

Other investment expenses primarily comprise the transfer of investment income of €1.0 billion to AUDI AG, Ingolstadt.

Interest income and expense

€ million	2021	2020
Income from other investments and long-term loans	82	99
of which from affiliated companies	*29*	*12*
Other interest and similar income	174	266
of which from affiliated companies	*135*	*253*
Interest and similar expenses	1,694	1,770
of which to affiliated companies	*1,403*	*1,360*
	−1,438	**−1,406**

Interest and similar expenses mainly relate to interest expenses to affiliated companies, bank commission and interest on overnight and fixed-term borrowings as well as negative interest on time deposits.

Other financial result

€ million	2021	2020
Interest component of pension expenses	−2,236	−1,932
Unwinding of the discount on/discounting provisions	360	−222
Unwinding of the discount on/discounting of liabilities	0	0
	−1,876	**−2,155**

Other taxes

The other taxes allocated to the consuming functions amounted to €54 million (previous year: €59 million). They relate to VAT, vehicle taxes and land taxes.

Deferred taxes

Offsetting deferred tax assets and liabilities in the fiscal year resulted in an excess of tax assets in Volkswagen AG's consolidated tax group. This represents a future tax benefit and is not recognized as an asset. The following table shows the composition of deferred taxes of the current fiscal year:

€ million	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
Dec. 31, 2021	Difference	Tax	Difference	Tax
Assets				
Fixed assets	5,867	1,754	−164	−49
Current assets	4,052	1,215	−47	−14
Other assets	96	29	-	-
Liabilities				
Special reserves	0	0	−19	−6
Provisions	34,872	10,458		
Liabilities	793	238	−981	−294
Deferred income items	461	138		
Tax loss carried forward		2,182		
Total		**16,014**		**−363**
Offset		−363		363
Net deferred tax assets		15,652		

NOTICES AND DISCLOSURE OF CHANGES REGARDING THE OWNERSHIP OF VOTING RIGHTS IN VOLKSWAGEN AG IN ACCORDANCE WITH THE WERTPAPIERHANDELSGESETZ (WPHG – GERMAN SECURITIES TRADING ACT) IN THE VERSION CURRENTLY VALID ON THE DATE OF PUBLICATION

PORSCHE

1) Porsche Automobil Holding SE, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the threshold of 50% on January 5, 2009 and amounted to 50.76% (149,696,680 voting rights) at this date.

2) The following persons notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 50.76% (149,696,680 voting rights) at this date. All of the above-mentioned 149,696,680 voting rights are attributable to each of the persons making the notification in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the persons making the notifications are held via subsidiaries within the meaning of article 22, section 3 of the WpHG, whose attributed share of the voting rights amounts to 3% or more and whose names are given in brackets:

   Mag. Josef Ahorner, Austria
   (Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

   Mag. Louise Kiesling, Austria
   (Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

   Prof. Ferdinand Alexander Porsche, Austria
   (Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

   Dr. Oliver Porsche, Austria
   (Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Kai Alexander Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Mark Philipp Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche, Austria
(Ferdinand Porsche Privatstiftung, Salzburg/Austria; Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche, Austria
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Peter Daniell Porsche, Austria
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Wolfgang Porsche, Germany
(Familie Porsche Privatstiftung, Salzburg/Austria; Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Wolfgang Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Privatstiftung, Salzburg/Austria
(Ferdinand Porsche Holding GmbH, Salzburg/Austria; Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Privatstiftung, Salzburg/Austria
(Familie Porsche Holding GmbH, Salzburg/Austria; Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ferdinand Porsche Holding GmbH, Salzburg/Austria
(Louise Daxer-Piëch GmbH, Salzburg/Austria; Louise Daxer-Piech GmbH, Grünwald/Germany; Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria; Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Gerhard Anton Porsche GmbH, Salzburg/Austria; Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Holding GmbH, Salzburg/Austria
(Ing. Hans-Peter Porsche GmbH, Salzburg/Austria; Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piëch GmbH, Salzburg/Austria
(Louise Daxer-Piech GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany),

Prof. Ferdinand Alexander Porsche GmbH, Salzburg/Austria
(Ferdinand Alexander Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/ Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Gerhard Anton Porsche GmbH, Salzburg/Austria
(Gerhard Porsche GmbH, Grünwald/Germany; Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Louise Daxer-Piech GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/ Germany),

Ferdinand Alexander Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/ Germany),

Gerhard Porsche GmbH, Grünwald/Germany
(Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Ing. Hans-Peter Porsche GmbH, Salzburg/Austria
(Hans-Peter Porsche GmbH, Grünwald/Germany; Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Hans-Peter Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Wolfgang Porsche GmbH, Grünwald/Germany
(Familie Porsche Beteiligung GmbH, Grünwald/Germany; Porsche Automobil Holding SE, Stuttgart/Germany),

Familien Porsche-Daxer-Piech Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Familie Porsche Beteiligung GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Porsche GmbH, Stuttgart/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dr. Hans Michel Piëch, Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany; Dr. Hans Michel Piëch GmbH, Salzburg/Austria),

Dr. Hans Michel Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Hans Michel Piech GmbH, Grünwald/Germany),

Hans Michel Piech GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch, Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany; Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria; Ferdinand Karl Alpha Privatstiftung, Vienna/Austria),

Ferdinand Karl Alpha Privatstiftung, Vienna/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany;
Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria),

Dipl.-Ing. Dr. h.c. Ferdinand Piëch GmbH, Salzburg/Austria
(Porsche Automobil Holding SE, Stuttgart/Germany; Ferdinand Piech GmbH, Grünwald/Germany),

Ferdinand Piech GmbH, Grünwald/Germany
(Porsche Automobil Holding SE, Stuttgart/Germany).

3) Porsche Holding Gesellschaft m.b.H., Salzburg/Austria, and Porsche GmbH, Salzburg/Austria, notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in Volkswagen Aktiengesellschaft in each case exceeded the threshold of 50% on January 5, 2009 and in each case amounted to 53.13% (156,702,015 voting rights) at this date.

All the above-mentioned 156,702,015 voting rights are attributable to Porsche Holding Gesellschaft m.b.H. in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:
– Porsche GmbH, Salzburg/Austria;
– Porsche GmbH, Stuttgart/Germany;
– Porsche Automobil Holding SE, Stuttgart/Germany.

Of the above-mentioned 156,702,015 voting rights, 50.76% of the voting rights (149,696,753 voting rights) are attributable to Porsche GmbH, Salzburg/Austria, in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The companies via which the voting rights are actually held and whose attributed share of the voting rights amounts to 3% or more are:
– Porsche GmbH, Stuttgart/Germany;
– Porsche Automobil Holding SE, Stuttgart/Germany.

4) Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG, Stuttgart, Germany has notified us in accordance with article 21, section 1 of the WpHG that its (indirect) share of the voting rights in Volkswagen Aktiengesellschaft, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 29, 2010 and amounted to 50.74% of the voting rights (149,696,680 voting rights) at this date.

   Of this figure, 50.74% of the voting rights (149,696,680 voting rights) are attributable to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Porsche Wolfgang 1. Beteiligungs GmbH & Co. KG are held via the following enterprises controlled by it, whose share of the voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald, Familie Porsche Beteiligung GmbH, Grünwald, Porsche Automobil Holding SE, Stuttgart.

   These voting rights were not reached by exercise of purchase rights resulting from financial instruments according to article 25, section 1, sentence 1 of the WpHG.

5) On August 12, 2013, LK Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on August 10, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date.

   Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to LK Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to LK Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart; Familien Porsche-Kiesling Beteiligung GmbH, Grünwald; Louise Daxer-Piech GmbH, Grünwald.

6) On September 11, 2013, Ahorner Alpha Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Alpha Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Ahorner Alpha Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Porsche Automobil Holding SE, Stuttgart.

7) On September 11, 2013, Ahorner Beta Beteiligungs GmbH, Grünwald, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Beta Beteiligungs GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Ahorner Beta Beteiligungs GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

8) On September 11, 2013, Louise Daxer-Piech GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Louise Daxer-Piech GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Louise Daxer-Piech GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

9) On September 11, 2013, Ahorner Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on September 11, 2013 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ahorner Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Ahorner Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Louise Daxer-Piech GmbH, Salzburg, Austria; Ahorner Beta Beteiligungs GmbH, Grünwald; Ahorner Alpha Beteiligungs GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

10) On December 16, 2014, Porsche Wolfgang 1. Beteiligungsverwaltungs GmbH, Stuttgart, Germany, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on December 15, 2014 and amounted to 0% of the voting rights (0 voting rights) at this date.

11) On December 17, 2014, Dr. Wolfgang Porsche Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on December 15, 2014 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Dr. Wolfgang Porsche Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

   The voting rights attributed to Dr. Wolfgang Porsche Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case: Wolfgang Porsche GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

12) On July 15, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

– Dipl.-Design. Stephanie Porsche-Schröder, Austria,
– Dr. Dr. Christian Porsche, Austria,
– Ferdinand Rudolf Wolfgang Porsche, Austria

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Dr. Wolfgang Porsche Holding GmbH, Salzburg; Wolfgang Porsche GmbH, Grünwald; Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

13) On July 15, 2015, Familie Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.

