VOLKSWAGEN GROUP

HALF-YEARLY FINANCIAL REPORT

JANUARY – JUNE 2024

The financial data presented in this report has been prepared in accordance with International Financial Reporting Standards (IFRS accounting standards). All figures shown are rounded in accordance with standard commercial practice, so minor discrepancies may arise from addition of these amounts; the same applies to the calculation of percentages. Unless stated otherwise, comparative prior-year figures are presented in parentheses next to the figures for the reporting period. In accordance with German Accounting Standards, our comments are limited to the significant factors impacting on our business in the reporting period.

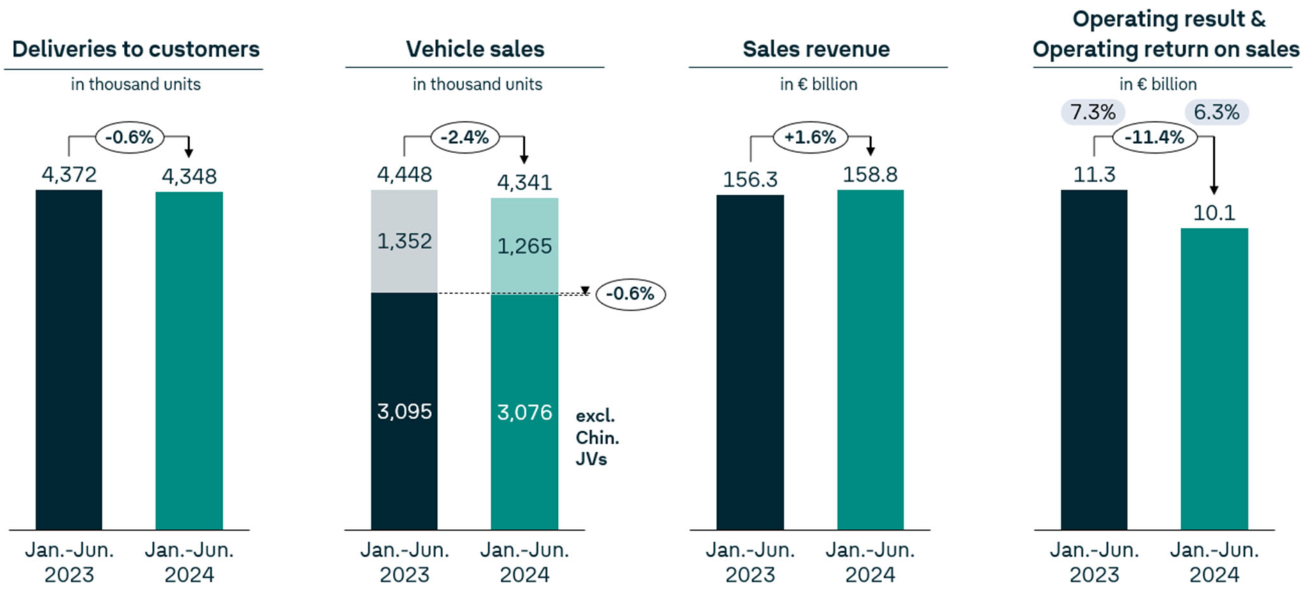
We hope our readers will understand that, for reasons of simplicity, we do not use gender-specific language. The form chosen represents all genders.

Specified vehicle range values correspond to results obtained through the Worldwide Harmonized Light Vehicles Test Procedure (WLTP) on the chassis dynamometer. WLTP range values for series-produced vehicles may vary depending on the equipment. The actual range will deviate in practice depending on various other factors.

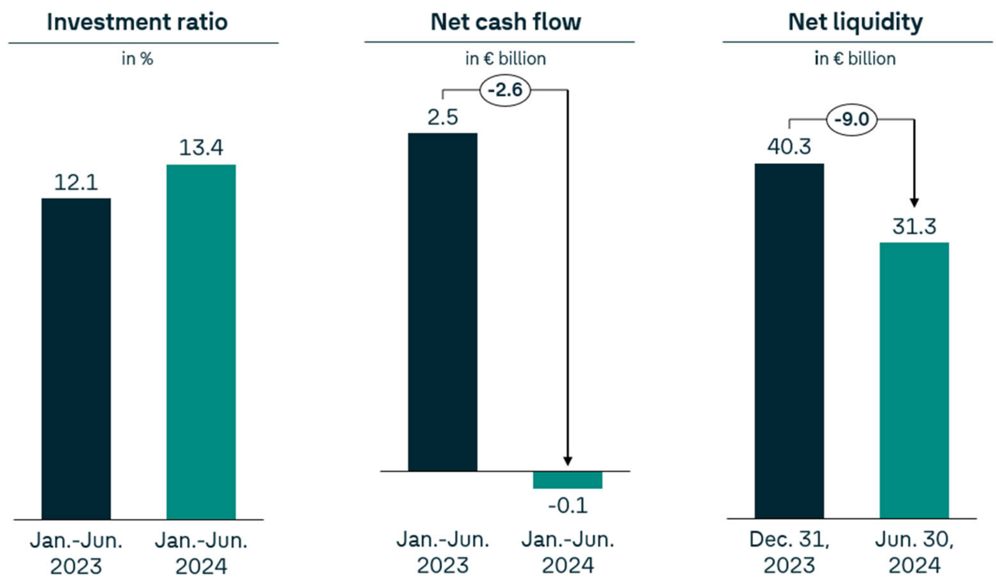
This document is an English translation of the original report written in German. In case of discrepancies, the German version shall take precedence. Both language versions can be found online at: www.volkswagen-group.com/investor-relations

Key Figures

VOLKSWAGEN GROUP



AUTOMOTIVE DIVISION



Volume data also includes the unconsolidated Chinese joint ventures (Chin. JVs); prior-year deliveries have been updated to reflect subsequent statistical trends. The allocation of consolidation adjustments between the Automotive and Financial Services divisions is included in the Automotive Division.

Key Facts

> **Deliveries to Volkswagen Group customers, including the Chinese joint ventures, down slightly year-on-year to 4.3 (4.4) million vehicles in the first six months of 2024; noticeable decrease in Asia-Pacific; growth in nearly all other sales regions worldwide**

> **Deliveries of all-electric vehicles to customers down slightly year-on-year (–1.4%) due in particular to general buyer reluctance; share of Group deliveries at 7.3 (7.4)%**

> **Group sales revenue up slightly year-on-year at €158.8 (156.3) billion due to volume-related increases in the financial services business**

> **Operating result down at €10.1 (11.3) billion; restructuring expenses in the Passenger Cars Business Area of €1 billion**

> **Earnings before tax decrease to €10.2 (11.9) billion; earnings after tax decline by €1.2 billion to €7.3 billion**

> **Automotive Division's net cash flow amounts to €–0.1 (2.5) billion; automotive investment ratio at 13.4 (12.1)%**

> **Net liquidity in the Automotive Division at robust level of €31.3 billion; dividend payment of €4.5 billion in May**

Group News

PRESENTATION OF NEW PRODUCTS AND TECHNOLOGIES

The Volkswagen Group and its brands also showcased a variety of new vehicles and technologies in the second quarter of 2024.

Auto China 2024 in Beijing

Volkswagen is systematically pressing ahead with its approach "in China, for China" in an effort to achieve even closer alignment with the specific requirements of customers in the world's largest automotive market. The Volkswagen Passenger Cars brand unveiled the new ID. CODE at the Auto China 2024 exhibition in Beijing. The concept car offers a completely new aesthetic and acts as a preview for a prospective large electric-powered SUV. The ID. CODE is designed for Level 4 fully autonomous driving. The new progressive ID.UX sub-brand also plays a key role in positioning Volkswagen in the Chinese market. With all-electric, lifestyle-oriented models, this sub-brand is designed to appeal to younger customers in particular.

With the Q6L e-tron, the Audi brand is bringing the technological benefits of the new Premium Platform Electric (PPE) to China: impressive values for range and charging performance, outstanding driving experience and a BEV design specifically for the Chinese market. The Q6L e-tron has an extended wheelbase which provides not only more legroom for passengers in the interior but also space for a larger battery. Highly efficient electric drivetrains and a newly developed lithium-ion battery offer a range of up to around 700 km. The interior has been designed with a focus on the needs of Chinese customers, additionally featuring market-specific connectivity solutions, digital services, and a China-specific version of the Audi assistant. Driver assistance systems specially developed for the requirements of the market and functions for automated driving and parking round off the vehicle. The new Audi Q6L e-tron, as well as future models based on the PPE, will be produced in a completely new factory in Changchun. There, Audi is currently building its most state-of-the-art production site in China.

The Lamborghini Urus SE made its world premiere in Beijing. The first PHEV Super SUV has a 4.0-liter twin-turbo V8 engine with 456 kW (620 PS) of power and an electric drivetrain. With the power of both combustion engine and electric motor, the Urus SE delivers a total power output of 588 kW (800 PS) on the road. The combination of driving modes with four new electric performance levels gives a total of eleven options, delivering a range of up to around 60 km in the all-electric driving mode.

Porsche also underscored its "in China, for China" approach at Auto China 2024 and celebrated the market premieres of the all-electric Macan based on the PPE and a China-specific model of the new Taycan generation.

IFAT 2024 in Munich

At IFAT 2024 in Munich, the world's leading trade fair for water, sewage, waste and raw materials management, Scania presented sustainable, smart and safe solutions for the challenges faced by cities and municipalities.

Scania has a diverse offering of vehicles for waste and recycling. The line-up of sustainable drive systems extends from electrification to biomethane or biodiesel.

MAN presented its expanded portfolio of eTrucks at IFAT. The new versions of the eTGX and eTGS vehicles can be highly customized with a variety of wheelbases, cab versions, engine performance classes, battery combinations and other industry-typical features, and have a battery performance period of up to 1.6 million km or up to 15 years, depending on their use. Customer-specific selection of the number of batteries can lead to a payload gain of up to 2.4 t. Industry-specific eMobility consultancy complemented the range of services showcased at MAN's exhibition stand.

Other model innovations

After unveiling the new Golf in the first quarter of 2024, the Volkswagen Passenger Cars brand presented the updated version of the iconic Golf GTI in the second quarter. Now boasting an output of 195 kW (265 PS), the new GTI is 15 kW (20 PS) more powerful than its predecessor. Striking features on the outside include the new front end with LED headlights and an illuminated Volkswagen logo, as well as redesigned LED tail light clusters. Inside, the everyday athlete impresses with an infotainment system that is intuitively controlled by means of a touchscreen that appears to be freestanding, or by voice assistant with ChatGPT integration. The new GTI Clubsport, the sporty, optimized version of the classic model, stands out above all thanks to its sharper exterior design, high-end sports suspension and impressive performance data: the Golf GTI Clubsport accelerates from a standstill to 100 km/h in 5.6 seconds; with the optional Race package a top speed of 267 km/h can be achieved. The new Golf GTE and the new Golf eHybrid offer new plug-in hybrid technology and a host of enhanced features: with an output of 200 kW (272 PS), the performance drive of the Golf GTE even surpasses the level of the new Golf GTI thanks to its additional electric power. The Golf eHybrid is designed for maximum comfort and delivers an output of 150 kW (204 PS). The all-electric range of the GTE has been increased to up to approximately 131 km. With the eHybrid, it is even possible to achieve a range of around 143 km. In addition, both models come with a fast charge function. The presentation of the new Golf R and Golf R Estate marked the sporty final of the new launches in the Golf family. The new maximum output of 245 kW (333 PS) corresponds to an increase of 10 kW (14 PS) compared with their predecessors. The top speed of 250 km/h can be increased to 270 km/h by adding the R-Performance package. Together with the ID.7 GTX Tourer, the new ID.7 GTX is currently the most powerful electric vehicle from Volkswagen. The dynamic fastback powers from a standstill to 100 km/h in just 5.4 seconds. The ID.7 GTX transmits its 250 kW (340 PS) of power to the road thanks to the electric dual-motor all-wheel drive with an electric motor on the front and rear axles. This performance model boasts a range of up to around 595 km. At fast charging stations with 200 kW, the ID.7 GTX's 86-kWh battery can be charged from 10% to 80% in 26 minutes.

Škoda presented the second generation of the Kodiaq in April 2024. The SUV flagship model of the Czech brand has grown and incorporates the first elements of a new design language. Its interior boasts an infotainment system with a 13-inch display, a head-up display and a 10-inch digital cockpit. The five powertrain options range from 110 kW (150 PS) to 150 kW (204 PS). The Kodiaq is now available as a plug-in hybrid for the first time, offering an electric range of up to around 100 km and an entry-level engine with mild hybrid technology. The latest generation of Dynamic Chassis Control and LED matrix headlights with more powerful light output are also debuted in the new Kodiaq.

CUPRA celebrated the world premieres of the new CUPRA Formentor and the new CUPRA Leon in April. The two models showcase the brand's new design language, defined by an aggressive-looking front with triangular matrix LED lights and a big, bold lower mouth. The same triangular lighting design also acts as a frame for the central CUPRA logo illuminated in the rear. The raw emotion of the exterior design is reflected in the interior which mixes sportiness and sustainability with a range of digital technologies and exclusive material choices. CUPRA is embracing a sustainable approach, for example with its bucket seats which can be covered in up to 73% recycled vegan microfibre depending on the configuration. The Formentor and the Leon are available with a range of powertrains including four different technologies: TSI (petrol), mild hybrid (eTSI), TDI (diesel) and e-hybrid (plug-in hybrid). The new generation of plug-in hybrids delivers 200 kW (272 PS) with an all-electric range of up to around 100 km and is now also suitable for fast charging.

Porsche continued updating its model range in the second quarter of 2024 and has fundamentally upgraded the iconic 911 sports car. The 911 Carrera is powered by an updated 3.0-liter twin-turbo boxer engine that is more powerful than its predecessor's. The new 911 Carrera GTS is the first road-approved model in the series to feature a lightweight, powerful T-Hybrid system with a newly developed electric turbocharger. This allows the 911 Carrera GTS Coupé to accelerate from zero to 100 km/h in 3.0 seconds and reach a top speed of 312 km/h. The new 911 also features a revamped design, better aerodynamics, a fresh interior, upgraded standard equipment and expanded connectivity.

Volkswagen Commercial Vehicles celebrated the world premiere of the new California in May 2024. The iconic camper van is based on the long version of the Multivan and has been redesigned in all respects. While more spacious, versatile and sustainable than its predecessor, it still has the features for which the California is loved such as the pop-up roof, and interior design that has been thought-out down to the very last detail. For the first time, all California models will come with two sliding doors, opening up even more possibilities. Another premiere is a plug-in hybrid all-wheel drive, which temporarily turns the camper into an electric vehicle. The new California will also be launched in the three popular lines "Beach", "Coast" and "Ocean".

At the end of June, Bentley unveiled the fourth generation of the Continental GT Speed. The 575 kW (782 PS) ultra-performance hybrid powertrain makes the Grand Tourer the most powerful road-going Bentley of all times. It sprints from 0 to 100 km/h in 3.2 seconds and can reach a top speed of 335 km/h. What is more, it offers an all-electric range of up to 81 km. The powerful drive is complemented by a new suspension system. The exterior is defined by the updated front, including single headlights, thus continuing Bentley's striking design development. The luxurious interior features seats with wellness technology, new air ionization, leather covers with new stitching, and dark chrome elements. For the first time, the coupé will be launched simultaneously with the open version of the GTC Speed.

AWARDS

In April 2024, *AutoBild* named multiple vehicle brands from the Volkswagen Group as the "Best Brands in All Classes". Volkswagen Passenger Cars won the Best Quality category in the subcompact class. In the compact vans class, Volkswagen Commercial Vehicles took first place in the Best Design category and won the overall title. In addition, the brand clinched a victory in the Best Quality and Best Design categories in the large vans class, also winning the overall title. Audi topped the rankings in the Best Quality category, winning the accolade in the categories of small cars, and convertibles up to €50,000. In the compact cars class, CUPRA won the Best Design category, while Škoda emerged as the winner in the Best Price/Performance category and as the overall winner in the same class. Škoda also came out on top in the Best Price/Performance category in both the midsize and the midsize SUVs classes, as well as being named the overall winner in the latter class. Porsche took first place in the Best Quality and Best Design categories and was crowned the overall winner in the sports cars, convertibles over €50,000 and luxury cars classes. In this, the 13th reader's poll, readers could choose from a total of 40 car brands in 14 vehicle classes.

At the end of April 2024, Scania won the Green Truck Award for the ninth time with its R 460. The comparative test was organized by the German trade magazines *Trucker* and *VerkehrsRundschau*. The most efficient vehicle is determined based on a comparison of fuel consumption, average speed, the volume of AdBlue consumed and vehicle weight.

The Scania i6 Super HDH LBG won the "International busplaner Sustainability Award 2024" in the coaches and intercity buses category also in April 2024. The award is presented by *HUSS Fachverlag* and the winners are chosen by a panel of industry experts. The biogas-powered coach took first place, particularly for its emissions reduction.

The Volkswagen ID.7 achieved a top score of 1.5 in the ADAC vehicle test in mid-May 2024, the highest score ever achieved. The tested ID.7 Pro received outstanding scores especially in the categories of engine/drive, safety, environment/ecological test and comfort. Every year, around 100 vehicles are tested according to 350 criteria in seven main categories during an independent inspection, resulting in an average overall score.

At the end of May 2024, Ducati won the "Red Dot: Best of the Best" award in the Product Design category with the Diavel V4. This award is reserved for creations that set a new standard with their design in their sector. The CUPRA DarkRebel Showcar likewise won the highest award at the competition for its outstanding design. The winners of this prestigious design award have been chosen by a panel of experts since 1955.

In May 2024, the Volkswagen Tiguan was awarded the highest Euro NCAP safety rating of five stars, in particular for its impact protection and accident prevention technologies. This test procedure examines and evaluates safety aspects of new vehicles in the categories Adult Occupant Protection, Child Occupant Protection, Vulnerable Road Users (such as cyclists and pedestrians) and Safety Assist (driver assistance systems fitted as standard).

In June 2024, several Group vehicles received the "Autocar Award 2024" from the British car magazine of the same name. The ID.7 from Volkswagen Passenger Cars was named "Best Saloon". The CUPRA Born won in the "Best Electric Car" category. This year's winner of the "Britain's Best Driver's Car" category was the Lamborghini Huracan Sterrati.

ANNIVERSARIES

In April 2024, Volkswagen celebrated its 40-year presence in the Chinese automotive market, which began in 1984 with the production of the Santana in Shanghai. This was later followed by models such as the Lavida and the Sagitar, developed especially for the Chinese market. Today, Volkswagen's network in China features 39 plants with more than 90,000 employees, making Volkswagen the largest European employer in China. Customers can choose from a product line-up of around 160 models, which the Group distributes in conjunction with its joint venture partners.

Seventy-five years ago, Volkswagen laid the foundation for the financial services business as an important sales instrument with the establishment of Volkswagen Finanzierungsgesellschaft mbH. With its financial and mobility services, today, the Volkswagen Group is represented in 47 markets worldwide and employs around 18,000 people there. Alongside the traditional business fields of banking, leasing and insurance, Volkswagen Financial Services offers a wide range of mobility services in order to keep customers mobile and support the sales of Volkswagen Group brands.