14) On July 15, 2015, Ferdinand Porsche Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, fell below the thresholds of 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% of the voting rights on July 14, 2015 and amounted to 0% of the voting rights (0 voting rights) at this date.

15) On July 15, 2015, Ferdinand Porsche Familien-Privatstiftung, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien-Privatstiftung in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien-Privatstiftung are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

16) On July 20, 2015, the following persons in each case have notified us in accordance with article 21, section 1 of the WpHG that their share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 14, 2015 and in each case amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date:

– Dr. Geraldine Porsche, Austria,
– Diana Porsche, Austria,
– Felix Alexander Porsche, Germany.

Of this figure, in each case 50.73% of the voting rights (149,696,681 voting rights) are attributable to each of the above-mentioned notifying persons in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG. The voting rights attributed to the notifying persons in each case are held via the following enterprises controlled by the notifying persons, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:

Ferdinand Porsche Familien-Privatstiftung, Salzburg; Familie Porsche Holding GmbH, Salzburg; Ing. Hans-Peter Porsche GmbH, Salzburg; Hans-Peter Porsche GmbH, Grünwald; Ferdinand Porsche Holding GmbH, Salzburg; Prof. Ferdinand Alexander Porsche GmbH, Salzburg; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Anton Porsche GmbH, Salzburg; Gerhard Porsche GmbH, Grünwald; LK Holding GmbH, Salzburg; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

17) On August 4, 2015, Ferdinand Porsche Familien- Holding GmbH, Salzburg, Austria, has notified us in accordance with article 21, section 1 of the WpHG that its share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, Germany, exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30% and 50% of the voting rights on July 31, 2015 and amounted to 50.73% of the voting rights (149,696,681 voting rights) at this date. Of this figure, 50.73% of the voting rights (149,696,681 voting rights) are attributable to Ferdinand Porsche Familien- Holding GmbH in accordance with article 22, section 1, sentence 1 no. 1 of the WpHG.

The voting rights attributed to Ferdinand Porsche Familien- Holding GmbH are held via the following enterprises controlled by it, whose share of the voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT amounts to 3% or more in each case:
Hans-Peter Porsche GmbH, Grünwald; Ferdinand Alexander Porsche GmbH, Grünwald; Gerhard Porsche GmbH, Grünwald; Louise Kiesling GmbH, Grünwald; Familie Porsche Beteiligung GmbH, Grünwald; Porsche Automobil Holding SE, Stuttgart.

18) Release according to article 26, section 1 of the WpHG of June 3, 2016

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☒ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☐ Other reason:

3. Details of person subject to the notification obligation
Name: City and country of registered office:
Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
June 1, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.73%	n/a%	0.00%	

7. Notified details of the resulting situation **a. Voting rights attached to shares (articles 21, 22 WpHG)**				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	**154093681**		**52.22 %**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Contribution Agreement	n/a	n/a	physical	154093681	52.22%
			Total	**154093681**	**52.22%**

8. Information in relation to the person subject to the notification obligation

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%

Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

19) Release according to article 26, section 1 of the WpHG of June 3, 2016

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☒ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☐ Other reason:

3. Details of person subject to the notification obligation
Name: City and country of registered office:
Mr. Dr. Wolfgang Porsche

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
June 1, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	52.22%	52.22%	295089818
Previous notification	50.76%	n/a%	0.00%	

7. Notified details of the resulting situation
a. Voting rights attached to shares (articles 21, 22 WpHG)

ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0%	52.22%
Total	**154093681**		**52.22%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Contribution Agreement	n/a	n/a	physical	154093681	52.22%
			Total	**154093681**	**52.22%**

8. Information in relation to the person subject to the notification obligation

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Wolfgang Porsche	%	%	%
Familie WP Holding GmbH	%	52.22%	52.22%
Dr. Wolfgang Porsche	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Wolfgang Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

20) Release according to article 26, section 1 of the WpHG of June 17, 2016

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☒ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☒ Other reason: Group notification due to intra group restructuring

3. Details of person subject to the notification obligation

Name:	City and country of registered office:
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.-Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.
Porsche Automobil Holding SE

5. Date on which treshold was crossed or reached
June 15, 2016

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	52.22%	0.00%	52.22%	295089818
Previous notification	52.22%	52.22%	52.22%	

7. Notified details of the resulting situation
a. Voting rights attached to shares (articles 21, 22 WpHG)

ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	154093681	0	52.22%
Total	**154093681**		**52.22%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG

Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
					%
			Total		**%**

8. Information in relation to the person subject to the notification obligation

☐ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☒ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Familie WP Holding GmbH	%	%	%
Dr. Wolfgang Porsche Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%
Dr. Wolfgang Porsche, Dr. Dr. Christian Porsche, Dipl.- Design. Stephanie Porsche-Schröder, Ferdinand Rudolf Wolfgang Porsche, Felix Alexander Porsche	%	%	%
Ferdinand Porsche Familien-Privatstiftung	%	%	%
Ferdinand Porsche Familien- Holding GmbH	%	%	%
Ferdinand Alexander Porsche GmbH	%	%	%
Familie Porsche Beteiligung GmbH	%	%	%
Porsche Automobil Holding SE	52.22%	%	52.22%

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

21) Release according to article 26, section 1 of the WpHG of November 10, 2017

1. Details of issuer
VOLKSWAGEN AKTIENGESELLSCHAFT, Berliner Ring 2, 38440 Wolfsburg, Germany

2. Reason for notification
☐ Acquisition/disposal of shares with voting rights
☐ Acquisition/disposal of instruments
☐ Change of breakdown of voting rights
☒ Other reason: Disposal of subsidiary

3. Details of person subject to the notification obligation

Name:	City and country of registered office:
Mr Hon.-Prof. Dr. techn. h.c. Dipl.-Ing. ETH Ferdinand Karl Piëch, Date of birth: April 17, 1937	

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.

5. Date on which treshold was crossed or reached
November 8, 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1. + 7.b.2.)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
Resulting situation	0.00%	0.00%	0.00%	295089818
Previous notification	50.76%	n/a%	n/a%	

7. Notified details of the resulting situation **a. Voting rights attached to shares (articles 21, 22 WpHG)**				
ISIN	absolute		in %	
	direct (article 21 WpHG)	indirect (article 22 WpHG)	direct (article 21 WpHG)	indirect (article 22 WpHG)
DE0007664005	0	0	0.00%	0.00%
Total	**0**		**0.00%**	

b.1. Instruments according to article 25, section 1, no. 1 WpHG				
Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %
				%
		Total		**%**

b.2. Instruments according to article 25, section 1, no. 2 WpHG					
Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %
					%
			Total		**%**

8. Information in relation to the person subject to the notification obligation

☒ Person subject to the notification obligation (3.) is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

☐ Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)

9. In case of proxy voting according to article 22, section 3 WpHG
(only possible when attributable according to article 22, section 1, sentence 1 no. 6 of the WpHG)
Date of general meeting:
Holding position after general meeting: % (equals voting rights)

10. Other explanatory remarks:
This voting rights notification is made with releasing effect also for Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, and Ferdinand Karl Alpha Privatstiftung, Salzburg. Due to the sale and transfer of the participation in Auto 2015 Beteiligungs GmbH by Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, voting rights in VOLKSWAGEN AKTIENGESELLSCHAFT are also no longer attributed to Dipl.Ing. Dr. h.c. Ferdinand K. Piech GmbH, Salzburg, and Ferdinand Karl Alpha Privatstiftung, Salzburg.

QATAR

We have received the following notification:

(1) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of the State of Qatar, acting by and through the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the State of Qatar pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the State of Qatar pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to the State of Qatar pursuant to lit. (a) and (b) above are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

(aa) Qatar Investment Authority, Doha, Qatar;
(bb) Qatar Holding LLC, Doha, Qatar;
(cc) Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg;
(dd) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands.

(2) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of the Qatar Investment Authority, Doha, Qatar, that its indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the Qatar Investment Authority pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise by Qatar Holding LLC of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) all of which are attributed to the Qatar Investment Authority pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to the Qatar Investment Authority pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (bb) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

(3) Pursuant to article 21, section 1 of the WpHG we hereby notify for and behalf of Qatar Holding LLC, Doha, Qatar, that its direct and indirect voting rights in Volkswagen Aktiengesellschaft

(a) exceeded the threshold of 10% on December 17, 2009 and amounted to 13.71% of the voting rights of Volkswagen Aktiengesellschaft (40,440,274 voting rights) as per this date

(i) 6.93% (20,429,274 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

(b) exceeded the threshold of 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date

(i) 3.29% (9,708,738 voting rights) of which have been obtained by the exercise of financial instruments within the meaning of article 25, section 1, sentence 1 of the WpHG on that date granting the right to acquire shares in Volkswagen Aktiengesellschaft, and

(ii) 6.78% (20,011,000 voting rights) of which are attributed to Qatar Holding LLC pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to Qatar Holding LLC pursuant to lit. (a) and (b) above are held via the entities as set forth in (1) (cc) through (dd) which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more.