COOPERATION AND INVESTMENTS

On June 25, 2024, Volkswagen and the US electric vehicle manufacturer Rivian Automotive, Inc., Irvine/USA (Rivian) announced their intention to form a joint venture in which each party will hold an equal share. The partnership is aimed at creating next generation software-defined vehicle (SDV) architectures to be used in both companies' future electric vehicles. The joint venture is expected to build on Rivian's software and electrical architecture to create best-in-class software-defined vehicle technology platforms. A decision on the actual implementation of the joint venture has not yet been made and will depend on a number of technical, financial and regulatory parameters. On the basis of this planned strategic partnership, in June 2024, Volkswagen invested USD 1 billion in Rivian in the form of an unsecured convertible note, which will convert into ordinary shares of Rivian upon receipt of regulatory approvals, but not before December 1, 2024. If the joint venture is implemented successfully and certain milestones are reached, Volkswagen intends to make further investments totaling up to USD 4 billion in 2025 and 2026.

ENTRY INTO THE LARGE-SCALE STORAGE SYSTEM BUSINESS

The Volkswagen Group plans to enter into the large-scale stationary storage system business with its charging and energy brand Elli. Elli intends to develop, build and operate battery storage projects on an industrial scale together with partners. This will play a substantial role in stabilizing and increasing the efficiency of the power grids. Electricity generated from renewable energy sources can be fed into these storage systems and withdrawn as needed. In the first step, up to 350 MW of capacity and 700 MWh of storage capacity are planned for the biggest projects. The reuse of used storage units from electric vehicles is also a possibility.

CAPITAL MARKETS DAY IN CHINA

The Volkswagen Group hosted its Capital Markets Day in China for Chinese and international investors and analysts in April 2024. The spotlight topic at this event was the "in China, for China" strategy of developing and manufacturing the Group vehicles destined for the Chinese market in line with the needs of its customers and using local technologies. Measures were presented to cater even better to the wishes of Chinese customers and accelerate model developments and time-to-market, as well as to reduce costs. Building on collaboration with strong local partners, the approach is expected to increase Volkswagen's technological competitiveness as a basis for future growth in China.

FOURTH RESPONSIBLE RAW MATERIALS REPORT PUBLISHED

Since 2021, Volkswagen has voluntarily published a dedicated report on the Group-wide measures for mitigating human rights and environmental risks in raw material supply chains that are particularly at risk. The fourth Responsible Raw Materials Report, which was published in May 2024, now covers 18 priority raw materials and their respective supply chains, including battery materials such as lithium, cobalt and nickel. The report centers on the responsible procurement of raw materials as part of the Group's sustainability strategy, with a focus on indirect suppliers in upstream supply chains.

VFL WOLFSBURG WOMEN CONTINUE THEIR HISTORIC WINNING STREAK

VfL Wolfsburg claimed their tenth successive women's DFB-Pokal title (German football cup) with a 2-0 win in May 2024. With eleven victories in twelve years, they added to their record winning streak, and made history once again with the 50th straight win in a cup match. As brand ambassadors for Volkswagen, the VfL Wolfsburg women's team stands in particular for the values of diversity, affinity, professionalism and team spirit.

ANNUAL GENERAL MEETING

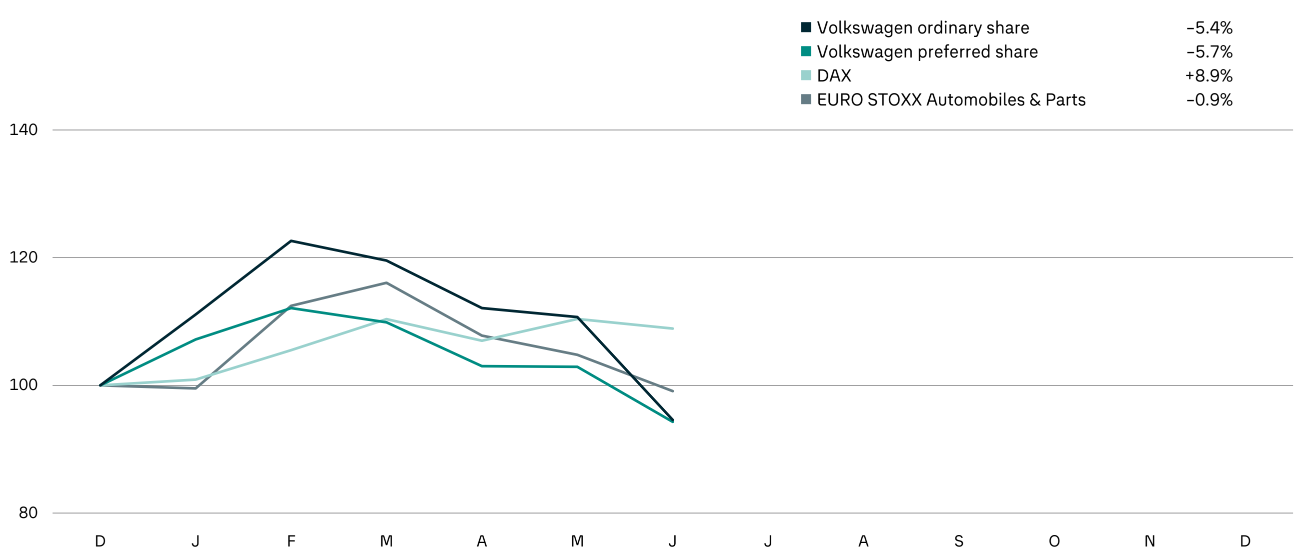
Volkswagen AG's 64th Annual General Meeting was held on May 29, 2024 as a virtual meeting. Around 55% of the Company's share capital was represented. The shareholders approved the proposal of the Board of Management and Supervisory Board to pay a dividend of €9.00 (8.70) per ordinary share and €9.06 (8.76) per preferred share for fiscal year 2023, which was higher than for the previous year. Furthermore, the Annual General Meeting formally approved the actions of the Board of Management and the Supervisory Board for fiscal year 2023. The shareholders also approved the remuneration report for the Board of Management and Supervisory Board for 2023 as well as amendments to the remuneration system for the members of the Board of Management. In addition, the Annual General Meeting appointed EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft as auditors and Group auditors for fiscal year 2024 and as auditors of the review of the condensed interim consolidated financial statements and of the interim management report for the first half of fiscal year 2024, for the period from January 1 to September 30, 2024 and for the first quarter of fiscal year 2025. Dr. Hessa Sultan Al Jaber, Dr. Hans Michel Piëch and Dr. Ferdinand Oliver Porsche were elected to the Supervisory Board for a further term of office. The shareholders also approved two amendments to the Articles of Association.

Volkswagen Shares

The international stock markets recorded a mixed but overall positive first half of 2024. Driven in particular by the hope that central banks would cut their key rates of interest later in the year, they initially continued the upward trend that had started in October 2023 and soared to new record levels. Economic growth ahead of expectations also had a particularly positive impact. As the second quarter of 2024 progressed, however, hopes of imminent interest rate cuts in the USA were dampened by continued inflation. In addition to this, the European equity markets were also affected negatively by the results of the European Parliament elections and the subsequent surprise announcement of new elections in France, as well as by the possible introduction of additional EU tariffs on Chinese-produced battery-electric vehicles and the possibility of retaliation by China.

After a favorable year on the stock markets in 2023, which saw the German stock index (DAX) rise by 20%, the new year started with sideways movement. An upward trend in the DAX then began at the end of January 2024, during which the index hit new all-time highs. The German stock market barometer benefited particularly from positive corporate data in the reporting season and market participants' expectations of an imminent turnaround in interest rates. In the second quarter of 2024, momentum weakened due to rising geopolitical tensions and political uncertainty. At the end of the first half of 2024, the DAX – a performance index that is calculated as if all

PRICE DEVELOPMENT FROM DECEMBER 2023 TO JUNE 2024
Index based on month-end prices: December 31, 2023 = 100



dividend payments were reinvested – was up 8.9% on the level recorded at the end of 2023. The EURO STOXX Automobiles & Parts, which is purely a price index, posted a negative performance of 0.9% in the period under review.

The prices of Volkswagen AG's preferred and ordinary shares initially saw a slight downward trend at the beginning of the reporting period. At the end of January 2024, expectations of positive business figures for the final quarter of 2023 and confidence regarding volume development in 2024 initially led to growth in share value. In early March, amid the publication of positive key figures for the 2023 fiscal year and the Company's 2024 outlook, the capital market took a critical view of the fact that investment requirements continue to be high, extending among other things to the construction of battery cell factories, vehicle development as part of the Company's transformation, and provisions for acquisitions. The further intensification of competition in the automotive sector, expectations of falling margins and lower demand, particularly for electric vehicles, also put a damper on the share price. The same was true of the decline in profits expected by the Company for the joint ventures in its largest single market, China, where competition is intense. In the second quarter, the share price was hit by the EU's announcement of punitive tariffs on Chinese electric vehicles, with the threat of retaliation in the form of Chinese import tariffs on European vehicles. At the end of the first half of 2024, preferred shares were down 5.7% and ordinary shares down 5.4% compared to the end of 2023. Assuming that the dividend (before deduction of taxes) was reinvested in Volkswagen shares at the time of distribution, the total return on the preferred shares was +1.7% and the total return on the ordinary shares was +1.1%.

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

KEY FIGURES FOR VOLKSWAGEN SHARES AND MARKET INDICES FROM JANUARY 1 TO JUNE 30, 2024

		High	Low	Closing
Ordinary share	Price (€)	151.50	112.00	112.10
	Date	Apr. 4	Jun. 27	Jun. 28
Preferred share	Price (€)	128.50	103.95	105.40
	Date	Apr. 4	Jun. 27	Jun. 28
DAX	Price	18,869	16,432	18,235
	Date	May 15	Jan. 17	Jun. 28
ESTX Auto & Parts	Price	708	575	601
	Date	Apr. 8	Jan. 19	Jun. 28

Business Development

GENERAL ECONOMIC DEVELOPMENT

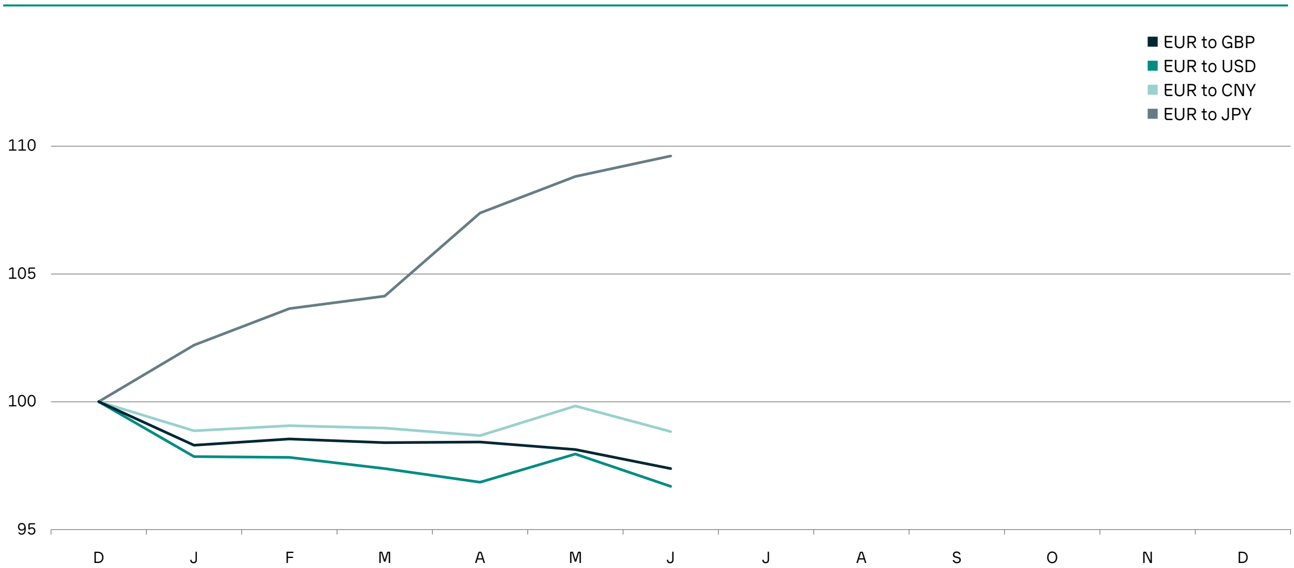
The world economy remained on a growth path in the first half of 2024 with similar momentum to the previous year. This trend was seen in both the advanced economies and the emerging markets. Declining but in some cases still relatively high inflation rates in many countries, combined with a continuation of the restrictive monetary policies introduced by major central banks, put a damper on economic growth in many places.

Western Europe posted an economic growth rate that was positive yet low in the first six months of 2024, representing a decrease compared to the prior-year level. This trend was seen in many countries in Northern and Southern Europe. In view of declining inflation rates, albeit with continuing above-average dynamics, the European Central Bank decided to lower its key interest rates to a still relatively high level.

German economic growth stagnated between January and June 2024, repeating the trend of the comparative prior-year period. Compared with the same period of the prior year, the seasonally adjusted unemployment figures rose on average. After reaching historically high levels in late 2022, monthly inflation rates have since fallen broadly in step with the Eurozone average.

EXCHANGE RATE MOVEMENTS FROM DECEMBER 2023 TO JUNE 2024

Index based on month-end prices: as of December 31, 2023 = 100



The economies in Central and Eastern Europe recorded overall growth in real gross domestic product (GDP) in the first six months of 2024 that was higher than in the prior-year period.

In the USA, the pace of growth in gross domestic product in the reporting period exceeded that of the prior-year period. This was despite the US Federal Reserve maintaining its restrictive monetary policy due to relatively high inflation and a tight labor market.

Economic output also grew year-on-year in Brazil, albeit more slowly than in the first half of the previous year.

Economic growth in China was at a high level compared with other parts of the world, but was slightly weaker in the reporting period than in the prior-year period.

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

In the first half of 2024, the volume of the passenger car market worldwide was slightly higher than the equivalent figure for 2023. The performance of the major passenger car markets was largely positive. The supply situation continued to return to normal and the affordability of vehicles improved in some regions of the world amid lower prices and increased sales incentives.

The global volume of new registrations of light commercial vehicles between January and June 2024 was on a level with the previous year.

In Western Europe, the number of new passenger car registrations in the first half of 2024 increased slightly year-on-year. The performance of the large individual passenger car markets in this region was positive across the board.

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

The number of new passenger car registrations in Germany from January to June 2024 was noticeably up on the previous year's level. The change in electric vehicle subsidies at the end of 2023 weighed on new registrations of all-electric vehicles, but this effect was more than offset by rising demand for vehicles with conventional and hybrid drivetrains. Production in Germany fell to 2.1 million vehicles (–6.1%) in the first six months of 2024, while passenger car exports declined to 1.6 million units (–2.5%).

The number of light commercial vehicles sold in Germany in the first half of 2024 was significantly up on the 2023 figure.

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

From January to June 2024, the market volume of light commercial vehicles in Central and Eastern Europe was significantly up on the prior-year level.

Sales of passenger cars and light commercial vehicles (up to 6.35 tonnes) in the North America region rose slightly. As a result of an average level of improvement in the availability and affordability of new vehicles, the volume of the US market in the first half of 2024 also saw slight growth, albeit at a lower rate than the region as a whole.

In the South America region, the volume of new vehicle registrations for passenger cars and light commercial vehicles in the first six months of 2024 was slightly above the comparative prior-year period. In Brazil, the number of new registrations increased significantly compared to the previous year.

In the Asia-Pacific region, the volume of the passenger car market in the first half of 2024 was on a level with the previous year. The trend in demand for passenger cars in the region was largely determined by developments in the Chinese passenger car market, where demand was slightly up from the level in the prior-year period amidst falling prices. In Japan, by contrast, the market declined significantly, and had a dampening effect on growth in the region.

The volume of demand for light commercial vehicles in the Asia-Pacific region in the first six months of 2024 was slightly below the level for the prior-year period. Registration volumes in China, the region's dominant market and the largest market worldwide, also tapered off slightly compared with the period a year earlier.

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

	MARKET VOLUME		CHANGE
Thousand Units	2024	2023	(%)
Markets for passenger cars			
Western Europe	**6,189**	**5,970**	**+3.7**
of which: Germany	1,472	1,397	+5.4
France	913	888	+2.8
United Kingdom	1,007	950	+6.0
Italy	891	846	+5.3
Spain	560	523	+7.1
Central and Eastern Europe	**1,244**	**1,049**	**+18.5**
of which: Czech Republic	119	116	+3.2
Poland	278	239	+16.1
Other Markets	**2,119**	**1,739**	**+21.9**
of which: Türkiye	463	431	+7.3
South Africa	162	175	–7.3
North America	**9,504**	**9,163**	**+3.7**
of which: USA	7,899	7,716	+2.4
Canada	896	813	+10.2
Mexico	709	633	+11.9
South America	**1,764**	**1,706**	**+3.4**
of which: Brazil	1,078	935	+15.4
Argentina	174	223	–22.1
Asia-Pacific	**16,886**	**16,795**	**+0.5**
of which: China	10,153	9,821	+3.4
India	2,119	1,966	+7.8
Japan	1,795	2,044	–12.2
Worldwide	**37,706**	**36,811**	**+2.4**
Markets for light commercial vehicles			
Western Europe	**927**	**847**	**+9.5**
of which: Germany	144	130	+11.0
Central and Eastern Europe	**150**	**126**	**+18.4**
Asia-Pacific	**2,539**	**2,629**	**–3.4**
of which: China	1,216	1,245	–2.4
Worldwide	**4,042**	**4,016**	**+0.7**

TRENDS IN THE MARKETS FOR COMMERCIAL VEHICLES

In the markets that are relevant for the Volkswagen Group, demand for mid-sized and heavy trucks with a gross weight of more than six tonnes was slightly lower in the reporting period than in the same period of 2023. Truck markets globally were noticeably down on the previous year. This was due to a relatively weak start to the year in the North American markets and China, among other regions.

Sales volume in the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), was on a level with the previous year in the first six months of 2024. New registrations in Germany, the largest market in this region, were up noticeably on the same period of 2023. Demand in the United Kingdom was on a level with the previous year, while it increased noticeably in France. Türkiye recorded a noticeable decrease in new registrations compared with the previous year. There was a slight fall in demand in the South African market. The truck market in North America is divided into weight classes 1 to 8. In the segments relevant for Volkswagen – Class 6 to 8 (8.85 tonnes or heavier) – new registrations were down noticeably on the previous year. In Brazil, the largest market in the South America region, demand for trucks in the first six months of the year was up significantly on the prior-year figure.

In the first six months of 2024, demand in the bus markets that are relevant for the Volkswagen Group was slightly below the level recorded in the same period of the prior year. Demand for buses in the EU27+3 markets in the reporting period was up significantly on the previous year, with the picture varying from country to country. The school bus segment in the US and Canada was significantly below the prior-year level. Demand for buses in Mexico was significantly higher than in the previous year. In Brazil, demand was down sharply on the high prior-year level.

TRENDS IN THE MARKETS FOR POWER ENGINEERING

The markets for power engineering are influenced by varying regional and economic factors. Consequently, the business growth trends of the respective markets develop mostly independently of one another.