We have received the following notification:

(1) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Luxembourg II S.à.r.l., Luxembourg, Luxembourg, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to article 22, section 1, sentence 1 no.1 of the WpHG.

Voting rights that are attributed to Qatar Holding Luxembourg II S.à.r.l. are held via the following entities which are controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amount to 3% each or more:

(a) Qatar Holding Netherlands B.V., Amsterdam, The Netherlands;
(b) Qatar Holding Germany GmbH, Frankfurt am Main, Germany.

(2) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Netherlands B.V., Amsterdam, The Netherlands, that its indirect voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date, all of which are attributed to Qatar Holding Luxembourg II S.à.r.l. pursuant to article 22, section 1, sentence 1 no. 1 of the WpHG.

Voting rights that are attributed to Qatar Holding Netherlands B.V. are held via the entity as set forth in (1) (b) which is controlled by it and whose attributed proportion of voting rights in Volkswagen Aktiengesellschaft amounts to 3% or more.

(3) Pursuant to article 21, section 1 of the WpHG we hereby notify for and on behalf of Qatar Holding Germany GmbH, Frankfurt am Main, Germany, that its direct voting rights in Volkswagen Aktiengesellschaft exceeded the thresholds of 3%, 5%, 10% and 15% on December 18, 2009 and amounted to 17.00% of the voting rights of Volkswagen Aktiengesellschaft (50,149,012 voting rights) as per this date.

STATE OF LOWER SAXONY

The State of Lower Saxony notified us on January 3, 2022 that it held a total of 59,022,390 ordinary shares of Volkswagen AG as of December 31, 2021. It held 520 VW ordinary shares directly and 59,021,870 ordinary shares indirectly via Hannoversche Beteiligungsgesellschaft Niedersachsen mbH (HanBG), which is owned by the State of Lower Saxony.

RECONCILIATION OF NET INCOME TO NET RETAINED PROFITS

€ million	2021	2020
Net income for the year	4,041	6,338
Retained profits brought forward	1,609	855
Appropriations to revenue reserves	-	−3,165
Transfer from other revenue reserves	13,450	-
Net retained profits	**19,101**	**4,028**

Declining balance depreciation continues to be charged to net income. See page 10 for the amount incurred in the fiscal year. The Board of Management and the Supervisory Board propose to the Annual General Meeting that a dividend of €3.8 billion be distributed from net retained profits of €19.1 billion.

TOTAL EXPENSE FOR THE PERIOD

Cost of materials

€ million	2021	2020
Cost of raw materials, consumables and supplies, and of purchased merchandise	45,774	43,854
Cost of purchased services	4,659	4,408
	50,434	**48,263**

Personnel expenses

€ million	2021	2020
Wages and salaries	8,900	8,576
Social security, post-employment and other employee benefit costs	2,685	2,013
of which in respect of post-employment benefits	*1,345*	*634*
	11,585	**10,588**

AVERAGE NUMBER OF EMPLOYEES OF VOLKSWAGEN AG DURING THE YEAR

	2021	2020
by group		
Direct area	55,119	55,879
Indirect area	62,609	61,079
	117,728	**116,958**
Apprentices	4,341	4,576
	122,069	**121,534**
by plant		
Wolfsburg	67,055	66,341
Hanover	14,741	14,908
Braunschweig	7,073	7,090
Kassel	17,089	17,069
Emden	8,986	8,955
Salzgitter	7,125	7,171
	122,069	**121,534**

Information about the composition of the Board of Management and the Supervisory Board, on changes in these executive bodies and on the memberships of members of the Board of Management and the Supervisory Board of other statutory supervisory boards and comparable supervisory bodies is contained in an annex to the notes.

REPORT ON SUBSEQUENT EVENTS

Calling of hybrid note

In February 2022, Volkswagen AG called a hybrid note with a principal amount of €1.1 billion, which had been placed in 2015 via Volkswagen International Finance N.V., Amsterdam, the Netherlands (issuer). The note, including all unpaid interest accrued up to that point, will be repaid in March 2022.

Possible IPO of Dr. Ing. h. c. F. Porsche AG

The Board of Management of Volkswagen AG announced on February 24, 2022 that, with the consent of the Supervisory Board, it had entered into a heads of agreement with Porsche Automobil Holding SE, on the basis of which the feasibility of a possible IPO for Dr. Ing. h. c. F. Porsche AG (Porsche AG) would be investigated. The actual feasibility of an IPO will depend on a large number of different parameters and the general market conditions. No final decisions have been made at this stage.

If the IPO is to go ahead, Porsche AG’s share capital is to be divided into 50% preferred shares and 50% ordinary shares, and as part of a possible IPO up to 25% of the preferred shares are to be placed on the capital market. In connection with the possible IPO, Porsche Automobil Holding SE would acquire 25% plus one share of the ordinary shares of Porsche AG from Volkswagen AG at the placement price plus a premium of 7.5%.

Volkswagen AG would continue to hold a majority interest in Porsche AG and consolidate the company in its consolidated financial statements. The industrial cooperation between Volkswagen AG and Porsche AG would be continued after any IPO.

Volkswagen AG would use the gains from a possible IPO of Porsche AG to accelerate the industrial and technological transformation of the Volkswagen Group. This includes investments in the transformation of global production capacities for electric vehicles and the financing of additional growth. If there is a successful IPO, Volkswagen AG will also propose to shareholders that a special dividend be distributed in the amount of 49% of the total gross proceeds from the placement of the preferred shares and the sale of the ordinary shares.

Russia-Ukraine conflict

At the time of preparing this report, there is a risk that the latest developments in the Russia-Ukraine conflict will have a negative impact on the Volkswagen Group's business. This may also result from bottlenecks in the supply chain. At the present time, it is not yet possible to conclusively assess the specific effects.

Nor is it possible at this stage to predict with sufficient certainty to what extent further escalation of the Russia-Ukraine conflict will impact on the global economy and growth in the industry in fiscal year 2022.

The Volkswagen Group does not have any material subsidiaries and equity investments in Ukraine.

In Russia, the Volkswagen Group has in particular the production company at the Kaluga site, as well as sales units and financing companies. They could above all be adversely affected by the sanctions already resolved, but also by new sanctions and general developments in Russia.

In relation to the net assets, financial position and results of operations of the Volkswagen Group, the business activities of the Volkswagen Group in these two countries are insignificant.

There is a risk that a further escalation of the conflict could have a material adverse effect on the results of operations, financial position and net assets of the Volkswagen Group.

REMUNERATION

Total remuneration granted to the members of the Board of Management amounted to €51.5 million (previous year: €38.2 million).

Under the performance share plan, active members of the Board of Management were granted a total of 110,165 performance shares for fiscal year 2021 (previous year: 77,800), whose value at the grant date amounted to €16.3 million (previous year: €12.7 million).

Advances granted to members of the Board of Management under the performance share plan amounted to €1.4 million as of December 31, 2021 (previous year: €6.5 million). In the fiscal year, a total of €5.1 million (previous year: €4.3 million) of the advances paid to members of the Board of Management were deducted from the payment amount under the performance share plan.

The former members of the Board of Management and their surviving dependents were granted €17.6 million (previous year: €35.9 million). Pension provisions for this group of individuals amounted to €340.1 million (previous year: €317.8 million).

Total remuneration granted to the members of the Supervisory Board amounted to €3.5 million (previous year: €3.6 million).

The individual remuneration of the members of the Board of Management and the Supervisory Board is explained in the remuneration report. A comprehensive assessment of the individual remuneration components can also be found there.

RELATED PARTY DISCLOSURES

Related parties as defined by IAS 24 are natural persons and entities that Volkswagen AG has the ability to control or on which it can exercise significant influence, or natural persons and entities that have the ability to control or exercise significant influence on Volkswagen AG, or that are influenced by another related party of Volkswagen AG.

All transactions with related parties are conducted on an arm's length basis.

Porsche SE held the majority of the voting rights in Volkswagen AG as of the reporting date. 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. As a result, 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 has the power to participate in the operating policy decisions of the Volkswagen Group and is therefore classified as a related party as defined by IAS 24.

The contribution of Porsche SE's holding company operating business to Volkswagen AG on August 1, 2012 has the following effects on the agreements between Porsche SE, Volkswagen AG and companies of the Porsche Holding Stuttgart Group that existed prior to the contribution and were entered into on the basis of the Comprehensive Agreement and its related implementation agreements:

- As part of the contribution of Porsche SE's holding company operating business to Volkswagen AG, Volkswagen AG undertook to assume standard market liability compensation effective August 1, 2012 for guarantees issued to external creditors, whereby it is indemnified internally.
- Volkswagen AG continues to indemnify Porsche SE internally against claims by the Einlagensicherungsfonds (German deposit protection fund) after Porsche SE submitted an indemnification agreement required by the Bundesverband Deutscher Banken (Association of German Banks) to the Einlagensicherungsfonds in August 2009. Volkswagen AG has also undertaken to indemnify the Einlagensicherungsfonds against any losses caused by measures taken by the latter in favor of a bank in which Volkswagen AG holds a majority interest.
- Under certain conditions, Porsche SE continues to indemnify Porsche Holding Stuttgart, Porsche AG and their legal predecessors against tax liabilities that exceed the obligations recognized in the financial statements of those companies relating to periods up to and including July 31, 2009. In return, Volkswagen AG has undertaken to pay to Porsche SE any tax benefits of Porsche Holding Stuttgart, Porsche AG and their legal predecessors and subsidiaries for tax assessment periods up to July 31, 2009. Based on the results of the external tax audit for the assessment periods 2006 to 2008 that has now been completed, a compensation obligation running into the low triple-digit millions of euros would arise for Volkswagen AG. New information emerging in the future from the external tax audit for the 2009 assessment period that started at the end of 2015 could result in an increase or decrease in the potential compensation obligation.

Under the terms of the Comprehensive Agreement, Porsche SE and Volkswagen AG had granted each other put and call options with regard to the remaining 50.1% interest in Porsche Holding Stuttgart held by Porsche SE until the contribution of its holding company operating business to Volkswagen AG. Both Volkswagen AG (if it had exercised its call option) and Porsche SE (if it had exercised its put option) had undertaken to bear the tax burden resulting from the exercise of the options and any subsequent activities in relation to the equity investment in Porsche Holding Stuttgart (e.g. from recapture taxation on the spin-off in 2007 and/or 2009). If tax benefits had accrued to Volkswagen AG, Porsche Holding Stuttgart, Porsche AG, or their respective subsidiaries as a result of recapture taxation on the spin-off in 2007 and/or 2009, the purchase price to be paid by Volkswagen AG for the transfer of the outstanding 50.1% equity investment in Porsche Holding Stuttgart if the put option had been exercised by Porsche SE would have been increased by the present value of the tax benefit. This arrangement was taken over under the terms of the contribution agreement to the effect that Porsche SE has a claim against Volkswagen AG for payment in the amount of the present value of the realizable tax benefits from any recapture taxation of the spin-off in 2007 as a result of the contribution. It was also agreed under the terms of the contribution that Porsche SE will indemnify Volkswagen AG, Porsche Holding Stuttgart and their subsidiaries against taxes if

measures taken by or not taken by Porsche SE result in recapture taxation for 2012 at these companies in the course of or following implementation of the contribution. In this case, too, Porsche SE is entitled to assert a claim for payment against Volkswagen AG in the amount of the present value of the realizable tax benefits that arise at the level of Volkswagen AG or one of its subsidiaries as a result of such a transaction.
Further agreements were entered into and declarations were issued in connection with the contribution of Porsche SE's holding company operating business to Volkswagen AG, in particular:

> Porsche SE indemnifies its contributed subsidiaries, Porsche Holding Stuttgart, Porsche AG and their subsidiaries against liabilities to Porsche SE that relate to the period up to and including December 31, 2011 and that exceed the obligations recognized in the financial statements of those companies for that period.
> Moreover, Porsche SE indemnifies Volkswagen AG, Porsche Holding Stuttgart, Porsche AG and their subsidiaries against half of the taxes (other than taxes on income) arising at those companies in conjunction with the contribution that would not have been incurred in the event of the exercise of the call option on the shares of Porsche Holding Stuttgart that continued to be held by Porsche SE until the contribution. Volkswagen AG therefore indemnifies Porsche SE against half of such taxes that it incurs. In addition, Porsche Holding Stuttgart is indemnified against half of the land transfer tax and other costs triggered by the merger.
> Additionally, Porsche SE and Porsche AG agreed to allocate any subsequent VAT receivables or liabilities from transactions in the period up to December 31, 2009 to the company entitled to the receivable or incurring the liability.
> A range of information, conduct and cooperation obligations were agreed by Porsche SE and the Volkswagen Group.

According to a notification dated, January 3, 2022, the State of Lower Saxony and Hannoversche Beteiligungsgesellschaft mbH, Hanover, held 20.00% of the voting rights of Volkswagen AG on December 31, 2021. As mentioned above, the General Meeting of Volkswagen AG on December 3, 2009 also resolved that the State of Lower Saxony may appoint two members of the Supervisory Board (right of appointment).

The following tables present the amounts of supplies and services transacted between Volkswagen AG and related parties. The scope of such related parties was defined on the basis of IAS 24 and comprises unconsolidated and consolidated subsidiaries unless Volkswagen AG directly or indirectly holds 100% of the shares, joint ventures, associates, Porsche SE and its affiliated companies as well as other related parties. In addition to the amounts disclosed in the following tables, Volkswagen AG paid dividends to Porsche SE in the amount of €756 million (previous year: €756 million).

RELATED PARTIES

€ million	SUPPLIES AND SERVICES RENDERED 2021	SUPPLIES AND SERVICES RECEIVED 2021
Porsche SE and its majority interests	1	0
Supervisory Board members	0	-
Board of Management members	0	-
Consolidated subsidiaries	2,314	1,283
Unconsolidated subsidiaries	44	204
Joint ventures and its majority interests	2,655	259
Associates and its majority interests	122	605
Pension plans	1	-
State of Lower Saxony, its majority interests and joint ventures	7	6

€ million	SUPPLIES AND SERVICES RENDERED 2020	SUPPLIES AND SERVICES RECEIVED 2020
Porsche SE and its majority interests	1	0
Supervisory Board members	0	-
Board of Management members	0	-
Consolidated subsidiaries	3,060	1,296
Unconsolidated subsidiaries	53	216
Joint ventures and its majority interests	2,463	153
Associates and its majority interests	7	549
Pension plans	1	-
State of Lower Saxony, its majority interests and joint ventures	9	6

€ million	INCOME FROM PROFIT AND LOSS TRANSFER AGREEMENTS 2021	COST OF LOSS ABSORPTION 2021	INTEREST INCOME 2021	INTEREST EXPENSE 2021
Porsche SE and its majority interests	-	-	-	-
Consolidated subsidiaries	16	-	6	0
Unconsolidated subsidiaries	0	3	0	0
Joint ventures and its majority interests	1,734	-	-	0
Associates and its majority interests	-	-	-	-
State of Lower Saxony, its majority interests and joint ventures	0	-	-	-

€ million	INCOME FROM PROFIT AND LOSS TRANSFER AGREEMENTS 2020	COST OF LOSS ABSORPTION 2020	INTEREST INCOME 2020	INTEREST EXPENSE 2020
Porsche SE and its majority interests	-	-	-	-
Consolidated subsidiaries	16	-	13	0
Unconsolidated subsidiaries	1	4	0	0
Joint ventures and its majority interests	1,966	-	0	0
Associates and its majority interests	-	-	0	-
State of Lower Saxony, its majority interests and joint ventures	0	-	-	-

€ million	COLLATERAL GRANTED 2021	COLLATERAL RECEIVED 2021	CREDIT LINES GRANTED 2021
Consolidated subsidiaries	504	-	3,757
Unconsolidated subsidiaries	-	-	168
Joint ventures and its majority interests	-	1,396	-
State of Lower Saxony, its majority interests and joint ventures	-	-	-

€ million	COLLATERAL GRANTED 2020	COLLATERAL RECEIVED 2020	CREDIT LINES GRANTED 2020
Consolidated subsidiaries	466	-	3,458
Unconsolidated subsidiaries	-	-	31
Joint ventures and its majority interests	-	849	-
State of Lower Saxony, its majority interests and joint ventures	-	-	-

Executive Bodies

MEMBERS OF THE BOARD OF MANAGEMENT

(Appointments: as of December 31, 2021 or the leaving date from the Board of Management of Volkswagen AG or the start date after December 31, 2021)

DR.-ING. HERBERT DIESS (*1958)

Chair,
Volume brand group,
China
July 1, 2015[1], appointed until 2025
Nationality: Austrian

Appointments:

○ AUDI AG, Ingolstadt (Chair)[3]
⊙ FAW-Volkswagen Automotive Co., Ltd, Changchun[3]
⊙ Porsche Austria GmbH, Salzburg (Deputy Chair)[3]
⊙ Porsche Holding Gesellschaft m.b.H, Salzburg (Deputy Chair)[3]
⊙ Porsche Retail GmbH, Salzburg[3]
⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai (Deputy Chair)[3]
⊙Volkswagen (China) Investment Co., Ltd., Beijing (Chair)[3]