In the first half of 2024, the marine market remained at a similar level to the previous year. Demand in merchant shipping declined slightly. In this segment, the market for LNG tankers and tankers recorded a positive year-on-year trend, whereas the markets for container ships and bulk cargo carriers continued their decline. Activity increased in the market for passenger ferries and cruise ships. The special market for government vessels, which is funded by state investments, continued to be active due to the current geopolitical situation. The uncertainty regarding future fuel and emissions regulations persisted in the marine market, but the trend toward new fuel technologies continued unabated.

There was still reticence in the market for energy generation in the first half of 2024, particularly in Europe. This was due to the fact that policymakers have not yet completely finalized the strategy and regulations regarding future investments in this area. The current focus on the expansion of renewable energy sources was reflected in corresponding potential in the demand for grid balancing facilities. Such facilities are used to meet additional power requirements if the share of renewables is not sufficient to ensure security of supply. It remains unclear when decarbonized fuels will be available in sufficient volume and at marketable prices. A very positive trend was observed in the demand for power-to-hydrogen plants. In the engines segment, there is ongoing demand for flexible dual-fuel and liquid engines. There is also a clear demand on the market for engines that can be converted for use with future fuels such as hydrogen and green ammonia. In connection with the continued use of the existing infrastructure, there is perceptible demand for e-methane, which is produced in power-to-methane plants. Demand for emergency power units (emergency gensets) continued at a stable level in the first two quarters of 2024. In addition to the risks associated with a lack of price stability in the markets and bottlenecks in supply chains, the strong competitive and price pressure continued unabated in the reporting period.

The turbomachinery market remained on a level with the previous year in the first half of 2024. The slight fall in energy prices reduced demand for turbo compressors in oil and gas production. Sales of turbo compressors in the raw materials and processing industry slightly exceeded the previous year's level. There was also increased demand for turbomachinery in the new business fields in the area of decarbonization. Demand for steam turbines to generate power in decentralized power stations was below the prior-year comparison period.

The after-sales market for engines in the marine and power plant business in the first six months of 2024 was up on the previous year's already high level.

Demand in the after-sales market for turbomachinery in the first half of 2024 also exceeded the prior-year period.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

Automotive financial services were in high demand in the first half of 2024.

The European passenger car market was characterized by positive demand in the reporting period. Sales of financial services products also increased and were up on the equivalent figure for 2023 as a percentage of vehicle deliveries. The positive trend in the financing of used vehicles continued. The sale of after-sales products such as servicing, maintenance and spare parts agreements continued to expand.

In Germany, deliveries of new vehicles and the volume of contracts in the financial services business in the first six months of 2024 were slightly higher year-on-year. New vehicle penetration was also up on the comparative figure for 2023. New contracts for used vehicles were on a level with the previous year. The number of new after-sales contracts increased and, in the reporting period, was above the level seen in the first six months of 2023.

The Turkish government's ongoing strict measures to contain the economic crisis were starting to show results in the reporting period. The first local banks are now prepared to issue loans with longer maturities for refinancing. In the first half of 2024, the fleet business was continuously under pressure, while financing for private customers increased slightly. The insurance business stabilized at a high level.

Vehicle sales in South Africa declined year-on-year in the period from January to June 2024. As a result, the number of financed purchases also decreased. The decline was due to domestic political uncertainty, the continuing subdued economic conditions and high energy prices.

In the period from January to June 2024, the markets for financial services in the North America region developed positively on the whole, compared with the previous year. In the USA, Canada and Mexico, the number of leasing and financing contracts, new vehicle penetration and new contracts for insurance and after-sales products were all up on the prior-year figures.

In the South America region, the volume of new vehicle sales was positive overall. The market for financial services recorded an increase in financing contracts. In Brazil, the number of new contracts rose thanks to the range of attractive financial services offered and increased deliveries. The number of car subscriptions entered into also rose. In Argentina, the level of financing contracts was stable in spite of challenging macroeconomic conditions.

The Chinese automotive market witnessed a further rise in demand for electrified and used vehicles in the reporting period. In addition, banks are gaining a foothold in the market with attractive products. This, in turn, also affected demand for automotive financial services. In Japan, vehicle sales and demand for automotive financial services were down year-on-year in the first half of 2024. The market continued to be influenced by relatively low interest rates and attractive financial services, despite the most recent rise in long-term interest rates.

The financial services business for heavy commercial vehicles was slightly down on the prior-year level in the first six months of 2024 on account of a decrease in deliveries to customers. The lengthy delivery times for commercial vehicles continued to return to normal as supply chains stabilized. The financing decision is moving closer to the time of vehicle delivery as customers hope for falling interest rates.

VOLKSWAGEN GROUP DELIVERIES

The Volkswagen Group delivered 4,347,965 vehicles to customers worldwide in the first half of 2024. This was 0.6% or 24,105 units less than in the same period of the previous year. While sales figures for passenger cars almost reached the prior-year level, commercial vehicle sales were slightly down year-on-year.

The chart in this section shows the trend in deliveries worldwide for the individual months compared with the previous year. In the following, we report separately on deliveries in the Passenger Cars Business Area and the Commercial Vehicles Business Area.

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

	2024	2023	%
Passenger Cars	4,187,854	4,203,958	–0.4
Commercial Vehicles	160,111	168,112	–4.8
Total	**4,347,965**	**4,372,070**	**–0.6**

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

GLOBAL DELIVERIES BY THE PASSENGER CARS BUSINESS AREA

In the first half of 2024, sales of Volkswagen Group Passenger Cars and Light Commercial Vehicles worldwide were on a level with the previous year at 4,187,854 units (–0.4%) in a challenging market. While Škoda, SEAT/CUPRA, Volkswagen Commercial Vehicles and Lamborghini increased vehicle deliveries, Audi, Bentley and Porsche did not reach their respective prior-year figures. The volume of vehicle sales by the Passenger Cars brand was on a level with the previous year (–0.2%). While our sales of passenger cars and light commercial vehicles in the Asia-Pacific and Central and Eastern Europe regions fell short of the prior-year figures, we saw deliveries to customers rise in all other sales regions around the world.

Demand for the Volkswagen Group's electrified vehicles was adversely affected by general buyer reluctance in particular: we delivered 317,185 all-electric vehicles (including heavy commercial vehicles) to customers worldwide in the first half of this year. This was 4,425 fewer units or 1.4% less than in the same period of the previous year. Their share of the Group's total deliveries stood at 7.3 (7.4)%. Deliveries to customers of our plug-in hybrid models amounted to 135,859 (+17.4%) units. As a result, total electrified vehicle deliveries went up by 3.6%; their share of total Group deliveries rose year-on-year to 10.4 (10.0)%. The Group's highest-volume all-electric vehicles included the ID.4 and ID.3 from the Volkswagen Passenger Cars brand, the Audi Q4 e-tron and Audi Q8 e-tron, the Škoda Enyaq iV, the CUPRA Born, the ID. Buzz from Volkswagen Commercial Vehicles and the Porsche Taycan and Taycan Cross Turismo.

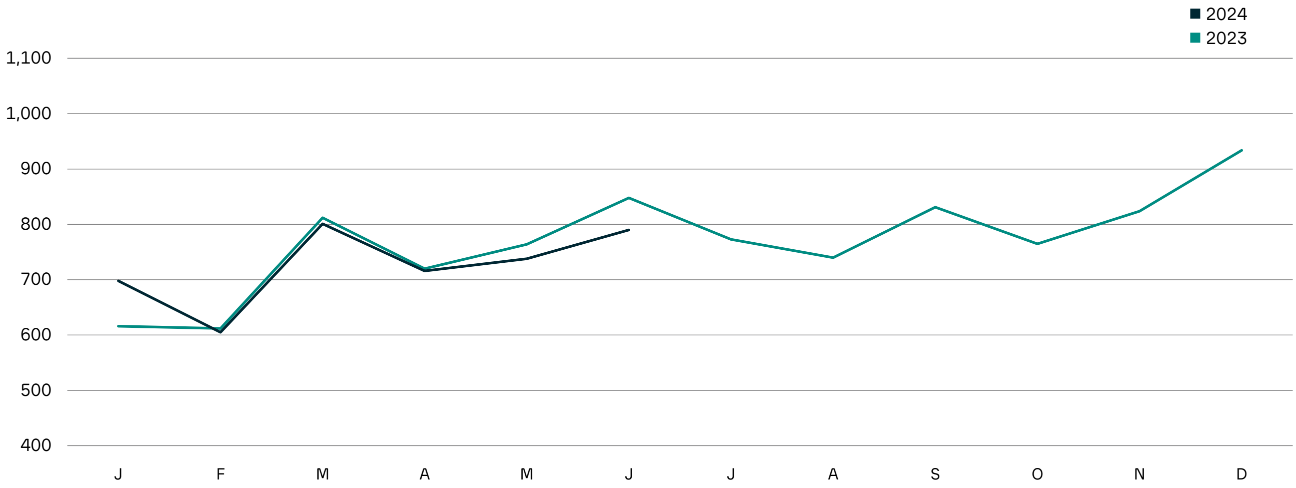
In an overall global market experiencing slight growth, we achieved a passenger car market share of 10.6 (10.9)%.

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

Deliveries in Europe/Other Markets

In Western Europe, the Volkswagen Group delivered 1,620,973 vehicles to customers in the first six months of 2024 in an overall market that was at a slightly higher level than in the previous year. This was 2.6% more than in the same period of the prior year. Customer interest in the Volkswagen Group's electrified vehicles was strongest in Western Europe, where we delivered more than 50% of our all-electric models (including heavy commercial vehicles) or 179,572 units to customers in the reporting period. Their share of Group deliveries in this region fell to 10.7 (12.7)%. The number of all-electric models handed over to customers was down 14.2% year-on-year, mainly

VOLKSWAGEN GROUP DELIVERIES BY MONTH
Vehicles in thousands



due to parts supply shortages. However, incoming orders for Volkswagen Group all-electric models developed encouragingly in Western Europe, more than doubling compared with the prior-year period. The Group vehicles with the highest sales volume were the T-Roc, Golf hatchback and Tiguan models from the Volkswagen Passenger Cars brand. Other models that recorded encouraging demand included the Golf Estate and ID.7 from Volkswagen Passenger Cars, the Fabia hatchback and Octavia Combi from Škoda, the SEAT Ibiza and SEAT Leon, the CUPRA Leon and CUPRA Ateca, the Multivan and Amarok from Volkswagen Commercial Vehicles, the A3 Sportback and A4 Avant from Audi, as well as the Porsche Cayenne. The T-Cross, Golf, Tiguan, Passat and ID.7 Tourer from the Volkswagen Passenger Cars brand, the Scala, Kamiq, Kodiaq, Octavia and Superb Combi from Škoda, the SEAT Leon, CUPRA Leon and CUPRA Formentor, the Audi Q7 and the Porsche Panamera were among the new or successor models launched on the market during the reporting period. The Volkswagen Group's share of the passenger car market in Western Europe stood at 23.6 (24.1)%.

In Germany, 576,991 vehicles were delivered to Volkswagen Group customers between January and June 2024 in an overall market registering noticeable growth; this was 4.3% more than the prior-year figure. The Group models with the highest sales volume were the Golf hatchback and T-Roc from the Volkswagen Passenger Cars brand and the Škoda Octavia Combi. In addition, the Golf Estate from Volkswagen Passenger Cars, the Škoda Karoq and Škoda Fabia hatchback, the SEAT Ibiza, the CUPRA Leon and CUPRA Ateca, the Multivan from Volkswagen Commercial Vehicles, the Audi A4 Avant and the Porsche Cayenne, among others, saw encouraging demand. Seven Group models led the *Kraftfahrt-Bundesamt* (KBA – German Federal Motor Transport Authority) registration statistics in their respective segments: the Polo, Golf, T-Roc, Tiguan, Passat, Multivan/Transporter and Porsche 911. The Golf was again the most popular passenger car in Germany in terms of registrations in the first half of 2024.

In the Central and Eastern Europe region, the number of Volkswagen Group vehicles handed over to customers in the first half of 2024 was down 1.0% year-on-year. The overall market experienced significant growth in the same period. Demand developed encouragingly for a number of models, including Škoda's Octavia Combi and Octavia saloon. The Volkswagen Group's share of the passenger car market in the Central and Eastern Europe region declined to 17.7 (21.4)%.

In Türkiye, the Volkswagen Group delivered 2.1% more vehicles to customers in the first six months of 2024 than in the prior-year period in an overall market experiencing noticeable growth. The Polo from Volkswagen Passenger Cars was the most sought-after Group model there. In the noticeably contracting South African market, the number of Group models sold decreased by 3.0%. The Polo Vivo from the Volkswagen Passenger Cars brand was the most sought-after Group model in this region.

Deliveries in North America

In North America, the number of Volkswagen Group models delivered to customers from January to June 2024 increased by 11.4% year-on-year. The market as a whole grew slightly over the same period. The share of all-electric vehicles (including heavy commercial vehicles) in the Group's total deliveries decreased to 6.7 (7.6)% in this region. The Tiguan Allspace, Taos and Jetta from the Volkswagen Passenger Cars brand were the most sought-after Group models in North America. The Audi Q7, Audi Q8 and the Porsche Panamera were among the successor models launched on the market during the reporting period. The Group's share of the market in this region increased to 4.8 (4.5)%.

In the US market, which is experiencing slight growth, the Volkswagen Group delivered 7.0% more vehicles to customers in the first half of 2024 than in the prior-year comparison period. The Group models to record the greatest increases in absolute terms included the Jetta and Atlas from Volkswagen Passenger Cars and the Audi Q3.

In Canada, the number of deliveries to Volkswagen Group customers increased by 25.9% year-on-year in the reporting period. The overall market recorded significant growth during this period. The Group models with the highest volume of demand were the Taos, Tiguan Allspace and the Jetta from the Volkswagen Passenger Cars brand.

In Mexico, where the overall market is seeing significant growth, we delivered 20.1% more vehicles to customers in the first six months of this year than in the prior-year period. Demand developed encouragingly for, among others, the Virtus and Polo from Volkswagen Passenger Cars.

Deliveries in South America

In the South American market for passenger cars and light commercial vehicles, which was slightly up on the prior-year level, the number of Group models handed over to customers between January and June 2024 increased by 12.6% year-on-year. The Polo, T-Cross and Nivus from Volkswagen Passenger Cars were the Group models with the highest sales volumes. The Group's share of the market in South America rose to 12.5 (11.5)%.

In Brazil, a market that recorded significant growth, the Volkswagen Group delivered 20.5% more vehicles to customers in the first six months of 2024 than in the prior-year period. The development of the sales of the Polo, Saveiro and Virtus models from Volkswagen Passenger Cars was particularly encouraging.

In Argentina, the number of Group models sold in the reporting period decreased by 2.2% in comparison with the previous year in an overall market that was contracting sharply. Group models with the highest sales volume were the Taos from Volkswagen Passenger Cars and the Amarok from Volkswagen Commercial Vehicles.

Deliveries in the Asia-Pacific Region

In the first six months of 2024, the Volkswagen Group's sales volume in the Asia-Pacific region declined by 8.2%, while the overall market in the same period was on a level with the previous year. The Group's share of the passenger car market in this region amounted to 8.7 (9.6)%.

China's overall market recorded slight growth in the reporting period. The Volkswagen Group delivered 7.3% fewer vehicles to customers there than in the previous year. The increasing intensity of competition continued to have a negative impact. At 90,610 units, the number of all-electric vehicles (including heavy commercial vehicles) handed over to customers in China was 45.2% higher than the prior-year figure. Their share of the Group's total deliveries rose to 6.7 (4.3)%. The Group models with the highest sales volume were the Sagitar, Passat and Lavida from Volkswagen Passenger Cars and the Audi A6. In addition, the Lavida XR and ID.3 from Volkswagen Passenger Cars and the A7 saloon, A6 saloon and Q5 from Audi were among the models that saw an encouraging increase in demand. The Porsche Panamera was among the successor models launched on the market during the reporting period.

In the Indian passenger car market, which registered noticeable growth, the Volkswagen Group sold 18.7% fewer vehicles in the first six months of this year than in the same period of 2023. The Virtus and Taigun from the Volkswagen Passenger Cars brand and the Slavia from Škoda were the most sought-after Group models there.

In Japan, the number of Group models delivered to customers between January and June 2024 increased by 4.1% year-on-year in a significantly declining overall market. The Group models with the highest sales volume were the Golf hatchback and T-Roc from the Volkswagen Passenger Cars brand.

PASSENGER CAR DELIVERIES TO CUSTOMERS BY MARKET FROM JANUARY 1 TO JUNE 30[1]

	DELIVERIES (UNITS)		CHANGE
	2024	2023	(%)
Europe/Other Markets	**2,024,590**	**1,980,529**	**+2.2**
Western Europe	**1,620,973**	**1,579,313**	**+2.6**
of which: Germany	576,991	553,063	+4.3
France	139,721	128,537	+8.7
United Kingdom	249,162	238,465	+4.5
Italy	149,576	144,219	+3.7
Spain	134,637	129,148	+4.3
Central and Eastern Europe	**237,665**	**240,008**	**-1.0**
of which: Czech Republic	55,270	61,960	-10.8
Russia	-	2,573	x
Poland	76,411	69,634	+9.7
Other Markets	**165,952**	**161,208**	**+2.9**
of which: Türkiye	76,460	74,881	+2.1
South Africa	31,974	32,959	-3.0
North America	**457,503**	**410,541**	**+11.4**
of which: USA	313,540	293,035	+7.0
Canada	61,133	48,559	+25.9
Mexico	82,830	68,947	+20.1
South America	**220,753**	**196,008**	**+12.6**
of which: Brazil	173,308	143,768	+20.5
Argentina	26,708	27,319	-2.2
Asia-Pacific	**1,485,008**	**1,616,880**	**-8.2**
of which: China	1,344,509	1,450,663	-7.3
India	39,056	48,044	-18.7
Japan	30,808	29,588	+4.1
Worldwide	**4,187,854**	**4,203,958**	**-0.4**
Volkswagen Passenger Cars	2,220,345	2,224,720	-0.2
Škoda	448,601	432,173	+3.8
SEAT/CUPRA	297,418	261,433	+13.8
Volkswagen Commercial Vehicles	221,554	198,730	+11.5
Audi	832,957	907,111	-8.2
Lamborghini	5,558	5,341	+4.1
Bentley	5,476	7,096	-22.8
Porsche	155,945	167,354	-6.8

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

COMMERCIAL VEHICLE DELIVERIES

Between January and June 2024, the Volkswagen Group delivered 4.8% fewer commercial vehicles to customers worldwide than in the same period of the previous year. We handed over a total of 160,111 commercial vehicles to customers. Trucks accounted for 132,857 units (–5.0%) and buses for 12,536 (–15.6%). Deliveries of the MAN TGE van series to customers saw a noticeable increase compared with the prior-year period, rising to 14,718 (+9.6%) vehicles.

In the 27 EU states, excluding Malta but including the United Kingdom, Norway and Switzerland (EU27+3), sales from January to June 2024 were down by 5.2% on the same period of the previous year and amounted to a total of 72,111 units, of which 54,676 were trucks and 2,953 were buses. Deliveries of the MAN TGE van series to customers amounted to 14,482 units.

In the first six months of the year, deliveries to customers in Türkiye rose significantly to 3,107 vehicles. Of the vehicles sold, 2,868 units were trucks, 122 were buses and 117 were MAN TGE vans. In South Africa, the number of Volkswagen Group commercial vehicles delivered to customers fell noticeably year-on-year to 2,120 units. Of the units sold, 1,789 were trucks and 331 were buses.

Sales in North America declined in the first two quarters of 2024 to 37,669 (–21.8%) vehicles, of which 33,212 were trucks and 4,457 were buses.

Deliveries to customers in South America increased to a total of 34,573 vehicles (+36.8%) in the reporting period; 30,880 of these were trucks and 3,693 were buses. In Brazil, sales increased very strongly in the first six months of 2024, rising by 48.6% to 29,968 units. This was mainly due to normalization effects in connection with the introduction of a new emissions standard in the previous year. Of the units delivered, 26,942 were trucks and 3,026 were buses.

In the Asia-Pacific region, the Volkswagen Group sold 4,632 vehicles in the reporting period, including 4,276 trucks and 356 buses. Overall, this was 23.3% less than in the previous year.

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

	DELIVERIES (UNITS)		CHANGE
	2024	2023	(%)
Europe/Other Markets	**83,237**	**88,600**	**–6.1**
of which: EU27+3	72,111	76,036	–5.2
of which: Germany	19,196	22,267	–13.8
Türkiye	3,107	2,795	+11.2
South Africa	2,120	2,317	–8.5
North America	**37,669**	**48,192**	**–21.8**
of which: USA	27,251	37,886	–28.1
Mexico	7,555	7,635	–1.0
South America	**34,573**	**25,280**	**+36.8**
of which: Brazil	29,968	20,161	+48.6
Asia-Pacific	**4,632**	**6,040**	**–23.3**
Worldwide	**160,111**	**168,112**	**–4.8**
Scania	52,268	46,290	+12.9
MAN	49,151	55,999	–12.2
Navistar	35,312	45,791	–22.9
Volkswagen Truck & Bus	23,380	20,032	+16.7

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

DELIVERIES IN THE POWER ENGINEERING SEGMENT

Orders in the Power Engineering segment are usually a part of larger investment projects, for which lead times typically range from just under one year to several years, and partial deliveries as construction progresses are common. Accordingly, there is a time lag between incoming orders and sales revenue from the new construction business.

In the period from January to June 2024, sales revenue in the Power Engineering segment was largely driven by Engines & Marine Systems and Turbomachinery, which together generated more than three quarters of total sales revenue.

VOLKSWAGEN GROUP FINANCIAL SERVICES

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

The Financial Services Division's products and services were popular in the period from January to June 2024. The number of new financing, leasing, service and insurance contracts signed worldwide increased by 21.3% to 5.5 million. Since January 1, 2024, other types of insurance contracts have also been taken into account; the number of contracts as of December 31, 2023 has been adjusted. The ratio of leased and financed vehicles to Group deliveries (penetration rate) in the Financial Services Division's markets stood at 34.8 (33.6)% in the reporting period. The total number of contracts stood at 27.6 million on June 30, 2024, 1.7% below the adjusted figure at the end of the previous year.

In Europe/Other Markets, 4.0 million new contracts were signed, 20.7% more than the comparative prior-year figure. At 19.8 (20.1) million, the total number of contracts at the end of the reporting period fell short of the figure for December 31, 2023. The customer financing/leasing area was responsible for 7.1 (7.1) million of these contracts.

The number of new contracts signed in North America in the first half of 2024 increased to 733 (481) thousand. At 4.1 (4.1) million, the number of contracts as of June 30, 2024 was on a level with the end of the previous year. The customer financing/leasing area recorded 1.7 (1.6) million contracts.

In the South America region, 381 (242) thousand new contracts were concluded in the period from January to June of this year. The total number of contracts at the end of the reporting period was unchanged from December 31, 2023, at 1.4 (1.4) million; 0.6 (0.6) million of these contracts related to the customer financing/leasing area.

The number of new contracts signed in the Asia-Pacific region in the first six months of 2024 declined to 389 (502) thousand, falling short of the comparative prior-year figure. At the end of June 2024, the total number of contracts stood at 2.4 (2.5) million. The customer financing/leasing area was responsible for 1.4 (1.5) million of these contracts.

SALES TO THE DEALER ORGANIZATION

The Volkswagen Group's unit sales to the dealer organization decreased in the reporting period by 2.4% to 4,340,843 units (including the equity-accounted companies in China). This was partly due to the high volumes of unit sales at the end of 2023. Unit sales outside Germany fell by 3.3% to 3,739,770 vehicles. Growth was recorded particularly in Brazil, the United Kingdom and Canada. In contrast, fewer vehicles were sold above all in China. Unit sales in Germany increased by 3.6% year-on-year. The proportion of the Group's total unit sales attributable to Germany increased to 13.8 (13.0)%.

PRODUCTION

At 4,606,319 vehicles, the Volkswagen Group's production in the first half of 2024 (including the equity-accounted companies in China) was down by 1.8%. Production in Germany declined by 16.4% to 904,461 vehicles. The proportion of the Group's total production accounted for by Germany decreased to 19.6 (23.1)%.

INVENTORIES

Global inventories of new vehicles (including the equity-accounted companies in China) at Group companies and in the dealer organization at the end of June 2024 were significantly higher than at year-end 2023 and moderately above the corresponding prior-year figure.

EMPLOYEES

At 655,905 (+0.2%), the number of active employees in the Volkswagen Group at the end of June 2024 was on a level with the figure as of December 31, 2023. In addition, 12,311 employees were in the passive phase of their partial retirement and 14,555 young people were in vocational traineeships. At the close of the reporting period, the Volkswagen Group had a total of 682,771 employees worldwide, matching the level recorded at the end of 2023. A total of 294,705 people were employed in Germany (–1.3%) and a further 388,066 were employed outside Germany (+0.7%).

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

in thousands	2024	2023	%
Vehicle sales (units)	4,341	4,448	–2.4
Production (units)	4,606	4,691	–1.8
Employees (as of June 30, 2024/Dec. 31, 2023)	682.8	684.0	–0.2

1 Including the unconsolidated Chinese joint ventures.

Results of Operations, Financial Position and Net Assets

In line with the Group's internal financial management and reporting structures, which are presented in the 2023 Annual Report, the Volkswagen Group consists of two divisions: the Automotive Division and the Financial Services Division. The Automotive Division comprises the Passenger Cars and Light Commercial Vehicles segment, the Commercial Vehicles segment and the Power Engineering segment, as well as the figures from the reconciliation. The reconciliation, which contains the elimination of intragroup transactions between the two divisions, is allocated to the Automotive Division. In the Automotive Division, we combine the Passenger Cars and Light Commercial Vehicles segment with the reconciliation to form the Passenger Cars Business Area. The Commercial Vehicles and Power Engineering segments correspond to the business areas of the same name. The Financial Services Division and the Financial Services segment are also identical.

RESTRUCTURING IN THE VOLKSWAGEN GROUP

In the first half of 2024, the Volkswagen Group recognized restructuring costs of €1.0 billion in the other operating result. They are primarily attributable to Volkswagen AG. To enable the company to focus its efforts to meet the target of a long-term reduction in personnel costs in the administrative areas of Volkswagen AG, the Board of Management resolved in April 2024 to promote the downsizing with selective severance agreements.

COOPERATION WITH RIVIAN

On June 25, 2024, Volkswagen and the US electric vehicle manufacturer Rivian Automotive, Inc., Irvine/USA (Rivian) announced their intention to form a joint venture in which each party will hold an equal share.

The partnership is aimed at creating next generation software-defined vehicle (SDV) architectures to be used in both companies' future electric vehicles. The joint venture is expected to build on Rivian's software and electrical architecture to create best-in-class software-defined vehicle technology platforms. A decision on the actual implementation of the joint venture has not yet been made and will depend on a number of technical, financial and regulatory parameters.

On the basis of this planned strategic partnership, in June 2024, Volkswagen invested USD 1 billion in Rivian in the form of an unsecured convertible note, which will convert into ordinary shares of Rivian upon receipt of regulatory approvals, but not before December 1, 2024. The conversion price for half of the outstanding amount under the note will be calculated on the basis of a defined daily volume-weighted average price (VWAP) prior to this announcement and the conversion price for the remaining half will be calculated on the basis of a defined daily VWAP prior to the conversion date. Fluctuations in the value of the convertible note, which is classified as debt in the balance sheet, are recognized at fair value through profit or loss. Due to Rivian's positive share price performance, the measurement of the convertible note gave rise to a non-cash gain of €73 million as of June 30, 2024, which is presented in the other financial result.

If the joint venture is implemented successfully and certain milestones are reached, Volkswagen intends to make further investments of up to USD 4 billion. If applicable, USD 2 billion of this is to be invested in ordinary shares of Rivian, and is expected to take the form of two tranches of USD 1 billion each in 2025 and 2026. The pricing will be based on a defined average market price of the ordinary shares of Rivian prior to each respective purchase. If applicable, the remaining investments of USD 2 billion are to be allocated to the newly established joint venture and licenses, the amount being split between a payment when the joint venture is established, a license for Rivian's electric architecture technology, and a loan to the joint venture in 2026.

MGT GAS TURBINE BUSINESS OF MAN ENERGY SOLUTIONS

In its ruling of July 3, 2024, the German Federal Ministry for Economic Affairs and Climate Action prohibited the sale of the MGT gas turbine business to CSIC Longjiang GH Gas Turbine Co. Ltd., Harbin/China. The Federal Cabinet approved the prohibition ruling.

Following the prohibition, MAN Energy Solutions SE, Augsburg, discontinued the development, manufacture and sales of MGT gas turbines. It will continue its service activities for MGT gas turbines. The prohibition of the planned sale and the discontinuation of the new-build business with MGT gas turbines means that these activities are no longer presented in line with IFRS 5 and led to the recognition of an impairment loss on the capitalized development costs and inventories for MGT gas turbines as of June 30, 2024. This resulted in an expense of €86 million, which is presented in cost of sales and the other operating result. There are three further types of gas turbines (THM, FT8 and S class) in addition to the MGT gas turbines. Business with these is not affected by this development.

RESULTS OF OPERATIONS

Results of operations of the Group

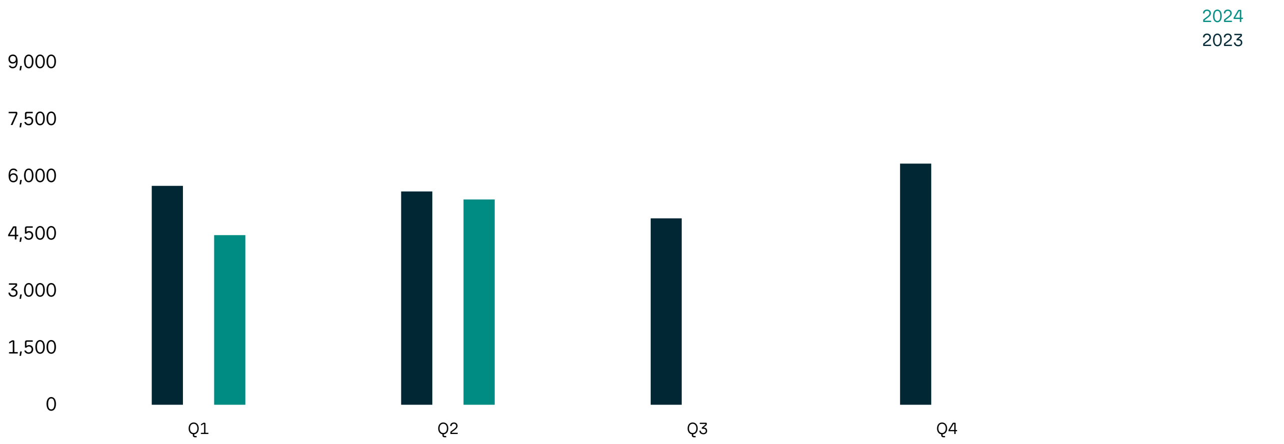
The Volkswagen Group generated sales revenue of €158.8 (156.3) billion in the first half of 2024. This positive trend was attributable to the Financial Services Division. The Volkswagen Group generated 80.1 (81.7)% of its sales revenue outside Germany. Gross profit decreased by €1.6 billion to €29.3 billion. As a consequence, the gross margin declined to 18.5 (19.8)%.

The Volkswagen Group's operating result amounted to €10.1 (11.3) billion in the first six months of 2024. The operating return on sales was 6.3 (7.3)%. The lower result was due mainly to an unfavorable trend in unit sales, the mix and pricing, as well as to higher upfront expenditures for new products. The Passenger Cars Business Area recognized expenses of €1.0 billion for restructuring measures in the period from January to June 2024. The Power Engineering Business Area incurred expenses in connection with the planned closure of the MGT gas turbine business of MAN Energy Solutions. In the previous year, the fair value measurement of derivatives to which hedge accounting is not applied had reduced the operating result by €2.5 billion. In the reporting period, a rise in interest expenses and foreign exchange losses in connection with the deconsolidation of Volkswagen Bank Rus had an additional adverse impact on the Financial Services Division's operating result.

The financial result was down on the previous year, at €0.1 (0.6) billion. The share of the result of equity-accounted investments was lower than in the prior-year period, also due to the decline in the result of the Chinese joint ventures. A rise in interest expenses led to a negative interest result in the first half of 2024. In the other financial result, the positive performance of net income from securities and funds offset adverse exchange rate effects. The prior-year period had additionally been impacted by non-cash expenses from adjustments to the

OPERATING RETURN BY QUARTER

Volkswagen Group in € million



carrying amounts of investees due to changes in share prices and to impairment tests. The Volkswagen Group's earnings before tax decreased by €1.7 billion to €10.2 billion in the first six months of 2024. At €7.3 billion, earnings after tax declined by €1.2 billion on the previous year.

Results of operations in the Automotive Division

In the period from January to June 2024, the Automotive Division's sales revenue of €129.4 (130.6) billion was on a level with the prior-year figure. Sales revenue in the Passenger Cars and Commercial Vehicles business areas was similar to that of the previous year, while it increased noticeably in the Power Engineering Business Area. As our Chinese joint ventures are accounted for using the equity method, the Group's business performance in the Chinese passenger car market is essentially reflected in the Group's sales revenue only through deliveries of vehicles and vehicle parts.

Cost of sales was virtually unchanged from the prior-year period. There was a rise in the research and development costs recognized in profit or loss included in this item, while the cost of materials was down, driven by lower volumes. The research and development ratio (R&D ratio), which is defined as total research and development costs as a share of the Automotive Division's sales revenue, was at 8.8 (7.8)% in the first half of 2024, an increase on the same period a year earlier. The automotive investment ratio, which combines the R&D and capex ratios, amounted to 13.4 (12.1)% in the reporting period.

In the first six months of 2024, there was a noticeable year-on-year increase in distribution expenses – driven, among other factors, by higher marketing costs – as well as in administrative expenses; their respective share of sales revenue also went up. The other operating result stood at €–1.7 (–3.2) billion. The Passenger Cars Business Area recognized expenses of €1.0 billion for restructuring measures in the period from January to June 2024. Moreover, exchange rates had a negative effect in the reporting period. In the previous year, the fair value measurement of derivatives to which hedge accounting is not applied had had an adverse impact of €2.5 billion.

In the period from January to June 2024, the Automotive Division's operating result amounted to €8.6 billion, down €0.5 billion on the previous year. An unfavorable trend in unit sales, the mix and pricing, higher upfront expenditures for new products, and expenses for restructuring measures had a negative impact. Expenses were incurred in the Power Engineering Business Area in connection with the planned closure of the MGT gas turbine business of MAN Energy Solutions. In the previous year, the fair value measurement of derivatives to which hedge accounting is not applied had reduced the operating result by €2.5 billion. The operating return on sales decreased

RESULTS OF OPERATIONS IN THE PASSENGER CARS, COMMERCIAL VEHICLES AND POWER ENGINEERING BUSINESS AREAS FROM JANUARY 1 TO JUNE 30

€ million	2024	2023
Passenger Cars		
Sales revenue	104,629	106,362
Operating result	6,453	7,118
Operating return on sales (%)	6.2	6.7
Commercial Vehicles		
Sales revenue	22,738	22,331
Operating result	2,059	1,796
Operating return on sales (%)	9.1	8.0
Power Engineering		
Sales revenue	1,998	1,875
Operating result	123	206
Operating return on sales (%)	6.2	11.0

to 6.7 (7.0)%. Our operating result largely benefits from the business performance of our equity-accounted Chinese joint ventures only through deliveries of vehicles and vehicle parts and through license income, as these joint ventures are included in the financial result.

Results of operations in the Financial Services Division

In the first half of 2024, the Financial Services Division's sales revenue went up to €29.4 billion, a year-on-year increase of 14.6% on the back of higher volumes. Compared with the previous year, cost of sales increased faster than sales revenue, driven in particular by a very strong rise in interest expenses and higher depreciation of the residual values of leased vehicles. As a result, gross profit went down by €0.4 billion to €3.8 billion.

The Financial Services Division's operating result of €1.4 (2.2) billion was down on the first six months of 2023. The decline was mainly the result of higher interest expenses, as well as foreign exchange losses in connection with the deconsolidation of Volkswagen Bank Rus. The operating return on sales decreased to 4.8 (8.7)%.

FINANCIAL POSITION

Financial position of the Group

In the period from January to June 2024, the Volkswagen Group's gross cash flow decreased by €2.0 billion to €23.9 billion year-on-year, driven among other things by earnings-related factors. The negative non-cash measurement effects in connection with hedging transactions, which mainly affected prior-year earnings, are eliminated from the cash flow statement. The change in working capital amounted to €–19.4 (–18.9) billion; in the reporting period, this was primarily attributable to an increase in lease assets, receivables and inventories, offset by a rise in other provisions and liabilities.

Cash flows from operating activities went down by €2.6 billion to €4.5 billion in the first half of 2024.

The Volkswagen Group's investing activities attributable to operating activities decreased by €0.4 billion to €11.5 billion in the reporting period. Higher investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex) were more than offset by lower expenses for mergers and acquisitions.

The Volkswagen Group's financing activities generated a total cash inflow of €15.8 (3.0) billion. Financing activities mainly include the issuance and redemption of bonds, changes in other financial liabilities, the dividend of €4.5 billion paid to the shareholders of Volkswagen AG, and the redemption of the hybrid note of €1.25 billion called in May 2024.

At the end of the reporting period, the Volkswagen Group reported cash and cash equivalents of €50.4 billion in its cash flow statement, compared to €43.5 billion at the end of December 2023.

On June 30, 2024, the Volkswagen Group's net liquidity stood at €–163.6 billion; it had amounted to €–147.4 billion at the end of 2023.

Financial position of the Automotive Division

In the first half of 2024, the Automotive Division recorded a gross cash flow of €16.8 billion, down €3.0 billion on the prior-year figure for reasons including lower earnings. The non-cash measurement effects in connection with hedging transactions, which mainly affected prior-year earnings, are eliminated from the cash flow statement. The change in working capital amounted to €–5.9 (–6.1) billion. The main reasons for the change in the reporting period were the growth in inventories and receivables, offset by an increase in other provisions and liabilities. Cash flows from operating activities went down by €2.8 billion to €10.9 billion in the reporting period.

In the period from January to June 2024, investing activities attributable to operating activities decreased to €11.1 (11.3) billion. Within this figure, investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex) increased by €0.3 billion to €5.9 billion. The capex ratio was 4.6 (4.3)%. A considerable portion of capex was allocated primarily to our production facilities and to models launched or to be launched this year and next, the electrification and digitalization of our products, technologies of the future, and enhancements of our modular and all-electric toolkits and platforms. Additions to capitalized development costs were on a level with the previous year, at €5.2 (5.2) billion. The "Acquisition and disposal of equity investments" item amounted to €–0.3 (–0.6) billion; it primarily included strategic investments in a variety of companies.