MURAT AKSEL (*1972)

Purchasing
January 1, 2021[1], appointed until 2023
Nationality: German

Appointments:

⊙ ŠKODA Auto a.s., Mladá Boleslav (Chair)[3]

DR. ARNO ANTLITZ (*1970)

Finance and IT (since April 1, 2021,
IT until February 1, 2022),
April 1, 2021[1], appointed until 2024
Nationality: German

Appointments:

○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3]
○ CARIAD SE, Wolfsburg[3]
○ Volkswagen Financial Services AG, Braunschweig (Chair)[3]
⊙ Shanghai Volkswagen Powertrain Co., Ltd., Shanghai[3]
⊙ Volkswagen (China) Investment Co., Ltd., Beijing[3]
⊙ Volkswagen Group of America, Inc., Herndon (Chair)[3]

OLIVER BLUME (*1968)

Sport & Luxury brand group,
Chair of the Executive Board of
Dr. Ing. h.c. F. Porsche AG
April 13, 2018[1], appointed until 2023
Nationality: German

Appointments:

○ CARIAD SE, Wolfsburg[3]
⊙ Bugatti-Rimac d.o.o., Sveta Nedelja[3]
⊙ Porsche Cars Great Britain Ltd., Reading[3]
⊙ Porsche Cars North America Inc., Atlanta[3]
⊙ Porsche Consulting GmbH, Bietigheim-Bissingen[3]
⊙ Porsche Deutschland GmbH, Bietigheim-Bissingen[3]
⊙ Porsche Digital GmbH, Ludwigsburg[3]
⊙ Porsche Enterprises Inc., Atlanta[3]
⊙ Porsche Greater China, consisting of:
(China) Motors Limited, Shanghai [3]
Porsche Hong Kong Limited, Hong Kong[3]
⊙ SEAT, S.A., Martorell[3]

RALF BRANDSTÄTTER (*1968)

Volkswagen Passenger Cars (since January 1, 2022),
Chair of the Board of Management of the
Volkswagen Passenger Cars brand (since July 1, 2020)
January 1, 2022[1], appointed until 2026
Nationality: German

Appointments (as of January 1, 2022):

○ CARIAD SE, Wolfsburg[3]
⊙ ŠKODA Auto a.s., Mladá Boleslav[3]
⊙ Volkswagen (China) Investment Co., Ltd., Beijing[3]

DR. JUR. MANFRED DÖSS (*1958)

Integrity and Legal Affairs (since February 1, 2022)
February 1, 2022[1], appointed until 2025
Nationality: German

Appointments (as of February 1, 2022):

○ PTV Planung Transport Verkehr AG, Karlsruhe[2]
○ TRATON SE, Munich[3, 4]
⊙ Grizzlys Wolfsburg GmbH, Wolfsburg[3]

MARKUS DUESMANN (*1969)

Premium brand group,
Chair of the Board of Management of AUDI AG
April 1, 2020[1], appointed until 2025
Nationality: German

Appointments:

○ CARIAD SE, Wolfsburg (Chair)[3]
○ FC Bayern München AG, Munich (Deputy Chair)[2]
⊙ Audi (China) Enterprise Management Co., Ltd., Beijing (Chair)[3]
⊙ Automobili Lamborghini S.p.A., Sant´Agata Bolognese (Chair)[3]
⊙ Bentley Motors Ltd., Crewe, UK (Chair)[3]
⊙ Ducati Motor Holding S.p.A., Bologna (Chair)[3]
⊙ FAW-Volkswagen Automotive Co., Ltd, Changchun[3]
⊙ SAIC Volkswagen Automotive Co., Ltd., Shanghai[3]
⊙ Volkswagen (China) Investment Co., Ltd., Beijing[3]

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Board of Management.
2 Appointment outside the Group.
3 Appointment within the Group.
4 Listed company.

GUNNAR KILIAN (*1975)
Human Resources and Truck & Bus
April 13, 2018[1], appointed until 2026
Nationality: German
Appointments:
○ AUDI AG, Ingolstadt[3]
○ CARIAD SE, Wolfsburg[3]
○ MAN Energy Solutions SE, Augsburg (Chair)[3]
○ MAN Truck & Bus SE, Munich[3]
○ TRATON SE, Munich[3, 4]
○ Volkswagen Group Services GmbH, Wolfsburg (Chair)[3]
○ Wolfsburg AG, Wolfsburg (Chair)[2]
⊙ Allianz für die Region GmbH, Braunschweig[2]
⊙ Autostadt GmbH, Wolfsburg (Chair)[3]
⊙ FAW-Volkswagen Automotive Co., Ltd, Changchun[3]
⊙ Scania AB, Södertälje[3]
⊙ Scania CV AB, Södertälje[3]
⊙ Volkswagen Immobilien GmbH, Wolfsburg (Chair)[3]

THOMAS SCHMALL-VON WESTERHOLT (*1964)
Technology,
Chair of the Board of Management of
Volkswagen Group Components,
January 1, 2021[1], appointed until 2023
Nationality: German, Brazilian
Appointments:
○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3]
○ Volkswagen Group Services GmbH, Wolfsburg[3]
○ Wolfsburg AG, Wolfsburg[2]
⊙ SEAT, S.A., Martorell (Chair)[3]
⊙ Sitech Sp. z o.o., Polkowice (Chair)[3]

HAUKE STARS (*1967)
IT (since February 1, 2022)
February 1, 2022[1], appointed until 2025
Nationality: German
Appointments (as of February 1, 2022):
○ CARIAD SE, Wolfsburg[3]
○ RWE AG, Essen[2, 4]
⊙ Kühne + Nagel International AG, Schindellegi[2, 4]

HILTRUD DOROTHEA WERNER (*1966)
Integrity and Legal Affairs (until January 31, 2022)
February 1, 2017 – January 31, 2022[1]
Nationality: German
Appointments (as of January 31, 2022):
○ AUDI AG, Ingolstadt[3]
○ CARIAD SE, Wolfsburg[3]
○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3]
○ MAN Energy Solutions SE, Augsburg[3]
○ Mitteldeutsche Flughafen AG, Leipzig (Chair, since November 8, 2021)[2]
○ TRATON SE, Munich (until September 30, 2021)[3, 4]
⊙ Grizzlys Wolfsburg GmbH, Wolfsburg (until May 26, 2021)[2]
⊙ SEAT, S.A., Martorell (until September 30, 2021)[3]

HILDEGARD WORTMANN (*1966)
Sales (since February 1, 2022)
February 1, 2022[1], appointed until 2025
Nationality: German
Appointments (as of February 1, 2022):
○ CARIAD SE, Wolfsburg[3]
○ Volkswagen Financial Services AG, Braunschweig[3]
⊙ Audi (China) Enterprise Management Co., Ltd., Beijing [3]
⊙ Audi of America, LLC, Herndon / VA (Chair)[3]
⊙ Audi Sport GmbH, Neckarsulm[3]
⊙ FAW-Audi Sales Co., Ltd., Hangzhou[3]
⊙ Ferrovial S.A., Madrid[2, 4]
⊙ Porsche Austria Gesellschaft m.b.H., Salzburg[3]
⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
⊙ Porsche Retail GmbH, Salzburg[3]

FRANK WITTER (*1959)
Finance and IT (until March 31, 2021),
October 7, 2015 – March 31, 2021[1]
Nationality: German
Appointments (as of March 31, 2021):
○ TRATON SE, Munich[3,4]
○ Volkswagen Financial Services AG, Braunschweig (Chair, until March 31, 2021)[3]
⊙ ŠKODA Auto a.s., Mladá Boleslav (until March 31, 2021)[3]
⊙ Northvolt AB, Stockholm (until June 30, 2021)[2]
⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg (Chair)[3]
⊙ Volkswagen (China) Investment Co., Ltd., Beijing (until March 31, 2021)[3]
⊙ Volkswagen Group Services GmbH, Wolfsburg (until March 31, 2021)[3]
⊙ Volkswagen Immobilien GmbH, Wolfsburg (Chair, until March 31, 2021)[3]

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Board of Management.
2 Appointment outside the Group.
3 Appointment within the Group.
4 Listed company.