The Automotive Division's net cash flow declined by €2.6 billion to €–0.1 billion.

Investing activities in the Automotive Division also include the convertible note granted to Rivian.

The Automotive Division's financing activities led to a cash outflow of €1.9 (12.8) billion in the reporting period. They related mainly to the issuance and redemption of bonds and changes in other financial liabilities, the dividend paid to the shareholders of Volkswagen AG, and the redemption of the hybrid note called in May 2024. The prior-year period had also included the payment of a special dividend to the shareholders of Volkswagen AG in connection with the IPO of Dr. Ing. h.c. F. Porsche AG (Porsche AG).

At the end of the first half of 2024, the Automotive Division reported sound net liquidity of €31.3 billion, compared with €40.3 billion at the end of December 2023.

Financial position of the Financial Services Division

In the first six months of 2024, the Financial Services Division recorded gross cash flow of €7.1 (6.2) billion. The change in working capital amounted to €–13.6 (–12.8) billion. Funds tied up in working capital increased in the reporting period, driven particularly by higher lease assets and receivables. As a result, cash flows from operating activities amounted to €–6.4 (–6.7) billion.

Investing activities attributable to operating activities declined to €0.5 (0.6) billion.

FINANCIAL POSITION IN THE PASSENGER CARS, COMMERCIAL VEHICLES AND POWER ENGINEERING BUSINESS AREAS FROM JANUARY 1 TO JUNE 30

€ million	2024	2023
Passenger Cars		
Gross cash flow	13,913	16,844
Change in working capital	–4,053	–4,635
Cash flows from operating activities	9,860	12,209
Cash flows from investing activities attributable to operating activities	–9,975	–10,749
Net cash flow	–115	1,460
Commercial Vehicles		
Gross cash flow	2,647	2,664
Change in working capital	–1,659	–1,171
Cash flows from operating activities	988	1,492
Cash flows from investing activities attributable to operating activities	–1,006	–473
Net cash flow	–18	1,019
Power Engineering		
Gross cash flow	249	290
Change in working capital	–172	–254
Cash flows from operating activities	77	35
Cash flows from investing activities attributable to operating activities	–73	–45
Net cash flow	4	–10

The Financial Services Division’s financing activities generated a cash inflow of €17.7 (15.8) billion in the first half of 2024. This figure relates primarily to the issuance and redemption of bonds and to other financial liabilities.

At the end of June 2024, the Financial Services Division’s negative net liquidity, which is common in the industry, was €–194.9 billion as against €–187.7 billion on December 31, 2023.

NET ASSETS

Consolidated balance sheet structure

At the end of the first half of 2024, the Volkswagen Group had total assets of €630.4 billion, 5.0% more than at the end of 2023. Equity stood at €192.3 billion, €2.4 billion higher than at the end of 2023, primarily for earnings-related reasons. The equity ratio was 30.5 (31.6)%.

Automotive Division balance sheet structure

The Automotive Division’s intangible assets were up slightly compared to the end of 2023, mainly because of additions to capitalized development costs, which exceeded amortization and impairment losses. Property, plant and equipment was almost unchanged from December 31, 2023. Equity-accounted investments decreased, due primarily to the Chinese joint ventures' dividend resolutions. Total non-current assets stood at €188.7 (186.0) billion, similar to the figure recorded at the end of the previous year.

Current assets amounted to €128.2 (120.2) billion on June 30, 2024, an increase compared to the end of 2023. Inventories expanded noticeably. Current other receivables and financial assets rose, due among other factors to outstanding dividend payments from the Chinese joint ventures and a rise in trade receivables. Cash and cash equivalents were down by €6.9 billion to €21.8 billion.

At the end of the reporting period, the Automotive Division reported equity of €147.1 (146.3) billion, this was on a level with the figure recorded at the end of the previous year. Earnings performance, lower actuarial losses from the remeasurement of pension plans because of the change in the discount rate, and beneficial effects arising from currency translation were set against the dividend paid to the shareholders of Volkswagen AG and the redemption of the hybrid note called in May 2024. Non-controlling interests, which increased slightly, were mostly attributable to the non-controlling interest shareholders of the Porsche AG Group and of the TRATON Group. The equity ratio was 46.4 (47.8)%.

Non-current liabilities amounted to €89.9 (86.9) billion at the end of the reporting period, up slightly from December 31, 2023. Non-current financial liabilities grew strongly, while pension provisions decreased noticeably, driven primarily by actuarial remeasurement following a change in the discount rate.

Current liabilities rose noticeably from the end of 2023 to €80.0 (73.1) billion at the end of the first six months of 2024. Current financial liabilities declined to €–6.6 (–8.6) billion. The figures for the Automotive Division also contain the elimination of intragroup transactions between the Automotive and Financial Services divisions. As the current financial liabilities for the primary Automotive Division were lower than the loans granted to the Financial Services Division, a negative amount was disclosed in both periods. Trade payables went up, and current other liabilities also expanded. Current other provisions were higher, driven among other factors by the planned restructuring measures in the Passenger Cars Business Area.

At the end of the reporting period, the Automotive Division had total assets of €316.9 billion, 3.5% more than at the end of 2023.

BALANCE SHEET STRUCTURE OF THE PASSENGER CARS, COMMERCIAL VEHICLES AND POWER ENGINEERING BUSINESS AREAS

€ million	Jun. 30, 2024	Dec. 31, 2023
Passenger Cars		
Non-current assets	147,281	149,881
Current assets	102,800	100,013
Total assets	**250,081**	**249,894**
Equity	128,201	127,684
Non-current liabilities	65,896	69,259
Current liabilities	55,984	52,952
Commercial Vehicles		
Non-current assets	39,799	34,530
Current assets	21,623	16,237
Total assets	**61,422**	**50,767**
Equity	16,251	15,918
Non-current liabilities	23,499	17,077
Current liabilities	21,672	17,772
Power Engineering		
Non-current assets	1,635	1,631
Current assets	3,811	3,955
Total assets	**5,446**	**5,585**
Equity	2,612	2,703
Non-current liabilities	464	532
Current liabilities	2,370	2,350

Financial Services Division balance sheet structure

On June 30, 2024, the Financial Services Division's total assets amounted to €313.4 billion, 6.6% more than at the end of 2023.

At €181.2 (174.7) billion, total non-current assets were up compared to the end of fiscal year 2023. The property, plant and equipment included in this item was unchanged. Lease assets and non-current financial services receivables increased, driven mainly by higher volumes.

Current assets climbed by 10.8% to €132.3 billion. The Financial Services Division's cash and cash equivalents included in this item nearly doubled to €28.6 (14.8) billion.

At the end of the first half of 2024, the Financial Services Division accounted for around 49.7 (49.0)% of the Volkswagen Group's assets.

Equity in the Financial Services Division stood at €45.3 billion at the end of June 2024, 3.8% more than at the end of the previous year. The equity ratio was 14.4 (14.8)%.

At €119.3 (117.7) billion, the Financial Services Division's non-current liabilities were at approximately the same level as that recorded at the end of 2023. Current liabilities went up, due primarily to a significant rise in current financial liabilities, which in turn was driven particularly by higher deposits.

Deposits from the direct banking business amounted to €54.0 billion on June 30, 2024, compared with €38.8 billion at the end of 2023.

REPORT ON EXPECTED DEVELOPMENTS, RISKS AND OPPORTUNITIES

In view of the trend in demand for the Audi Q8 e-tron model family in certain markets, an information and consultation process planned under Belgian law has been launched at the Brussels location. In this process, the Board of Management of Audi Brussels S.A./N.V. develops solutions for the location together with the competent social partners. One of the outcomes at the end of this process may also be the discontinuation of operations. Mainly as a result of unplanned expenses in connection with the possible restructuring at Audi's Brussels location, we have revised our forecast for the Group's and the Passenger Cars Division's operating result. We now anticipate an operating return on sales in each case of between 6.5% and 7.0%.

For the Power Engineering Business Area, we have raised the sales revenue expectations.

The transaction announced as part of the strategic partnership with Rivian could lead to an unplanned cash outflow of up to €2.0 billion in the current fiscal year. Consequently, we now estimate that the net cash flow for the Automotive Division will be in the range of €2.5 billion to €4.5 billion, with net liquidity of between €37 billion and €39 billion.

The forecast for all other core performance indicators remains unchanged. The outlook for fiscal year 2024 can be found on page 32.

Litigation

Diesel issue

1. Product-related lawsuits worldwide (excluding the USA/Canada)

In the second consumer protection class action in Brazil, which pertains to roughly 67 thousand Amarok vehicles, the Superior Court of Justice rejected in April 2024 the appeal filed by the plaintiff against the June 2023 appellate court decision. The plaintiff has filed an interlocutory appeal against this decision with the Superior Court of Justice at the end of April.

In Italy, the parties to the class action brought by the consumer organization Altroconsumo signed a settlement agreement in May 2024 completely resolving all claims for roughly 60 thousand customers validly registered in the class action who had purchased VW, Audi, Škoda, or SEAT vehicles from 2009 to 2015 with type EA 189 engines that were affected by the diesel issue. Both sides refrain from appealing the last year's judgment at the first appellate level by the Venice appeals court, thus terminating the proceedings. Provisions totaling to roughly €50 million were made for the settlement and its implementation.

2. Proceedings in the USA/Canada

In March 2024, Volkswagen Group of America Finance, LLC (VWGoAF) submitted to the United States Securities and Exchange Commission (SEC) an executed consent to enter into a final judgment, without admitting or denying the allegations of the SEC's amended complaint filed in September 2020, which requires, among other things, payment in the amount of about USD 49 million. Subsequently, the SEC and VWGoAF filed a motion for entry of final judgment as to VWGoAF requesting the U.S. District Court for the Northern District of California to enter final judgment that would fully resolve the SEC's claims against VWGoAF. In April 2024, the court granted the motion and entered final judgment as to VWGoAF, and issued an order dismissing with prejudice all claims against Volkswagen AG and a former Chair of the Board of Management of Volkswagen AG. Accordingly, the SEC's claims against all defendants in this lawsuit have been fully resolved.

3. Lawsuits filed by investors worldwide (excluding the USA/Canada)

Excluding the United States and Canada, the amount of the claims being asserted worldwide against Volkswagen AG in connection with the diesel issue in the form of investor lawsuits, judicial applications for dunning and conciliation procedures, and claims registered under the *Kapitalanleger-Musterverfahrensgesetz* (KapMuG – German Capital Investor Model Declaratory Judgment Act) declined to approximately €8.7 billion in the reporting period due to the dismissal of one lawsuit and the withdrawal of another. Since the beginning of the proceedings, investor lawsuits in excess of €1 billion have thus been withdrawn or finally and conclusively dismissed.

Additional important legal cases

In Brazil, the Brazilian dealership association Associação Brasileira Dos Distribuidores Volkswagen (Assobrav) has filed an appeal against the trial court's January 2024 judgment dismissing the lawsuit in its entirety. Assobrav and individual dealers had brought suit against Volkswagen do Brasil in December 2023 in connection with taxes refunded to Volkswagen do Brasil by the Brazilian government because of what was deemed to constitute an unconstitutional double taxation of vehicles. The plaintiffs are demanding that Volkswagen do Brasil share at least part of the refund with them.

In July 2021, the European Commission assessed a fine totaling roughly €502 million against Volkswagen AG, AUDI AG, and Porsche AG pursuant to a settlement decision. Volkswagen declined to file an appeal, hence the decision became final in 2021. The subject matter scope of the decision was limited to the cooperation of German automobile manufacturers on individual technical questions in connection with the development and introduction of SCR (selective catalytic reduction) systems for passenger cars that were sold in the European Economic Area. The manufacturers were not charged with any other misconduct such as price fixing or allocating markets and customers. Within the Volkswagen Group it has been noted from public sources that the Brazilian competition authority Conselho Administrativo de Defesa Econômica (CADE) has opened proceedings against, among others, Volkswagen AG, AUDI AG and Porsche AG on allegations of improper exchange of information, possibly on the basis of the EU case. The Group has not yet received any deliveries or further information.

The Korean competition authority KFTC has searched the premises of VW Group Korea within the reporting period. This happened in connection with investigations commenced in 2022 by the European Commission and the Competition and Markets Authority (CMA), the English antitrust authorities, on suspicion that European, Japanese, and Korean manufacturers, as well as national organizations operating in such countries, and the European Automobile Manufacturers' Association (ACEA) may have agreed from 2001/2002 until the commencement of the investigations, particularly in the ACEA Working Group Recycling and related sub-groups thereof, to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (specifically passenger cars and light commercial vehicles). In June 2024, the Chinese competition authorities also served Volkswagen AG with a request for information in this matter.

In the lawsuit that Greenpeace is supporting in Braunschweig, the Braunschweig Higher Regional Court rejected the plaintiffs' appeal in June 2024 and upheld the Braunschweig Regional Court's February 2023 dismissal of the complaint. The plaintiffs in the action had sought, among other things, to compel Volkswagen AG to initially reduce in stages, and by 2029 completely cease, its production and placement into the stream of commerce of vehicles with internal combustion engines, as well as to reduce greenhouse gas emissions from development, production, and marketing (including third party vehicle use). The lawsuit further sought to compel Volkswagen to exercise influence over Group companies, subsidiaries, and joint ventures so as to cause them to fulfill these demands as well.

In Russia, in the remaining lawsuit concerning ostensible claims totaling approximately RUB 28.5 billion, the trial court rendered a judgment in July 2024 ordering Volkswagen AG to pay damages of approximately RUB 16.9 billion. The judgment is not yet final; Volkswagen AG will file an appeal and continue to defend itself in this action.

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

Beyond these events, there were no significant changes in the reporting period compared with the disclosure on the Volkswagen Group's expected development in fiscal year 2024 contained in the combined management report of the 2023 Annual Report in the sections "Report on Expected Developments" and "Report on Risks and Opportunities", including in section "Legal Risks".

Outlook for 2024

Our planning is based on the assumption that global economic output will grow overall in 2024 at a similar pace as in 2023. The persistently high, albeit declining, inflation in major economic regions and the resulting restrictive monetary policy measures taken by central banks are expected to dampen consumer demand. However, we anticipate a gradual reduction in the key interest rates by Western central banks during the current year, which should have a bolstering effect on overall demand. We continue to believe that risks will arise from protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects; risks are associated in particular with the Russia-Ukraine conflict and the confrontations in the Middle East. We assume that the advanced economies, on average, will show positive momentum on a level with the previous year, while economic growth in the emerging markets will slow slightly.

The trend in the automotive industry closely follows global economic developments. We assume that competition in the international automotive markets will intensify further. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on the volume of new registrations. Uncertainty may also arise from shortages of intermediates and commodities. These may be further exacerbated by the consequences of the Russia-Ukraine conflict and the confrontations in the Middle East and may, in particular, lead to rising prices for materials and a declining availability of energy.

We predict that trends in the markets for passenger cars in the individual regions will be mixed but predominantly positive in 2024. Overall, the global volume of new car sales is expected to be slightly higher than in the previous year. For 2024, we anticipate that the volume of new passenger car registrations in Western Europe will be slightly higher than that recorded in 2023. In the German passenger car market, we expect the volume of new registrations in 2024 to also be slightly up on the prior-year level. Sales of passenger cars in 2024 are expected to significantly exceed the prior-year figures overall in markets in Central and Eastern Europe – subject to the further development of the Russia-Ukraine conflict. The volume of sales in the markets for passenger cars and light commercial vehicles (up to 6.35 tonnes) in North America in 2024 is forecast to be slightly higher than the level seen the previous year. We also anticipate a slight increase in new registrations in the South American markets in 2024 compared with the previous year. The passenger car markets in the Asia-Pacific region are expected to be on a level with the prior-year figure in 2024.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, we expect the sales volume for 2024 to be slightly above the previous year's figure.

For 2024, we expect to see a slight downward trend in new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes compared with the previous year in the markets that are relevant for the Volkswagen Group, with variations from region to region. A noticeable year-on-year increase in demand is anticipated for 2024 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region.

We assume that automotive financial services will prove highly important to global vehicle sales in 2024.

In a challenging market environment, we anticipate that deliveries to customers by the Volkswagen Group in 2024 will increase by up to 3% compared to the previous year.

Challenges will arise in particular from the economic situation, the increasing intensity of competition, volatile commodity, energy and foreign exchange markets, and more stringent emissions-related requirements.

We expect the sales revenue of the Volkswagen Group and the Passenger Cars Business Area to exceed the previous year's figure by up to 5% in 2024. The operating return on sales for the Volkswagen Group and the Passenger Cars Business Area is likely to be between 6.5% and 7%. For the Commercial Vehicles Business Area, we anticipate an operating return on sales of 8.5% to 9.5%, also amid a year-on-year increase of up to 5% in sales revenue. In the Power Engineering Business Area, we expect sales revenue to be up to 6% above the prior-year figure and operating profit to be in the low three-digit-million euro range. For the Financial Services Division, we forecast an increase of 3–7% in sales revenue compared with the prior year and an operating result in the range of €4.0 billion.

In the Automotive Division, we are assuming an investment ratio of between 13.5% and 14.5% in 2024. We expect net cash flow in 2024 to be between €2.5 billion and €4.5 billion. This will include in particular investments for the future and cash outflows from mergers and acquisitions, which are a vital pillar of the Volkswagen Group's transformation. Net liquidity in the Automotive Division in 2024 is expected to be between €37 billion and €39 billion. Our goal remains unchanged, namely, to continue with our robust financing and liquidity policy.

This report contains forward-looking statements on the business development of the Volkswagen Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries, economic regions and markets, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. Any changes in significant parameters relating to our key sales markets, or any significant shifts in exchange rates, energy and other commodities or the supply of parts relevant to the Volkswagen Group will have a corresponding effect on the development of our business. In addition, there may also be departures from our expected business development if the assessments of the factors influencing sustainable value enhancement and of risks and opportunities presented in the 2023 Annual Report develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

Brands and Business Fields

SALES REVENUE AND OPERATING RESULT BY BRAND AND BUSINESS FIELD

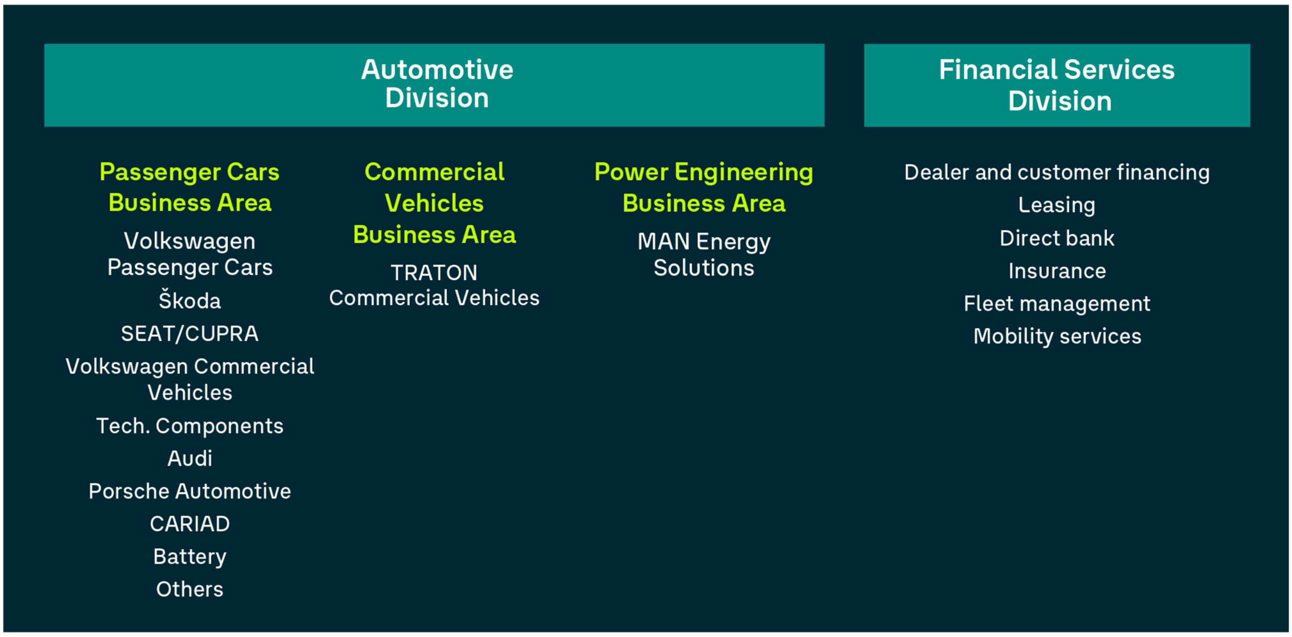
The Volkswagen Group generated sales revenue of €158.8 (156.3) billion in the period from January to June 2024. The operating result stood at €10.1 (11.3) billion.

The Core brand group sold 2.5 (2.4) million vehicles in the first half of 2024. Sales revenue amounted to €69.1 (68.8) billion. The operating result fell to €3.5 (3.8) billion.

Unit sales by the Volkswagen Passenger Cars brand in the first six months of 2024 matched the prior-year level at 1.5 (1.5) million vehicles. Demand rose for the Polo, Golf and Atlas. The new Passat and the new Tiguan were successfully launched on the market. Sales revenue decreased by 1.8% to €42.2 billion. The operating result stood at €1.0 (1.6) billion, impacted by increased fixed costs in addition to non-recurring expenses for restructuring measures. Mix and exchange rate effects had a positive effect.

The Škoda brand sold 548 (545) thousand vehicles in the reporting period. Its bestseller remained the Octavia; the Fabia also recorded growth. Sales revenue amounted to €13.7 (13.7) billion. The operating result rose to €1.1 (0.9) billion, with positive volume, mix and exchange rate effects offsetting higher product and fixed costs.

REPORTING STRUCTURE OF THE VOLKSWAGEN GROUP



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

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	2024	2023	2024	2023	2024	2023
Core brand group	2,494	2,450	69,051	68,764	3,462	3,773
Progressive brand group	539	655	30,939	34,169	1,982	3,417
Sport Luxury brand group[1]	152	171	17,695	18,892	2,904	3,653
CARIAD	–	–	426	329	–1,182	–1,088
Battery	–	–	0	0	–166	–181
TRATON Commercial Vehicles	161	168	22,738	22,331	2,050	1,798
MAN Energy Solutions	–	–	1,998	1,875	124	208
Equity-accounted companies in China[2]	1,265	1,352	–	–	–	–
Volkswagen Group Mobility	–	–	27,514	24,112	1,373	1,760
Other[3]	–269	–349	–11,561	–14,215	–495	–1,993
Volkswagen Group	**4,341**	**4,448**	**158,800**	**156,257**	**10,052**	**11,347**

1 Including Porsche Financial Services: sales revenue €19,457 (20,431) million, operating result €3,061 (3,852) million.
2 The sales revenue and operating result of the equity-accounted companies in China are not included in the consolidated figures; the share of the operating result generated by these companies amounted to €801 (1,152) million.
3 In the operating result, mainly intragroup items recognized in profit or loss, in particular from the elimination of intercompany profits; the figure includes depreciation and amortization of identifiable assets as part of purchase price allocation, as well as companies not allocated to the brands.

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

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	2024	2023	2024	2023	2024	2023
Volkswagen Passenger Cars	1,519	1,523	42,194	42,959	966	1,641
Škoda	548	545	13,652	13,748	1,149	911
SEAT/CUPRA	344	317	7,752	7,411	406	371
Volkswagen Commercial Vehicles	231	212	8,087	7,418	641	448
Tech. Components	–	–	10,815	12,092	325	438
Consolidation	–148	–148	–13,450	–14,863	–25	–37
Core brand group	**2,494**	**2,450**	**69,051**	**68,764**	**3,462**	**3,773**

KEY FIGURES BY DIVISION FROM JANUARY 1 TO JUNE 30

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	2024	2023	2024	2023	2024	2023
Passenger Cars Business Area	4,180	4,279	104,629	106,362	6,453	7,118
Commercial Vehicles Business Area	161	168	22,738	22,331	2,059	1,796
Power Engineering Business Area	–	–	1,998	1,875	123	206
Automotive Division[1]	4,341	4,448	129,365	130,569	8,636	9,120
Financial Services Division	–	–	29,435	25,689	1,416	2,226
Volkswagen Group	**4,341**	**4,448**	**158,800**	**156,257**	**10,052**	**11,347**

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.

Amid a challenging environment, unit sales at SEAT/CUPRA increased to 344 thousand vehicles in the period from January to June of this year, 8.5% more than a year earlier. The figure includes the A1 manufactured for Audi. The CUPRA Formentor and the Leon family were particularly popular. At €7.8 billion, sales revenue was up 4.6% year-on-year. Buoyed in particular by higher volumes and by the success of CUPRA, the operating result rose by 9.4% compared with the previous year to €406 million.

Unit sales by Volkswagen Commercial Vehicles rose to 231 (212) thousand vehicles globally in the first half of 2024, with the Multivan/Transporter and Caddy models making a particular contribution to the increase. Consequently, sales revenue increased to €8.1 (7.4) billion. The operating result improved to €641 (448) million. In addition to the higher volume, price effects had a particularly positive impact. Expenses for restructuring measures had a negative effect.

In the first six months of this year, Tech. Components generated sales revenue of €10.8 (12.1) billion. At €325 (438) million, the operating result was lower than in the previous year, due mainly to negative commodity price effects in product costs, lower revenues from recyclable materials and the impact of restructuring measures.

Unit sales at the Progressive brand group (Audi, Bentley, Lamborghini, Ducati) came to 539 (655) thousand vehicles globally in the reporting period. A further 295 (295) thousand Audi vehicles were sold by the Chinese joint ventures FAW-Volkswagen and SAIC VOLKSWAGEN. The trend in Audi brand unit sales is a reflection of the intense competition and the forthcoming model initiative. Ducati sold 34,159 (37,602) motorcycles in the first six months of this year. Sales revenue amounted to €30.9 (34.2) billion. The operating result fell to €2.0 (3.4) billion due to volume and mix effects.

The Sport Luxury brand group (Porsche Automotive) sold 152 (171) thousand vehicles globally in the reporting period. The Cayenne was the best-selling series. Sales revenue decreased to €17.7 (18.9) billion and the operating result contracted to €2.9 (3.7) billion. This was due mainly to lower sales volumes attributable to the current model launches, along with higher material costs, the increased impact of development activities on profit or loss and the continuation of the digitalization strategy.

CARIAD pools the Volkswagen Group’s software expertise. The business model comprises the development and operation of standardized software platforms for current and future vehicle models. Sales revenue rose to €426 (329) million in the period from January to June 2024, due mainly to a rise in license fees thanks to a higher volume of vehicles fitted with CARIAD software. Upfront development expenditure resulted in an operating loss of €–1.2 (–1.1) billion.

The Battery business field brings together the Group’s global battery activities, which relate to the future manufacture of battery cells and other activities along the battery value chain. Due to the effect of fixed costs incurred during the establishment of the business, the operating result in the Battery business field in the reporting period amounted to €–166 (–181) million.

At 161 (168) thousand vehicles, unit sales by TRATON Commercial Vehicles (Scania, MAN, Navistar, Volkswagen Truck & Bus) fell short of the prior-year figure. Nevertheless, sales revenue was up by 1.8% to €22.7 billion. The operating result improved to €2.0 (1.8) billion. The increase is mainly attributable to a favorable market and product mix and strong price positioning.

MAN Energy Solutions generated sales revenue of €2.0 (1.9) billion in the period from January to June 2024. The operating result amounted to €124 (208) million. Particularly expenses in connection with the unsuccessful sale of the MGT gas turbine business and the resulting closure of the business area had a negative impact.

The number of new financing, leasing, service and insurance contracts signed with Volkswagen Group Mobility (formerly Volkswagen Financial Services) in the reporting period stood at 5.1 million (+25.7%). Since January 1, 2024, other types of insurance contracts have also been taken into account; the number of contracts as of December 31, 2023 has been adjusted. With credit eligibility criteria remaining unchanged, the penetration rate, expressed as the ratio of leased or financed vehicles to relevant Group delivery volumes, stood at 34.6 (33.4)%. At 25.9 (25.8) million, the total number of contracts at the end of June 2024 was higher than the figure for December 31, 2023. The number of contracts in the customer financing/leasing area amounted to 10.2 (10.2) million, and in the service/insurance area to 15.7 (15.6) million. As of June 30 of this year, Volkswagen Bank managed 1.9 (1.8) million deposit accounts. The operating result contracted to €1.4 (1.8) billion. The decline was mainly the result of a rise in interest expenses, higher risk costs as well as foreign exchange losses in connection with the deconsolidation of Volkswagen Bank Rus.

UNIT SALES AND SALES REVENUE BY MARKET

The Volkswagen Group sold 2.1 million vehicles in the Europe/Other Markets region in the first six months of this year, 1.0% less than in the previous year. Sales revenue rose to €96.8 (93.3) billion, due mainly to higher sales revenue in the Financial Services Division.

The Volkswagen Group's unit sales in the North American markets increased by 6.8% to 0.5 thousand vehicles in the reporting period. Sales revenue amounted to €32.0 (32.2) billion.

Unit sales in South America rose year-on-year to 258 (229) thousand vehicles in the period from January to June 2024. As a result, the operating result improved to €8.8 (7.4) billion.

In the Asia-Pacific region, the unit sales of the Volkswagen Group – including those of the equity-accounted companies in China – decreased by 9.1% to 1.5 million vehicles in the reporting period. Sales revenue amounted to €21.5 (24.0) billion. This figure does not include sales revenue from our equity-accounted companies in China.

Hedging transactions relating to the Volkswagen Group's sales revenue in foreign currency made a negative contribution of €–0.2 (–0.6) billion in the first half of 2024.

KEY FIGURES BY MARKET FROM JANUARY 1 TO JUNE 30

	VEHICLE SALES		SALES REVENUE	
Thousand vehicles/€ million	2024	2023	2024	2023
Europe/Other Markets	2,104	2,126	96,772	93,257
North America	516	484	31,973	32,163
South America	258	229	8,790	7,389
Asia-Pacific[1]	1,463	1,609	21,483	24,021
Hedges on sales revenue	–	–	–217	–573
Volkswagen Group[1]	**4,341**	**4,448**	**158,800**	**156,257**

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

Interim Consolidated Financial Statements (Condensed)

Income Statement for the Period January 1 to June 30

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2024	2023	2024	2023	2024	2023
Sales revenue	**158,800**	**156,257**	**129,365**	**130,569**	**29,435**	**25,689**
Cost of sales	-129,474	-125,342	-103,863	-103,896	-25,611	-21,446
Gross result	**29,327**	**30,915**	**25,502**	**26,673**	**3,824**	**4,243**
Distribution expenses	-10,511	-10,026	-9,953	-9,443	-559	-582
Administrative expenses	-6,613	-6,201	-5,256	-4,874	-1,357	-1,327
Other operating result	-2,150	-3,342	-1,658	-3,235	-493	-107
Operating result	**10,052**	**11,347**	**8,636**	**9,120**	**1,416**	**2,226**
Share of the result of equity-accounted investments	66	883	194	837	-128	46
Interest result and other financial result	49	-331	-39	-194	88	-137
Financial result	**115**	**552**	**154**	**643**	**-40**	**-92**
Earnings before tax	**10,167**	**11,898**	**8,791**	**9,764**	**1,376**	**2,135**
Income tax expense	-2,826	-3,377	-2,342	-2,757	-485	-620
Earnings after tax	**7,341**	**8,521**	**6,449**	**7,006**	**891**	**1,515**
of which attributable to						
Non-controlling interests	642	784	587	720	54	64
Volkswagen AG hybrid capital investors	321	278	321	278	–	–
Volkswagen AG shareholders	6,378	7,459	5,541	6,008	837	1,451
Basic/diluted earnings per ordinary share in €[2]	**12.70**	**14.86**				
Basic/diluted earnings per preferred share in €[2]	**12.76**	**14.92**				

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
2 Explanatory information on earnings per share is presented in the "Earnings per share" section.

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

€ million	2024	2023
Earnings after tax	**7,341**	**8,521**
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	2,103	–302
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	–625	104
Pension plan remeasurements recognized in other comprehensive income, net of tax	1,478	–198
Fair value valuation of equity instruments that will not be reclassified to profit or loss		
Fair value valuation of equity instruments that will not be reclassified to profit or loss, before tax	–327	32
Deferred taxes relating to fair value valuation of equity instruments that will not be reclassified to profit or loss	81	–2
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	–246	30
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	4	14
Items that will not be reclassified to profit or loss	**1,236**	**–154**
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	327	–1,725
Transferred to profit or loss	228	348
Exchange differences on translating foreign operations, before tax	555	–1,377
Deferred taxes relating to exchange differences on translating foreign operations	2	1
Exchange differences on translating foreign operations, net of tax	557	–1,375
Hedging		
Fair value changes recognized in other comprehensive income (OCI I)	225	1,114
Transferred to profit or loss (OCI I)	–451	–205
Cash flow hedges (OCI I), before tax	–226	908
Deferred taxes relating to cash flow hedges (OCI I)	90	–253
Cash flow hedges (OCI I), net of tax	–136	655
Fair value changes recognized in other comprehensive income (OCI II)	–388	–122
Transferred to profit or loss (OCI II)	517	469
Cash flow hedges (OCI II), before tax	130	347
Deferred taxes relating to cash flow hedges (OCI II)	–42	–90
Cash flow hedges (OCI II), net of tax	87	257
Fair value valuation of debt instruments that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	–9	41
Transferred to profit or loss	–1	–3
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	–11	38
Deferred taxes relating to fair value valuation of debt instruments recognized in other comprehensive income	7	–11
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	–4	27
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	89	–383
Items that may be reclassified to profit or loss	**594**	**–819**
Other comprehensive income, before tax	2,318	–722
Deferred taxes relating to other comprehensive income	–488	–251
Other comprehensive income, net of tax	**1,830**	**–973**
Total comprehensive income	**9,171**	**7,548**
of which attributable to		
Non-controlling interests	626	876
Volkswagen AG hybrid capital investors	321	278
Volkswagen AG shareholders	8,224	6,395

Income Statement for the Period April 1 to June 30

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2024	2023	2024	2023	2024	2023
Sales revenue	**83,339**	**80,059**	**68,640**	**67,106**	**14,699**	**12,953**
Cost of sales	-67,558	-64,337	-54,703	-53,462	-12,856	-10,875
Gross result	**15,781**	**15,722**	**13,938**	**13,644**	**1,843**	**2,078**
Distribution expenses	-5,409	-5,190	-5,123	-4,919	-286	-271
Administrative expenses	-3,255	-2,960	-2,573	-2,280	-683	-680
Other operating result	-1,653	-1,972	-1,313	-1,907	-340	-65
Operating result	**5,464**	**5,600**	**4,929**	**4,537**	**535**	**1,062**
Share of the result of equity-accounted investments	-193	348	-116	296	-77	53
Interest result and other financial result	-285	-502	-389	-415	104	-87
Financial result	**-478**	**-154**	**-505**	**-119**	**27**	**-35**
Earnings before tax	**4,986**	**5,446**	**4,424**	**4,418**	**562**	**1,028**
Income tax expense	-1,355	-1,655	-1,060	-1,354	-295	-301
Earnings after tax	**3,631**	**3,791**	**3,364**	**3,065**	**267**	**727**
of which attributable to						
Noncontrolling interests	361	402	331	370	30	32
Volkswagen AG hybrid capital investors	158	140	158	140	–	–
Volkswagen AG shareholders	3,112	3,250	2,875	2,555	237	695
Basic/diluted earnings per ordinary share in €[2]	**6.21**	**6.48**				
Basic/diluted earnings per preferred share in €[2]	**6.21**	**6.48**				

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
2 Explanatory information on earnings per share is presented in the "Earnings per share" section.

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

€ million	2024	2023
Earnings after tax	**3,631**	**3,791**
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	1,251	38
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	-379	0
Pension plan remeasurements recognized in other comprehensive income, net of tax	872	38
Fair value valuation of equity instruments that will not be reclassified to profit or loss		
Fair value valuation of equity instruments that will not be reclassified to profit or loss, before tax	-19	3
Deferred taxes relating to fair value valuation of equity instruments that will not be reclassified to profit or loss	4	0
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	-15	3
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	3	14
Items that will not be reclassified to profit or loss	**860**	**56**
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	-29	-913
Transferred to profit or loss	184	348
Exchange differences on translating foreign operations, before tax	155	-565
Deferred taxes relating to exchange differences on translating foreign operations	0	3
Exchange differences on translating foreign operations, net of tax	155	-562
Hedging		
Fair value changes recognized in other comprehensive income (OCI I)	-49	410
Transferred to profit or loss (OCI I)	-281	-170
Cash flow hedges (OCI I), before tax	-331	240
Deferred taxes relating to cash flow hedges (OCI I)	113	-55
Cash flow hedges (OCI I), net of tax	-218	185
Fair value changes recognized in other comprehensive income (OCI II)	-216	37
Transferred to profit or loss (OCI II)	282	254
Cash flow hedges (OCI II), before tax	65	291
Deferred taxes relating to cash flow hedges (OCI II)	-21	-79
Cash flow hedges (OCI II), net of tax	44	211
Fair value valuation of debt instruments that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	2	-9
Transferred to profit or loss	-1	-3
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	1	-12
Deferred taxes relating to fair value valuation of debt instruments recognized in other comprehensive income	2	-5
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	3	-16
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	33	-240
Items that may be reclassified to profit or loss	**16**	**-422**
Other comprehensive income, before tax	1,158	-231
Deferred taxes relating to other comprehensive income	-282	-136
Other comprehensive income, net of tax	**876**	**-367**
Total comprehensive income	**4,507**	**3,424**
of which attributable to		
Noncontrolling interests	371	458
Volkswagen AG hybrid capital investors	158	140
Volkswagen AG shareholders	3,979	2,827

Balance Sheet as of June 30, 2024 and December 31, 2023

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2024	2023	2024	2023	2024	2023
Assets						
Non-current assets	**369,867**	**360,694**	**188,715**	**186,042**	**181,153**	**174,653**
Intangible assets	91,189	89,109	90,623	88,504	566	605
Property, plant and equipment	67,574	66,880	66,614	65,918	960	962
Lease assets	67,639	64,094	289	377	67,350	63,717
Financial services receivables	97,153	94,474	–709	–726	97,862	95,200
Investment Property, equity-accounted investments and other equity investments, other receivables and financial assets	46,313	46,137	31,898	31,969	14,414	14,168
Current assets	**260,519**	**239,644**	**128,234**	**120,204**	**132,285**	**119,439**
Inventories	61,102	53,601	56,459	48,692	4,643	4,909
Financial services receivables	67,541	66,381	–751	–832	68,292	67,213
Other receivables and financial assets	54,037	49,250	27,500	21,348	26,537	27,902
Marketable securities and time deposits	27,442	26,772	23,228	22,211	4,214	4,561
Cash and cash equivalents	50,391	43,449	21,792	28,698	28,599	14,751
Assets held for sale	6	190	6	88	0	103
Total assets	**630,386**	**600,338**	**316,949**	**306,246**	**313,437**	**294,092**
Equity and liabilities						
Equity	**192,347**	**189,912**	**147,064**	**146,305**	**45,283**	**43,607**
Equity attributable to Volkswagen AG shareholders	164,310	160,539	119,647	117,489	44,663	43,050
Equity attributable to Volkswagen AG hybrid capital investors	13,752	15,155	13,752	15,155	–	–
Equity attributable to Volkswagen AG shareholders and hybrid capital investors	178,062	175,694	133,399	132,644	44,663	43,050
Non-controlling interests	14,285	14,218	13,666	13,661	619	557
Non-current liabilities	**209,115**	**204,552**	**89,858**	**86,868**	**119,257**	**117,684**
Financial liabilities	128,002	122,323	22,133	18,046	105,869	104,277
Provisions for pensions	27,593	29,672	27,146	29,174	447	498
Other liabilities	53,521	52,557	40,579	39,648	12,942	12,908
Current liabilities	**228,924**	**205,874**	**80,026**	**73,073**	**148,898**	**132,801**
Financial liabilities	129,168	110,476	–6,647	–8,637	135,816	119,113
Trade payables	31,580	30,901	28,003	26,836	3,577	4,064
Other liabilities	68,170	64,467	58,665	54,869	9,505	9,597
Liabilities associated with assets held for sale	6	31	6	5	0	26
Total equity and liabilities	**630,386**	**600,338**	**316,949**	**306,246**	**313,437**	**294,092**

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions, primarily intragroup loans.