MEMBERS OF THE SUPERVISORY BOARD AND COMPOSITION OF THE COMMITTEES

(Appointments: as of December 31, 2021 or the leaving date from the Supervisory Board of Volkswagen AG)

HANS DIETER PÖTSCH (*1951)
Chair (since October 7, 2015),
Chair of the Executive Board
of Porsche Automobil Holding SE
October 7, 2015[1], elected until 2026
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Bertelsmann Management SE, Gütersloh[2]
- ○ Bertelsmann SE & Co. KGaA, Gütersloh[2]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3]
- ○ TRATON SE, Munich (Chair)[3, 4]
- ○ Wolfsburg AG, Wolfsburg[3]
- ⊙ Autostadt GmbH, Wolfsburg[3]
- ⊙ Porsche Austria Gesellschaft m.b.H., Salzburg (Chair)[3]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg (Chair)[3]
- ⊙ Porsche Retail GmbH, Salzburg (Chair)[3]
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg (Deputy Chair)[3]

JÖRG HOFMANN (*1955)
Deputy Chair (since November 20, 2015),
First Chair of IG Metall
November 20, 2015[1], appointed until 2022
Nationality: German
Appointments:
- ○ Robert Bosch GmbH, Stuttgart[2]

DR. HUSSAIN ALI AL ABDULLA (*1957)
Minister of State
April 22, 2010[1], elected until 2025
Nationality: Qatari
Appointments:
- ⊙ Gulf Investment Corporation, Safat/Kuwait (Board member)[2]
- ⊙ Qatar Supreme Council for Economic Affairs and Investment, Doha (Board member)[2]

DR. HESSA SULTAN AL JABER (*1959)
Former Minister of Information and
Communications Technology, Qatar
June 22, 2016[1], elected until 2024
Nationality: Qatari
Appointments:
- ⊙ Malomatia, Doha (Chair)[2]
- ⊙ MEEZA, Doha[2]
- ⊙ Qatar Satellite Company (Es'hailSat), Doha (Chair)[2]
- ⊙ Trio Investment, Doha (Chair)[2]

DR. BERND ALTHUSMANN (*1966)
Minister of Economic Affairs, Labor, Transport
and Digitalization for the Federal State of
Lower Saxony
December 14, 2017[1], delegated until 2022
Nationality: German
Appointments:
- ○ Deutsche Messe AG, Hanover (Deputy Chair)[2]
- ⊙ Container Terminal Wilhelmshaven JadeWeserPort-Marketing GmbH & Co. KG, Wilhelmshaven (Chair)[2]
- ⊙ JadeWeserPort Realisierungs GmbH & Co. KG, Wilhelmshaven (Chair)[2]
- ⊙ JadeWeserPort Realisierungs-Beteiligungs GmbH, Wilhelmshaven (Chair)[2]
- ⊙ Niedersachsen Ports GmbH & Co. KG, Oldenburg (Chair)[2]

KAI BLIESENER (*1971)
Head of Vehicle Construction and
Automotive and Supplier Industry Coordinator
at IG Metall
June 20, 2020 to March 31, 2021[1]
Natonality: German
Appointments (as of March 31, 2021):
- ○ Mahle GmbH, Stuttgart[2]

MATÍAS CARNERO SOJO (*1968)
Chair of the General Works Council of SEAT
April 1, 2021[1], appointed until 2022
Nationality: Spanish

DANIELA CAVALLO (*1975)
Chair of the General and Group Works Councils
of Volkswagen AG
May 11, 2021[1], appointed until 2022
Nationality: Italian, German
Appointments:
- ○ TRATON SE, Munich[3, 4]
- ○ Volkswagen Financial Services AG, Braunschweig (Deputy Chair)[3]
- ○ Wolfsburg AG, Wolfsburg[3]
- ⊙ Allianz für die Region GmbH, Braunschweig[2]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ SEAT, S.A., Martorell[3]
- ⊙ ŠKODA Auto a.s., Mladá Boleslav[3]
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg[3]
- ⊙ Volkswagen Group Services GmbH[3]

DR. JUR. HANS-PETER FISCHER (*1959)
Chair of the Board of Management of
Volkswagen Management Association e.V.
January 1, 2013[1], appointed until 2022
Nationality: German
Appointments:
- ⊙ Volkswagen Pension Trust e.V., Wolfsburg[3]

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Supervisory Board.
2 Appointment outside the Group.
3 Appointment within the Group.
4 Listed company.

MARIANNE HEIß (*1972)
Chief Executive Officer of BBDO Group Germany GmbH, Düsseldorf
February 14, 2018[1], elected until 2023
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Porsche Automobil Holding SE, Stuttgart[2, 4]

ULRIKE JAKOB (*1960)
Deputy Chair of the Works Council of Volkswagen AG, Kassel plant
May 10, 2017[1], appointed until 2022
Nationality: German

DR. LOUISE KIESLING (*1957)
Entrepreneur
April 30, 2015[1], elected until 2026
Nationality: Austrian

PETER MOSCH (*1972)
Chair of the General Works Council of AUDI AG
January 18, 2006[1], appointed until 2022
Nationality: German
Appointments:
- ○ AUDI AG, Ingolstadt (Deputy Chair)[3]
- ○ Audi Pensionskasse – Altersversorgung der AUTO UNION GmbH, VVaG, Ingolstadt[3]
- ○ CARIAD SE, Wolfsburg (Deputy Chair)[3]
- ⊙ Audi Stiftung für Umwelt GmbH, Ingolstadt[3]

BERTINA MURKOVIC (*1957)
Chair of the Works Council of Volkswagen Commercial Vehicles
May 10, 2017[1], appointed until 2022
Nationality: German
Appointments:
- ⊙ MOIA GmbH, Berlin[3]

BERND OSTERLOH (*1956)
Chair of the General and Group Works Councils of Volkswagen AG
January 1, 2005 to April 30, 2021[1]
Nationality: German
Appointments (as of April 30, 2021):
- ○ TRATON SE, Munich (until April 30, 2021)[3, 4]
- ○ Wolfsburg AG, Wolfsburg (until April 30, 2021)[3]
- ⊙ Allianz für die Region GmbH, Braunschweig (until April 30, 2021)[2]
- ⊙ Autostadt GmbH, Wolfsburg[3]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg (until April 30, 2021)[3]
- ⊙ SEAT, S.A., Martorell (until April 30, 2021)[3]
- ⊙ ŠKODA Auto a.s., Mladá Boleslav (until April 30, 2021)[3]
- ⊙ VfL Wolfsburg-Fußball GmbH, Wolfsburg[3]
- ⊙ Volkswagen Group Services GmbH[3]
- ⊙ Volkswagen Immobilien GmbH, Wolfsburg (until April 30, 2021)[3]

DR. JUR. HANS MICHEL PIËCH (*1942)
Lawyer
August 7, 2009[1], elected until 2024
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3]
- ○ Porsche Automobil Holding SE, Stuttgart (Deputy Chair)[2, 4]
- ⊙ Porsche Cars Great Britain Ltd., Reading[3]
- ⊙ Porsche Cars North America Inc., Atlanta[3]
- ⊙ Porsche Greater China, consisting of: Porsche (China) Motors Limited, Shanghai[3] Porsche Hong Kong Limited, Hong Kong[3]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ Schmittenhöhebahn AG, Zell am See[2]
- ⊙ Volksoper Wien GmbH, Vienna[2]

DR. JUR. FERDINAND OLIVER PORSCHE (*1961)
Member of the Board of Management of Familie Porsche AG Beteiligungsgesellschaft
August 7, 2009[1], elected until 2024
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3]
- ○ Porsche Automobil Holding SE, Stuttgart[2, 4]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ Porsche Lifestyle GmbH & Co. KG, Ludwigsburg[3]

DR. RER. COMM. WOLFGANG PORSCHE (*1943)
Chair of the Supervisory Board of Porsche Automobil Holding SE; Chair of the Supervisory Board of Dr. Ing. h.c. F. Porsche AG
April 24, 2008[1], elected until 2023
Nationality: Austrian
Appointments:
- ○ AUDI AG, Ingolstadt[3]
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart (Chair)[3]
- ○ Porsche Automobil Holding SE, Stuttgart (Chair)[2, 4]
- ⊙ Familie Porsche AG Beteiligungsgesellschaft, Salzburg (Chair)[2]
- ⊙ Porsche Cars Great Britain Ltd., Reading[3]
- ⊙ Porsche Cars North America Inc., Atlanta[3]
- ⊙ Porsche Greater China, consisting of: Porsche (China) Motors Limited, Shanghai[3] Porsche Hong Kong Limited, Hong Kong[3]
- ⊙ Porsche Holding Gesellschaft m.b.H., Salzburg[3]
- ⊙ Schmittenhöhebahn AG, Zell am See[2]

JENS ROTHE (*1970)
Chair of the General Works Council of Volkswagen Sachsen GmbH
October 22, 2021[1], appointed until 2022
Appointments:
- ○ Volkswagen Sachsen GmbH, Zwickau (Deputy Chair)[3]

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Supervisory Board.
2 Appointment outside the Group.
3 Appointment within the Group.
4 Listed company

CONNY SCHÖNHARDT (*1978)
Union Secretary to the board of IG Metall
June 21, 2019[1], appointed until 2022
Nationality: German
Appointments:
- ○ CARIAD SE, Wolfsburg[3]
- ○ Volkswagen Bank GmbH, Braunschweig[3]