Statement of Changes in Equity

				OTHER RESERVES								
					HEDGING							
€ million	Subscribed capital	Capital reserve	Retained earnings	Currency translation reserve	Cash flow hedges (OCI I)	Deferred costs of hedging (OCI II)	Equity and debt instruments	Equity-accounted investments	Equity attributable to Volkswagen AG hybrid capital investors	Equity attributable to Volkswagen AG shareholders and hybrid capital investors	Equity attributable to non-controlling interests	Total equity
Unadjusted balance at Jan. 1, 2023	**1,283**	**14,551**	**137,267**	**–2,256**	**1,623**	**–1,077**	**–1,005**	**870**	**14,121**	**165,378**	**12,950**	**178,327**
Changes in accounting policy to reflect IFRS 17	–	–	5	–	–	–	–	–7	–	–1	2	1
Balance at Jan. 1, 2023	**1,283**	**14,551**	**137,272**	**–2,256**	**1,623**	**–1,077**	**–1,005**	**864**	**14,121**	**165,376**	**12,952**	**178,328**
Earnings after tax	–	–	7,459	–	–	–	–	–	278	7,737	784	8,521
Other comprehensive income, net of tax	–	–	–193	–1,280	467	242	54	–356	–	–1,064	92	–973
Total comprehensive income	**–**	**–**	**7,267**	**–1,280**	**467**	**242**	**54**	**–356**	**278**	**6,673**	**876**	**7,548**
Disposal of equity instruments	–	–	13	–	–	–	–13	–	–	–	–	–
Capital increases/Capital decreases	–	–	–	–	–	–	–	–	–	–	–	–
Dividend payments	–	–	–4,374	–	–	–	–	–	–484	–4,858	–36	–4,894
Capital transactions involving a change in ownership interest	–	–	–42	–11	–	–	–	–	–	–54	–27	–80
Other changes	–	–	50	–	–	–	–	0	–	51	1	51
Balance at June 30, 2023	**1,283**	**14,551**	**140,186**	**–3,548**	**2,090**	**–834**	**–964**	**508**	**13,914**	**167,188**	**13,766**	**180,953**
Unadjusted balance at Jan. 1, 2024	**1,283**	**14,551**	**147,830**	**–3,431**	**1,472**	**–676**	**–966**	**476**	**15,155**	**175,694**	**14,218**	**189,912**
Earnings after tax	–	–	6,378	–	–	–	–	–	321	6,699	642	7,341
Other comprehensive income, net of tax	–	–	1,423	565	–70	84	–248	93	–	1,846	–16	1,830
Total comprehensive income	**–**	**–**	**7,801**	**565**	**–70**	**84**	**–248**	**93**	**321**	**8,545**	**626**	**9,171**
Disposal of equity instruments	–	–	0	–	–	–	0	–	–	–	–	–
Capital increases/Capital decreases	–	–	–	–	–	–	–	–	–1,244	–1,244	35	–1,209
Dividend payments	–	–	–4,524	–	–	–	–	–	–479	–5,003	–594	–5,597
Capital transactions involving a change in ownership interest	–	–	–	–	–	–	–	–	–	–	–	–
Other changes	–	–	71	–	–	–	–	–	–	71	0	71
Balance at June 30, 2024	**1,283**	**14,551**	**151,178**	**–2,866**	**1,402**	**–592**	**–1,214**	**569**	**13,752**	**178,062**	**14,285**	**192,347**

Cash Flow Statement for the Period January 1 to June 30

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2024	2023	2024	2023	2024	2023
Cash and cash equivalents at beginning of period	**43,522**	**29,738**	**28,704**	**23,042**	**14,819**	**6,695**
Earnings before tax	10,167	11,898	8,791	9,764	1,376	2,135
Income taxes paid	–3,452	–3,798	–2,858	–2,755	–594	–1,043
Depreciation and amortization expense[2]	14,598	13,685	9,056	8,731	5,542	4,954
Change in pension provisions	32	125	27	119	5	6
Share of the result of equity-accounted investments	1,944	1,330	1,769	1,302	175	28
Other non-cash income/expense and reclassifications[3]	647	2,739	24	2,637	623	102
Gross cash flow	**23,936**	**25,980**	**16,809**	**19,798**	**7,128**	**6,183**
Change in working capital	**–19,449**	**–18,896**	**–5,884**	**–6,061**	**–13,565**	**–12,835**
Change in inventories	–7,309	–8,915	–7,581	–8,176	272	–739
Change in receivables	–4,447	–5,695	–2,761	–3,781	–1,686	–1,914
Change in liabilities	2,272	6,561	2,210	5,236	63	1,325
Change in other provisions	2,364	287	2,385	323	–21	–36
Change in lease assets (excluding depreciation)	–8,540	–6,072	–28	365	–8,512	–6,436
Change in financial services receivables	–3,790	–5,060	–109	–27	–3,681	–5,034
Cash flows from operating activities	**4,487**	**7,085**	**10,925**	**13,737**	**–6,438**	**–6,652**
Cash flows from investing activities attributable to operating activities	**–11,540**	**–11,908**	**–11,054**	**–11,267**	**–486**	**–641**
of which: Investments in intangible assets (excluding capitalized development costs), property, plant and equipment, and investment property	–6,023	–5,719	–5,929	–5,620	–94	–99
capitalized development costs	–5,158	–5,197	–5,158	–5,197	–	–
acquisition and disposal of equity investments	–730	–1,166	–312	–613	–418	–553
Net cash flow[4]	***–7,053***	***–4,823***	***–129***	***2,470***	***–6,924***	***–7,293***
Change in investments in securities, time deposits and loans	–1,863	10,052	–4,874	11,269	3,011	–1,217
Cash flows from investing activities	**–13,403**	**–1,856**	**–15,928**	**2**	**2,526**	**–1,857**
Cash flows from financing activities	**15,798**	**3,010**	**–1,932**	**–12,758**	**17,730**	**15,768**
of which: capital transactions with non-controlling interests	–	–8	–	–8	–	–
capital contributions/capital redemptions	–1,215	0	–1,757	–130	542	130
Effect of exchange rate changes on cash and cash equivalents	–9	–778	28	–638	–37	–140
Change of loss allowance within cash and cash equivalents	1	0	2	0	–1	0
Net change in cash and cash equivalents	**6,875**	**7,461**	**–6,905**	**342**	**13,780**	**7,118**
Cash and cash equivalents at June 30[5]	**50,398**	**37,199**	**21,799**	**23,385**	**28,599**	**13,814**
Securities and time deposits and loans	43,200	40,345	25,001	19,985	18,199	20,360
Gross liquidity	**93,598**	**77,544**	**46,800**	**43,370**	**46,798**	**34,173**
Total third-party borrowings	–257,170	–219,750	–15,486	–9,744	–241,684	–210,007
Net liquidity at June 30[6]	**–163,573**	**–142,207**	**31,314**	**33,627**	**–194,887**	**–175,833**
For information purposes: at Jan. 1	–147,433	–125,803	40,289	43,015	–187,722	–168,818

1 Including allocation of consolidation adjustments between the Automotive and Financial Services divisions.
2 Net of impairment reversals.
3 These relate mainly to the fair value measurement of financial instruments and the reclassification of gains/losses on disposal of non-current assets and equity investments to investing activities.
4 Net cash flow: cash flows from operating activities, net of cash flows from investing activities attributable to operating activities (investing activities excluding change in investments in securities, time deposits and loans).
5 Cash and cash equivalents comprise cash at banks, checks, cash-in-hand and call deposits.
6 The total of cash, cash equivalents, securities and time deposits, as well as loans to affiliates and joint ventures net of third-party borrowings (non-current and current financial liabilities).

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

Notes

to the Interim Consolidated Financial Statements of the Volkswagen Group as of June 30, 2024

Accounting in accordance with IFRS Accounting Standards (IFRSs)

In accordance with Regulation No. 1606/2002 of the European Parliament and of the Council, Volkswagen AG prepared its consolidated financial statements for 2023 in compliance with the IFRS Accounting Standards (IFRSs), as adopted by the European Union. These interim consolidated financial statements for the period ended June 30, 2024 were therefore also prepared in accordance with IAS 34 (Interim Financial Reporting) and are condensed in scope compared with the consolidated financial statements.

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

In addition to the reportable segments, the Automotive and Financial Services divisions are presented in the condensed interim group financial report for explanatory purposes alongside the income statement, balance sheet and cash flow statement for the Volkswagen Group. This supplemental presentation is not required by IFRSs. Eliminations of intragroup transactions between the Automotive and Financial Services divisions are allocated to the Automotive Division.

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

Accounting policies

Volkswagen AG has applied all accounting pronouncements adopted by the EU and effective for periods as of January 1, 2024.

A discount rate of 3.6% (December 31, 2023: 3.3%) was applied to German pension provisions in the accompanying interim consolidated financial statements.

In all other respects, the same accounting policies and consolidation methods that were used for the 2023 consolidated financial statements are generally applied to the preparation of the interim consolidated financial statements and the measurement of the prior-year comparatives. A detailed description of the policies and methods applied is published in the "Accounting policies" section of the notes to the 2023 consolidated financial statements. In addition, details of the effects of new standards can be found in the "New and amended IFRSs not applied" section. The 2023 consolidated financial statements can also be accessed on the internet at www.volkswagen-group.com/investor-relations.

Key events

DIESEL ISSUE

On September 18, 2015, the US Environmental Protection Agency (EPA) publicly announced in a "Notice of Violation" that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. This was followed by further reports on the scope of the diesel issue. Detailed information can be found in the "Key events" section of the 2023 consolidated financial statements.

No material special items in connection with the diesel issue were recognized in the first half of fiscal year 2024.

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

RESTRUCTURING IN THE VOLKSWAGEN GROUP

In the first half of 2024, the Volkswagen Group recognized restructuring costs of €1.0 billion in the other operating result. They are primarily attributable to Volkswagen AG. To enable the company to focus its efforts to meet the target of a long-term reduction in personnel costs in the administrative areas of Volkswagen AG, the Board of Management resolved in April 2024 to promote the downsizing with selective severance agreements. Restructuring programs were also introduced in other Group companies. Furthermore, please also see the section entitled "Events after the balance sheet date".

COOPERATION WITH RIVIAN

On June 25, 2024, Volkswagen and the US electric vehicle manufacturer Rivian Automotive, Inc., Irvine/USA (Rivian) announced their intention to form a joint venture in which each party will hold an equal share.

The partnership is aimed at creating next generation software-defined vehicle (SDV) architectures to be used in both companies' future electric vehicles. The joint venture is expected to build on Rivian's software and electrical architecture to create best-in-class software-defined vehicle technology platforms. A decision on the actual implementation of the joint venture has not yet been made and will depend on a number of technical, financial and regulatory parameters.

On the basis of this planned strategic partnership, in June 2024, Volkswagen invested USD 1 billion in Rivian in the form of an unsecured convertible note, which will convert into ordinary shares of Rivian upon receipt of regulatory approvals, but not before December 1, 2024. The conversion price for half of the outstanding amount under the note will be calculated on the basis of a defined daily volume-weighted average price (VWAP) prior to this announcement and the conversion price for the remaining half will be calculated on the basis of a defined daily VWAP prior to the conversion date. Fluctuations in the value of the convertible note, which is classified as debt in the balance sheet, are recognized at fair value through profit or loss. Due to Rivian's positive share price performance, the measurement of the convertible note gave rise to a non-cash gain of €73 million as of June 30, 2024, which is presented in the other financial result.

If the joint venture is implemented successfully and certain milestones are reached, Volkswagen intends to make further investments of up to USD 4 billion. If applicable, USD 2 billion of this is to be invested in ordinary shares of Rivian, and is expected to take the form of two tranches of USD 1 billion each in 2025 and 2026. The pricing will be based on a defined average market price of the ordinary shares of Rivian prior to each respective purchase. If applicable, the remaining investments of USD 2 billion are to be allocated to the newly established joint venture and licenses, the amount being split between a payment when the joint venture is established, a license for Rivian's electric architecture technology, and a loan to the joint venture in 2026.

Basis of consolidation

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

IFRS 5 – NON-CURRENT ASSETS HELD FOR SALE

Assets and disposal groups held for sale of the current fiscal year

The intention resolved at Dr. Ing. h.c. F. Porsche AG, Stuttgart (Porsche AG) in September 2022 to sell two Russian sales companies in the Passenger Cars and Light Commercial Vehicles segment, OOO Porsche Russland, Moscow/Russia, and OOO Porsche Center Moscow, Moscow/Russia, as well as one company assigned to the Financial Services segment, OOO Porsche Financial Services Russland, Moscow/Russia, continues to be in place. In view of the change in external conditions, the disposal project is expected to be completed within fiscal year 2024. An impairment loss of €25 million was recognized for the disposal group as of December 31, 2022. Another minor impairment loss and offsetting currency translation effects were identified in fiscal year 2023. No further impairment losses needed to be recognized in the first half of 2024.

In total, assets of €6 million and liabilities of €6 million were presented as assets and liabilities held for sale in accordance with IFRS 5 in a separate line item of the balance sheet as of June 30, 2024. The assets and liabilities held for sale have been recognized at a lower of their carrying amount and fair value less expected costs of disposal.

Transactions completed/discontinued in the current fiscal year

In accordance with the requirements of IFRS 5, the consolidated subsidiaries OOO Volkswagen Group Finanz, Moscow/Russia, OOO Volkswagen Financial Services RUS, Moscow/Russia and OOO Volkswagen Bank RUS, Moskau/Russia have been classified as a disposal group held for sale since fiscal year 2022. In this context, impairment losses of €186 million were recognized in fiscal year 2023.

The shares in OOO Volkswagen Group Finanz, Moscow/Russia and OOO Volkswagen Financial Services RUS, Moscow/Russia were sold to an external investor on January 18, 2024. In particular due to the reclassification of foreign exchange differences to the income statement, the deconsolidation of the two companies resulted in a loss of €62 million, which was recognized in the other operating result.

In addition, impairment losses of €29 million were recognized for OOO Volkswagen Bank RUS, Moscow/Russia in fiscal year 2024. The company was deconsolidated as of June 30, 2024. Deconsolidation resulted in a loss of €184 million, which was recognized in the other operating result; the amount includes in particular the reclassification of foreign exchange differences to the income statement.

In its ruling of July 3, 2024, the German Federal Ministry for Economic Affairs and Climate Action prohibited the sale of the MGT gas turbine business to CSIC Longjiang GH Gas Turbine Co. Ltd., Harbin/China. The Federal Cabinet approved the prohibition ruling. Following the prohibition, MAN Energy Solutions SE, Augsburg discontinued the development, manufacture and sales of MGT gas turbines. It will continue its service activities for MGT gas turbines. The prohibition of the planned sale and the discontinuation of the new-build business with MGT gas turbines means that these activities are no longer presented in line with IFRS 5, and led to the recognition of an impairment loss on the capitalized development costs and inventories for MGT gas turbines as of June 30, 2024. This resulted in an expense of €86 million, which is presented in cost of sales and the other operating result. There are three further types of gas turbines (THM, FT8 and S class) in addition to the MGT gas turbines. Business with these is not affected by this development.

Disclosures on the interim consolidated financial statements

1. Sales revenue

STRUCTURE OF GROUP SALES REVENUE: H1 2024

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total Segments	Reconciliation	Volkswagen Group
Vehicles	88,011	15,681	–	–	103,692	-8,313	95,379
Genuine parts	8,408	3,411	–	–	11,819	-95	11,724
Used vehicles and third-party products	7,151	1,171	–	12,039	20,361	-2,116	18,245
Engines, powertrains and parts deliveries	6,917	482	–	–	7,398	-54	7,344
Power Engineering	–	–	1,998	–	1,998	-1	1,998
Motorcycles	516	–	–	–	516	–	516
Leasing business	435	724	0	9,800	10,959	-694	10,265
Interest and similar income	145	0	–	7,264	7,409	-512	6,897
Hedges sales revenue	-276	-6	–	–	-282	64	-217
Other sales revenue	5,490	1,276	–	332	7,098	-448	6,650
	116,798	**22,738**	**1,998**	**29,435**	**170,969**	**-12,168**	**158,800**

STRUCTURE OF GROUP SALES REVENUE: H1 2023

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total Segments	Reconciliation	Volkswagen Group
Vehicles	93,992	14,976	–	–	108,969	-9,460	99,508
Genuine parts	8,022	3,477	–	–	11,499	-100	11,399
Used vehicles and third-party products	6,375	1,298	–	11,107	18,780	-2,051	16,729
Engines, powertrains and parts deliveries	5,416	538	–	–	5,954	-38	5,917
Power Engineering	–	–	1,875	–	1,875	0	1,874
Motorcycles	560	–	–	–	560	–	560
Leasing business	479	784	0	8,616	9,879	-622	9,257
Interest and similar income	129	0	–	5,665	5,795	-413	5,382
Hedges sales revenue	-681	20	–	–	-662	89	-573
Other sales revenue	5,250	1,239	–	301	6,790	-585	6,205
	119,543	**22,331**	**1,875**	**25,689**	**169,437**	**-13,180**	**156,257**

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

2. Cost of sales

Cost of sales includes interest expenses of €5,177 million (previous year: €3,425 million) attributable to the financial services business.