ATHANASIOS STIMONIARIS (*1971)
Chair of the Group Works Council of MAN SE, MAN Truck & Bus SE and TRATON SE (until August 31, 2021)
May 10, 2017 to August 31, 2021[1]
Nationality: German
Appointments (as of August 31, 2021):
- ○ MAN SE, Munich (until August 31, 2021)[3]
- ○ MAN Truck & Bus SE, Munich (until August 31, 2021)[3]
- ○ MAN Truck & Bus Deutschland GmbH, Munich (until August 31, 2021)[3]
- ○ Rheinmetall MAN Military Vehicles GmbH, Munich (until August 31, 2021)[3]
- ○ TRATON SE, Munich (Deputy Chair) (until August 31, 2021)[3, 4]

STEPHAN WEIL (*1958)
Minister-President of the Federal State of Lower Saxony
February 19, 2013[1], delegated until 2022
Nationality: German

WERNER WERESCH (*1961)
Member of the Executive Committee of the Works Council of Porsche Automobil Holding SE and Chair of the General and Group Works Councils of Dr. Ing. h.c. F. Porsche AG
February 21, 2019[1], appointed until 2022
Nationality: German
Appointments:
- ○ Dr. Ing. h.c. F. Porsche AG, Stuttgart[3]

COMMITTEES OF THE SUPERVISORY BOARD AS OF DECEMBER 31, 2021

Members of the Executive Committee
Hans Dieter Pötsch (Chair)
Jörg Hofmann (Deputy Chair)
Daniela Cavallo
Peter Mosch
Bertina Murkovic
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Stephan Weil

Members of the Mediation Committee established in accordance with section 27(3) of the *Mitbestimmungsgesetz* (German Codetermination Act)
Hans Dieter Pötsch (Chair)
Jörg Hofmann (Deputy Chair)
Daniela Cavallo
Stephan Weil

Members of the Audit Committee
Dr. Ferdinand Oliver Porsche (Chair)
Peter Mosch (Deputy Chair)
Marianne Heiß
Conny Schönhardt

Members of the Nomination Committee
Hans Dieter Pötsch (Chair)
Dr. Hans Michel Piëch
Dr. Wolfgang Porsche
Stephan Weil

Special-Diesel-Engines Committee (until December 31, 2021)
Dr. Wolfgang Porsche (Chair)
Dr. Bernd Althusmann
Daniela Cavallo
Peter Mosch
Bertina Murkovic
Dr. Ferdinand Oliver Porsche

Wolfsburg, 1 March, 2022

Volkswagen Aktiengesellschaft

The Board of Management

○ Membership of statutory supervisory boards in Germany.
⊙ Comparable appointments in Germany and abroad.

1 Beginning or period of membership of the Supervisory Board.
2 Appointment outside the Group.
3 Appointment within the Group.
4 Listed company

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Volkswagen AG, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the material opportunities and risks associated with the expected development of the Company.

Wolfsburg, 1 March, 2022

Volkswagen Aktiengesellschaft

The Board of Management

Herbert Diess	Murat Aksel	Arno Antlitz
Oliver Blume	Ralf Brandstätter	Manfred Döss
Markus Duesmann	Gunnar Kilian	Thomas Schmall-von Westerholt
Hauke Stars	Hildegard Wortmann	

Independent Auditor's Report

To VOLKSWAGEN AKTIENGESELLSCHAFT

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, which comprise the balance sheet as at 31 December 2021, and the income statement for the fiscal year from 1 January to 31 December 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of VOLKSWAGEN AKTIENGESELLSCHAFT, which is combined with the group management report, for the fiscal year from 1 January to 31 December 2021. In accordance with German legal requirements, we have not audited the content of the parts of the management report specified in the appendix to the auditor's report and the company information stated therein that is provided outside of the annual report and is referenced in the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the fiscal year from 1 January to 31 December 2021 in compliance with German legally required accounting principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the parts of the management report listed in the appendix to the auditor's report.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1. ACCOUNTING TREATMENT OF THE RISK PROVISIONS FOR THE DIESEL ISSUE

Reasons why the matter was determined to be a key audit matter

Due to indications of irregularities in connection with exhaust gas emissions from diesel engines in certain vehicles of the Volkswagen Group, regulatory authorities in numerous countries (particularly in Europe, the USA and Canada) commenced investigations in the past few years, some of which are still ongoing.

On the basis of its own findings and those of the authorities, the Volkswagen Group implemented various measures, which differed according to the country in some cases and included hardware and software solutions, vehicle buybacks and early termination of leases as well as compensation payments to vehicle owners in some instances. The hardware and software solutions had largely been completed as of the reporting date. The risk provisions for the diesel issue mainly include provisions for criminal, administrative and civil proceedings. Furthermore, there are legal risks from other criminal and administrative proceedings as well as civil actions, particularly by customers and holders of securities.

The provisions recognized as of 31 December 2021 are subject to a significant estimation risk in view of the extensive ongoing criminal and administrative investigations and proceedings, the complexity of the different issues, developments in court rulings and market conditions for used diesel vehicles. Whether provisions need to be recognized for the legal risks from the diesel issue, and in what amount, depends to a large extent on the assessments and assumptions made by the executive directors. As described in the notes to the financial statements, the executive directors considered in their assessments in particular the fact that, based on the various measures taken and meanwhile largely concluded to resolve the diesel issue, there is still no confirmation that members of the Board of Management were aware of any deliberate manipulation of the engine control unit software prior to the summer of 2015.

In light of the significance of the risk provisions and the extent of the assumptions and scope for judgment by the executive directors, this matter was a key audit matter.

Auditor's response

To assess the recognition and measurement of the provisions for legal risks arising from the diesel issue, we considered, in particular, work and opinions by experts engaged by the executive directors of the Volkswagen Group in addition to available official notices and court judgments as part of a risk-based selection of significant transactions. Moreover, with the involvement of our own legal and forensic specialists, we held regular meetings with the Legal department and the external lawyers engaged by the executive directors of the Volkswagen Group so they could explain the current developments and reasons leading to the assessments of the ongoing proceedings. We compared confirmations received from external lawyers with the risk assessment by the executive directors. We also regularly reviewed publicly available information, such as media reports, to assess the completeness of the provisions and contingent liabilities.

In addition, we reviewed on a sample basis the quantity and value structure of the provisions for individual matters using statements of claims received, settlement agreements and court judgments. With regard to the value structure, we also compared the current assessments by the executive directors with past experience, where observable. For significant allocations to provisions, we examined whether they were due to new matters or to changes in the estimation inputs and obtained corresponding evidence. To analyze significant utilizations of the provisions, we obtained an understanding of the procedural controls implemented and examined a sample to determine whether they were based on settlement agreements or court judgments and whether corresponding payments were made.

Furthermore, external reports and investigation results were inspected and inquiries were made of the external law firm engaged to carry out the investigation, with the assistance of our own forensic specialists, in order to understand and assess the special investigation completed in fiscal year 2021 in terms of when former and current members of the Board of Management became aware of the diesel issue.

Our audit procedures did not lead to any reservations relating to the accounting treatment of the risk provisions for the diesel issue.

Reference to related disclosures

The information presented and the statements made in connection with the diesel issue, including the comments on the underlying causes, on when the members of the Board of Management became aware of the issue and on the effects on the accompanying financial statements are contained in the "Significant events in the fiscal year" section, subsection "Diesel issue" and in the "Accounting policies" section and note 14, "Other operating expenses" in the "Balance Sheet Disclosures" section of the notes to the financial statements and in the "Report on Risks and Opportunities" chapter of the management report, "Legal risks" section, subsection "Diesel issue."

2. COMPLETENESS AND MEASUREMENT OF PROVISIONS FOR WARRANTY OBLIGATIONS

Reasons why the matter was determined to be a key audit matter

Obligations for warranty claims are calculated on the basis of estimated losses and ex gratia arrangements. Where unusual individual technical risks are anticipated, an individual assessment is made to gauge whether and, if so, to what extent measures are required to eliminate them and provisions need to be recognized.

The amount of provisions for warranty claims is significant overall. Besides the general use of judgment in selecting the valuation methods and assessing the obligations, increasing estimation uncertainty stems from the growing proportion of hybrid and battery electric vehicles entering the market and a lack of experience of their susceptibility to faults. In light of the amount of the provisions and the judgment exercised during valuation, the completeness and measurement of provisions for warranty obligations was a key audit matter.

Auditor's response

With regard to the accounting for the provisions for warranty obligations, we examined the underlying processes for recording previous claims, calculating and valuing the estimated future losses and recognizing the provisions, and tested controls.

In light of the uncertainty in relation to the estimated future losses, we assessed the underlying valuation assumptions, especially the expected claim rate per vehicle and the cost thereof, using analyses of historical data. Where there was a lack of past experience, we obtained an understanding of the assumptions made by the executive directors and tested their plausibility using historical data for comparable items. Using the calculation bases derived from these historical data, we checked the estimated costs for expected claims per vehicle. To assess the completeness of the provisions, we also reconciled the number of sold vehicles used to recognize the provision with the sales volumes. We obtained an understanding of the method used for calculating the provisions, including the discounting, and reperformed the calculations.

For significant individual technical risks, we assessed the expected incidence of technical faults and the calculation of expected costs per claim/vehicle using documentation on previous claims, inspecting resolutions passed by technical committees and holding discussions with the departments responsible.

Our audit procedures did not lead to any reservations relating to the completeness and valuation of provisions for warranty obligations.

Reference to related disclosures

With regard to the recognition and measurement policies applied in accounting for provisions for warranty obligations, refer to the disclosures in the "Accounting policies" section and note 9, "Provisions" in the "Balance Sheet Disclosures" section of the notes to the financial statements.

3. RECOVERABILITY OF SHARES IN AFFILIATED COMPANIES

Reasons why the matter was determined to be a key audit matter

To assess the recoverability of shares in affiliated companies, each year the Company tests on the basis of the affiliated companies' budgets and forecasts whether there are any indications that a recognized share in an affiliated company could be permanently impaired. The result of the impairment testing of the shares in affiliated companies is highly dependent on the executive directors' estimate of future cash flows and which discount rates they use. The fair value of the shares in affiliated companies is calculated using discounted cash flow models.

In addition to the Covid-19 pandemic, temporary production stops due to semiconductor supply shortages in particular had a negative effect on the cash inflows of Volkswagen AG and its affiliated companies in fiscal year 2021. The executive directors of the Volkswagen Group expect cash inflows to continue to be affected in fiscal year 2022.

The ongoing transformation of the core business toward electromobility and digitalization, the transition to autonomous vehicles and growing environmental regulation lead to uncertainties in the estimation of market shares and margins for electric vehicles and the long-term growth rates. Estimates by the executive directors are subject to risk and may be revised in response to changes in environmental regulation and market conditions.

In addition, the executive directors have scope for judgment in determining the discount rates used and the long-term growth rates assumed.

In view of the foregoing, the materiality of the shares in affiliated companies in relation to total assets, the complexity of their valuation and the judgment exercised during valuation, the impairment test of the shares in affiliated companies was a key audit matter.

Auditor's response

During our audit, we involved valuation specialists to test among other things the methods used to test impairment. In particular, we assessed the procedures for identifying indications of impairment likely to be permanent affecting recognized shares in affiliated companies. In this context, we assessed whether the procedures are suitable for providing objective evidence of a lower net realizable value following prolonged impairment and whether these procedures were consistent with those used in the prior year. We also checked the arithmetical accuracy of the valuation models used.

We analyzed the planning process established in the Volkswagen Group, which includes the affiliated companies, and tested the operating effectiveness of the controls implemented in the planning process. In this context, we obtained an understanding of the controls implemented by the Company to reconcile the planning by its affiliated companies to the group planning. As a starting point, we compared the Volkswagen Group's five-year operational plan prepared by the executive directors and acknowledged by the Supervisory Board with the forecast figures in the underlying impairment tests.

We discussed the key planning assumptions for affiliated companies selected on the basis of risk and materiality aspects with the executive directors and compared them with past earnings and cash inflows to assess the planning accuracy.

We based plausibility testing of the inputs for the impairment tests among other things on a comparison with general and industry-specific market expectations underlying the expected cash inflows. We discussed with the executive directors the effects of the Covid-19 pandemic and the semiconductor supply shortages on the development of cash inflows in the individual relevant affiliated companies and compared them with current market expectations. We also investigated the expectations regarding the development of market shares for battery electric vehicles, the effects on the planned investments and their indirect effects on the long-term cash inflows expected by the executive directors.

With respect to the rollforward from the medium-term plan to the long-term forecast, we assessed the plausibility of the assumed growth rates by comparing them with observable data. To assess the discount rates and growth rates applied, we analyzed the inputs used to determine them on the basis of publicly available information and obtained an understanding of the methods used.

We also assessed the sensitivity analyses performed by the executive directors in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

Our procedures did not lead to any reservations relating to the recoverability of shares in affiliated companies.

Reference to related disclosures

With regard to the recognition and measurement policies applied for shares in affiliated companies, refer to the disclosures in the "Accounting policies" section and with regard to long-term financial assets to note 1, "Fixed assets" in the "Balance Sheet Disclosures" section of the notes to the financial statements and note 15, "Financial result" in the "Income Statement Disclosures" section. Further disclosures are provided in the management report in the "Report on Risks and Opportunities" chapter in the "Risks and opportunities" section, subsection "Risks arising from the recoverability of goodwill or brand names and from equity investments."

Emphasis of matter paragraph –
Immanent risk due to uncertainties regarding the legal conformity of the interpretation of the EU Taxonomy Regulation

We draw attention to the executive directors' comments on the EU Taxonomy disclosures in the "EU Taxonomy" section of the combined management report, where it is stated that the EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to interpretation uncertainties and for which clarifications have not yet been published in every case. The executive directors describe how they interpreted the EU Taxonomy Regulation and the Delegated Acts adopted thereunder. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties. Our opinion on the group management report is not modified in this respect.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG [“Aktiengesetz”: German Stock Corporation Act] on the German Corporate Governance Code, which is part of the corporate governance declaration, and for the remuneration report pursuant to Sec. 162 AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the parts of the annual report listed in the appendix to the auditor’s report.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

REPORT ON THE AUDIT OF COMPLIANCE WITH THE ACCOUNTING DUTIES PURSUANT TO SEC. 6B (3) ENWG

Opinion

We audited whether the Company complied with its duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts for the fiscal year from 1 January to 31 December 2021. In our opinion, the duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts were met in all material respects.

Basis for the opinion

We conducted our audit of compliance with the duties to keep separate accounts pursuant to Sec. 6b (5) EnWG in accordance with IDW Auditing Standard "Audits Pursuant to Sec. 6b (5) of the German Energy Industry Act" (IDW AuS 610 (Revised)). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of compliance with the accounting duties pursuant to Sec. 6b (3) EnWG" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. As an audit firm, we apply the standards set forth in IDW Standard on Quality Control: "Requirements for Quality Control in Audit Firms" (IDW QS 1). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Company's compliance with the accounting duties pursuant to Sec. 6b (3) EnWG.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS FOR COMPLIANCE WITH THE ACCOUNTING DUTIES PURSUANT TO SEC. 6B (3) ENWG

The executive directors are responsible for compliance with the duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts.

In addition, the executive directors are responsible for such internal control as they have determined necessary to comply with the duties to keep separate accounts.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE WITH THE ACCOUNTING DUTIES PURSUANT TO SEC. 6B (3) ENWG

Our objectives are to obtain reasonable assurance about whether the executive directors have met their duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts in all material respects.

In addition, our objectives are to include a section in the auditor's report containing our opinion on compliance with the accounting duties pursuant to Sec. 6b (3) EnWG.

The audit of compliance with the duties pursuant to Sec. 6b (3) Sentences 1 to 5 EnWG to keep separate accounts includes assessing whether the accounts were allocated to the activities correctly and transparently in accordance with Sec. 6b (3) Sentences 1 to 4 EnWG and whether the consistency principle was observed.

Report on the assurance in accordance with Sec. 317 (3a) HGB on the electronic reproduction of the annual financial statements and the management report prepared for publication purposes

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in VWAG_JA_HGB_2021-12-31.zip (SHA-256-Prüfsumme: 18abc1e68125053bf9cccc7c5d723a2f717ec6df37f51d5d1eb6926b90c18442) and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the fiscal year from 1 January to 31 December 2021 contained in the "Report on the audit of the annual financial statements and of the management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the attached file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (10.2021). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on 22 July 2021. We were engaged by the Supervisory Board on 1 September 2021. We have been the auditor of VOLKSWAGEN AKTIENGESELLSCHAFT since fiscal year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Bundesanzeiger [German Federal Gazette] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christian Hantke.

Appendix to the auditor's report:

1. PARTS OF THE MANAGEMENT REPORT WHOSE CONTENT IS UNAUDITED

We have not audited the content of the following parts of the management report:

- The corporate governance declaration which is published on the website stated in the management report and is part of the management report.

2. FURTHER OTHER INFORMATION

The other information comprises the following parts of the annual report, of which we obtained a copy prior to issuing this auditor's report:

- The Non-Financial Report

The other information also comprises other parts to be included in the annual report, of which we obtained a copy prior to issuing this auditor's report, in particular the sections:

- Responsibility Statement

- Remuneration Report

3. COMPANY INFORMATION OUTSIDE OF THE ANNUAL REPORT REFERENCED IN THE MANAGEMENT REPORT

The management report contains other cross-references to webpages of the Company. We have not audited the content of the information to which these cross-references refer.

Hanover, 11 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Matischiok	Hantke
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]