In addition to depreciation and amortization expenses, cost of sales also includes impairment losses on capitalized development costs, property, plant and equipment, and lease assets. The impairment losses totaled €609 million (previous year: €532 million); they are mostly recognized in the other operating result and in cost of sales.

3. Research and development costs

€ million	H1 2024	H1 2023	%
Total research and development costs	11,405	10,206	+ 11.7
of which: capitalized development costs	5,158	5,197	– 0.8
Capitalization ratio in %	45.2	50.9	
Amortization of capitalized development costs	3,046	2,596	+ 17.3
Research and development costs recognized in profit or loss	**9,293**	**7,605**	**+ 22.2**

4. Earnings per share

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

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

		Q2		H1	
		2024	2023	2024	2023
Weighted average number of:					
Ordinary shares – basic/diluted	Shares	295,089,818	295,089,818	295,089,818	295,089,818
Preferred shares – basic/diluted	Shares	206,205,445	206,205,445	206,205,445	206,205,445
Earnings after tax	€ million	3,631	3,791	7,341	8,521
Non-controlling interests	€ million	361	402	642	784
Earnings attributable to Volkswagen AG hybrid capital investors	€ million	158	140	321	278
Earnings attributable to Volkswagen AG shareholders	€ million	3,112	3,250	6,378	7,459
of which: basic/diluted earnings attributable to ordinary shares	€ million	1,832	1,913	3,747	4,384
of which: basic/diluted earnings attributable to preferred shares	€ million	1,280	1,337	2,631	3,076
Earnings per ordinary share – basic/diluted	€	6.21	6.48	12.70	14.86
Earnings per preferred share – basic/diluted	€	6.21	6.48	12.76	14.92

5. Non-current assets

CHANGES IN SELECTED NON-CURRENT ASSETS BETWEEN JANUARY 1 AND JUNE 30, 2024

€ million	Carrying amount at Jan. 1, 2024	Additions/ Changes in consolidated Group	Disposals/ Other changes	Depreciation and amortization	Carrying amount at June 30, 2024
Intangible assets	89,109	5,509	–398	3,826	91,189
Property, plant and equipment	66,880	6,649	757	5,198	67,574
Lease assets	64,094	18,043	8,788	5,711	67,639

6. Inventories

€ million	June 30, 2024	Dec. 31, 2023
Raw materials, consumables and supplies	9,513	9,787
Work in progress	7,062	5,005
Finished goods and purchased merchandise	35,947	30,994
Current lease assets	6,601	6,183
Prepayments	1,978	1,649
Hedges on inventories	2	–16
	61,102	**53,601**

Loss allowances (excluding lease assets) recognized as expenses in the reporting period amounted to €793 million (previous year: €621 million). There were no material reversals of impairment losses.

7. Current other receivables and financial assets

€ million	June 30, 2024	Dec. 31, 2023
Trade receivables	23,192	21,849
Miscellaneous other receivables and financial assets	30,845	27,401
	54,037	**49,250**

In the period January 1 to June 30, 2024, impairment losses and reversals of impairment losses on non-current and current financial assets reduced operating profit by €439 million (previous year: €313 million).

8. Equity

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

In May 2024, Volkswagen AG called a hybrid note (maturity: 6 years) with a principal amount of €1,250 million, which had been placed in 2018 via Volkswagen International Finance N.V., Amsterdam/the Netherlands (issuer). Once called, the note was classified as debt in accordance with IAS 32. Equity and net liquidity of the Volkswagen Group were reduced accordingly. The hybrid note was redeemed on June 27, 2024.

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

9. Non-current financial liabilities

€ million	June 30, 2024	Dec. 31, 2023
Bonds, commercial paper and notes	101,659	97,166
Liabilities to banks	15,697	15,288
Deposit business	3,861	3,238
Lease liabilities	5,607	5,381
Other financial liabilities	1,179	1,250
	128,002	**122,323**

10. Current financial liabilities

€ million	June 30, 2024	Dec. 31, 2023
Bonds, commercial paper and notes	52,520	46,718
Liabilities to banks	24,304	25,769
Deposit business	50,237	35,589
Lease liabilities	1,194	1,112
Other financial liabilities	913	1,288
	129,168	**110,476**

11. Fair value disclosures

Generally, the principles and techniques used for fair value measurement remained unchanged year-on-year. Detailed explanations of the measurement principles and techniques can be found in the "Accounting policies" section of the 2023 consolidated financial statements.

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

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

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

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

Reconciliation of balance sheet items to classes of financial instruments

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

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

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

RECONCILIATION OF BALANCE SHEET ITEMS TO CLASSES OF FINANCIAL INSTRUMENTS AS OF JUNE 30, 2024

	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASUREMENT CATEGORY	BALANCE SHEET ITEM AT JUNE 30, 2024
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	–	–	–	–	10,348	10,348
Other equity investments	1,087	–	–	–	3,583	4,670
Financial services receivables	58	53,323	53,990	–	43,772	97,153
Other financial assets	3,328	6,247	6,266	2,993	–	12,568
Tax receivables	–	95	95	–	442	537
Current assets						
Trade receivables	0	23,192	23,192	–	–	23,192
Financial services receivables	20	46,104	46,104	–	21,417	67,541
Other financial assets	1,540	14,856	14,856	2,095	–	18,491
Tax receivables	–	-92	-92	–	2,192	2,099
Marketable securities and time deposits	26,588	853	853	–	–	27,442
Cash and cash equivalents	–	50,391	50,391	–	–	50,391
Assets held for sale	–	6	6	–	–	6
Non-current liabilities						
Financial liabilities	–	122,395	122,362	–	5,607	128,002
Other financial liabilities	1,107	2,140	2,137	2,851	–	6,099
Current liabilities						
Financial liabilities	–	127,974	127,974	–	1,194	129,168
Trade payables	–	31,580	31,580	–	–	31,580
Other financial liabilities	1,068	11,725	11,725	1,754	–	14,547
Tax payables	–	22	22	–	669	691
Liabilities associated with assets held for sale	–	0	0	–	5	6

RECONCILIATION OF BALANCE SHEET ITEMS TO CLASSES OF FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2023

	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASUREMENT CATEGORY	BALANCE SHEET ITEM AT DEC. 31, 2023
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	–	–	–	–	12,239	12,239
Other equity investments	1,150	–	–	–	3,281	4,431
Financial services receivables	89	53,066	53,389	–	41,318	94,474
Other financial assets	3,007	5,847	5,923	2,903	–	11,757
Tax receivables	–	–	–	–	437	437
Current assets						
Trade receivables	0	21,849	21,849	–	0	21,849
Financial services receivables	19	45,335	45,335	–	21,028	66,381
Other financial assets	1,927	13,517	13,517	1,509	–	16,953
Tax receivables	–	8	8	–	1,641	1,649
Marketable securities and time deposits	26,450	322	322	–	–	26,772
Cash and cash equivalents	–	43,449	43,449	–	–	43,449
Assets held for sale	–	76	76	–	114	190
Non-current liabilities						
Financial liabilities	–	116,941	116,782	–	5,381	122,323
Other financial liabilities	1,641	2,287	2,269	3,040	–	6,968
Current liabilities						
Financial liabilities	–	109,363	109,363	–	1,112	110,476
Trade payables	–	30,901	30,901	–	–	30,901
Other financial liabilities	1,294	11,356	11,356	1,372	–	14,022
Tax payables	–	18	18	–	537	556
Liabilities associated with assets held for sale	–	15	15	–	16	31

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

The carrying amount of lease receivables was €65.2 billion (previous year: €62.3 billion) and their fair value was €65.1 billion (previous year: €62.2 billion).

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

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE BY LEVEL

€ million	June 30, 2024	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	1,087	385	–	701
Financial services receivables	58	–	–	58
Other financial assets	3,328	–	880	2,448
Current assets				
Trade receivables	0	–	–	0
Financial services receivables	20	–	–	20
Other financial assets	1,540	–	1,280	259
Marketable securities and time deposits	26,588	26,486	103	–
Non-current liabilities				
Other financial liabilities	1,107	–	814	293
Current liabilities				
Other financial liabilities	1,068	–	982	86

€ million	Dec. 31, 2023	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	1,150	697	0	452
Financial services receivables	89	–	–	89
Other financial assets	3,007	–	2,161	846
Current assets				
Trade receivables	0	–	–	0
Financial services receivables	19	–	–	19
Other financial assets	1,927	–	1,599	328
Marketable securities and time deposits	26,450	26,367	83	–
Non-current liabilities				
Other financial liabilities	1,641	–	1,443	198
Current liabilities				
Other financial liabilities	1,294	–	1,255	39

DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING BY LEVEL

€ million	June 30, 2024	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	2,993	–	2,893	99
Current assets				
Other financial assets	2,095	–	2,095	–
Non-current liabilities				
Other financial liabilities	2,851	–	2,740	111
Current liabilities				
Other financial liabilities	1,754	–	1,754	–

€ million	Dec. 31, 2023	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	2,903	–	2,903	–
Current assets				
Other financial assets	1,509	–	1,509	–
Non-current liabilities				
Other financial liabilities	3,040	–	3,040	–
Current liabilities				
Other financial liabilities	1,372	–	1,372	–

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

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

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

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

€ million	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance at Jan. 1, 2023	**3,181**	**102**
Foreign exchange differences	–22	3
Changes in consolidated Group	0	–
Total comprehensive income	–685	100
recognized in profit or loss	–678	100
recognized in other comprehensive income	–8	–
Additions (purchases)	49	–
Sales and settlements	–249	–
Transfers into Level 2	–203	–22
Transfers Hedge Accounting	–	–
Balance at June 30, 2023	**2,071**	**182**
Total gains or losses recognized in profit or loss	**–678**	**–100**
Other operating result	–679	–100
of which attributable to assets/liabilities held at the reporting date	–579	–88
Financial result	1	–
of which attributable to assets/liabilities held at the reporting date	0	–

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

€ million	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance at Jan. 1, 2024	**–**	**–**
Foreign exchange differences	–	–
Changes in consolidated Group	–	–
Total comprehensive income	4	35
recognized in profit or loss	0	1
recognized in other comprehensive income	4	34
Transfers non Hedge Accounting	127	76
Transfers into Level 2	–32	–
Balance at June 30, 2024	**99**	**111**

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

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

If commodity prices for commodity futures classified as Level 3 had been 10% higher (lower) as of June 30, 2024, earnings after tax would have been €49 million (previous year: €233 million) higher (lower) and equity would have been €126 million (previous year: €– million) higher (lower).

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

If the assumed enterprise values at June 30, 2024 had been 10% higher, earnings after tax would have been €2 million (previous year: €2 million) higher. If the assumed enterprise values as of June 30, 2024 had been 10% lower, earnings after tax would have been €2 million (previous year: €2 million) lower.

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

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

If the prices of the used cars covered by the residual value protection model had been 10% higher as of June 30, 2024, earnings after tax would have been €427 million (previous year: €452 million) higher. If the prices of the used cars covered by the residual value protection model had been 10% lower as of June 30, 2024, earnings after tax would have been €462 million (previous year: €483 million) lower.

If the risk-adjusted interest rates applied to receivables measured at fair value had been 100 basis points higher as of June 30, 2024, earnings after tax would have been €19 million (previous year: €6 million) lower. If the risk-adjusted interest rates as of June 30, 2024 had been 100 basis points lower, earnings after tax would have been €18 million (previous year: €4 million) higher.

If the corresponding vehicle price used in the vehicle financing programs had been 10% higher as of June 30, 2024, earnings after tax would have been €11 million (previous year: €7 million) higher. If the corresponding vehicle prices used in the vehicle financing programs had been 10% lower as of June 30, 2024, earnings after tax would have been €11 million (previous year: €7 million) lower.

If the result of operations of equity investments measured at fair value had been 10% better as of June 30, 2024, equity would have been €25 million (previous year: €8 million) higher, and earnings after tax would have been €26 million (previous year: €5 million) higher. If the result of operations of equity investments measured at fair value had been 10% worse, equity would have been €25 million (previous year: €8 million) lower, and earnings after tax would have been €26 million (previous year: €5 million) lower.

12. Cash flow statement

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

€ million	June 30, 2024	June 30, 2023
Cash and cash equivalents as reported in the balance sheet	50,391	37,129
Cash and cash equivalents held for sale	6	70
Cash and cash equivalents as reported in the cash flow statement	**50,398**	**37,199**

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

	H1	
€ million	2024	2023
Capital contributions/Capital redemptions	–1,215	0
Dividends paid	–5,597	–11,417
Capital transactions with non-controlling interest shareholders	–	-8
Proceeds from issuance of bonds	22,328	16,804
Repayments of bonds	–17,359	–13,991
Changes in other financial liabilities	18,262	12,218
Repayments of lease liabilities	–620	–596
	15,798	**3,010**

13. Segment reporting

Segments are identified on the basis of the Volkswagen Group's internal management and reporting. In line with the Group's multibrand strategy, each of its brands (operating segments) is managed by its own Board of Management. The Group targets and requirements laid down by the Board of Management of Volkswagen AG must be complied with. Segment reporting comprises four reportable segments: Passenger Cars and Light Commercial Vehicles, Commercial Vehicles, Power Engineering and Financial Services.

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

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

The Power Engineering segment combines the large-bore diesel engines, turbomachinery and propulsion components businesses.

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

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

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

The reconciliation contains activities and other operations that by definition do not constitute segments. It also includes the unallocated Group financing activities. Consolidation adjustments between the segments are also contained in the reconciliation.

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

REPORTING SEGMENTS: H1 2024

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	106,903	22,131	1,998	27,446	158,478	322	158,800
Intersegment sales revenue	9,895	607	1	1,989	12,491	–12,491	–
Total sales revenue	116,798	22,738	1,998	29,435	170,969	–12,168	158,800
Segment result (operating result)	7,459	2,059	123	1,416	11,058	–1,006	10,052

REPORTING SEGMENTS: H1 2023

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	108,476	21,851	1,874	23,787	155,988	269	156,257
Intersegment sales revenue	11,067	481	0	1,901	13,449	–13,449	–
Total sales revenue	119,543	22,331	1,875	25,689	169,437	–13,180	156,257
Segment result (operating result)	10,827	1,796	206	2,226	15,056	–3,709	11,347

RECONCILIATION

	H1	
€ million	2024	2023
Segment result (operating result)	**11,058**	**15,056**
Unallocated activities	11	70
Group financing	–19	–5
Consolidation/Holding company function	–997	–3,775
Operating result	**10,052**	**11,347**
Financial result	**115**	**552**
Consolidated earnings before tax	**10,167**	**11,898**

14. Related party disclosures

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

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

€ million	SUPPLIES AND SERVICES RENDERED H1		SUPPLIES AND SERVICES RECEIVED H1	
	2024	2023	2024	2023
Porsche SE and its majority interests	2	1	0	0
Supervisory Board members	2	1	3	2
Unconsolidated subsidiaries	588	795	1,121	954
Joint ventures and their majority interests	8,649	7,132	679	609
Associates and their majority interests	171	199	1,355	1,485
State of Lower Saxony, its majority interests and joint ventures	3	8	2	2

€ million	RECEIVABLES FROM		LIABILITIES (INCLUDING OBLIGATIONS) TO	
	June 30, 2024	Dec. 31, 2023	June 30, 2024	Dec. 31, 2023
Porsche SE and its majority interests	1	0	0	0
Supervisory Board members	0	0	215	187
Unconsolidated subsidiaries	2,023	1,780	2,387	2,332
Joint ventures and their majority interests	17,120	15,687	4,602	4,864
Associates and their majority interests	833	775	9,291	8,647
State of Lower Saxony, its majority interests and joint ventures	1	1	1	1

The tables above do not contain the dividend payments (net of withholding tax) of €930 million (previous year: €1,091 million) received from joint ventures and associates. Similarly, the tables do not contain the dividends of €1,703 million paid to Porsche SE (previous year: €1,415 million) or the dividend of €531 million (previous year: €1,638 million) paid to the State of Lower Saxony.

Receivables from joint ventures are primarily attributable to loans granted in an amount of €12,133 million (December 31, 2023: €12,068 million) as well as trade receivables in an amount of €3,473 million (December 31, 2023: €3,234 million). Receivables from unconsolidated subsidiaries also result primarily from loans granted in an amount of €1,433 million (December 31, 2023: €1,266 million) as well as trade receivables in an amount of €214 million (December 31, 2023: €199 million).

Outstanding related party receivables include doubtful receivables on which impairment losses of €28 million (previous year: €19 million) were recognized. These incurred expenses of €10 million (previous year: €2 million) in the first half of 2024.

In addition, the Volkswagen Group has furnished guarantees to external banks on behalf of related parties in the amount of €143 million (December 31, 2023: €150 million).

Between January and June 2024, the Volkswagen Group made capital contributions of €468 million (previous year: €490 million) at related parties.

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

In addition to the liabilities to associates and their majority interests, long-term purchase obligations exist under battery purchase agreements with companies of the Northvolt Group.

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

15. Litigation

DIESEL ISSUE

1. Product-related lawsuits worldwide (excluding the USA/Canada)
In the second consumer protection class action in Brazil, which pertains to roughly 67 thousand Amarok vehicles, the Superior Court of Justice rejected in April 2024 the appeal filed by the plaintiff against the June 2023 appellate court decision. The plaintiff has filed an interlocutory appeal against this decision with the Superior Court of Justice at the end of April.

In Italy, the parties to the class action brought by the consumer organization Altroconsumo signed a settlement agreement in May 2024 completely resolving all claims for roughly 60 thousand customers validly registered in the class action who had purchased VW, Audi, Škoda, or SEAT vehicles from 2009 to 2015 with type EA 189 engines that were affected by the diesel issue. Both sides refrain from appealing the last year's judgment at the first appellate level by the Venice appeals court, thus terminating the proceedings. Provisions totaling to roughly €50 million were made for the settlement and its implementation.

2. Proceedings in the USA/Canada
In March 2024, Volkswagen Group of America Finance, LLC (VWGoAF) submitted to the United States Securities and Exchange Commission (SEC) an executed consent to enter into a final judgment, without admitting or denying the allegations of the SEC's amended complaint filed in September 2020, which requires, among other things, payment in the amount of about $49 million. Subsequently, the SEC and VWGoAF filed a motion for entry of final judgment as to VWGoAF requesting the U.S. District Court for the Northern District of California to enter final judgment that would fully resolve the SEC's claims against VWGoAF. In April 2024, the court granted the motion and entered final judgment as to VWGoAF, and issued an order dismissing with prejudice all claims against Volkswagen AG and a former Chair of the Board of Management of Volkswagen AG. Accordingly, the SEC's claims against all defendants in this lawsuit have been fully resolved.

3. Lawsuits filed by investors worldwide (excluding the USA/Canada)
Excluding the United States and Canada, the amount of the claims being asserted worldwide against Volkswagen AG in connection with the diesel issue in the form of investor lawsuits, judicial applications for dunning and conciliation procedures, and claims registered under the *Kapitalanleger-Musterverfahrensgesetz* (KapMuG German Capital Investor Model Declaratory Judgment Act) declined to approximately €8.7 billion in the reporting period due to the dismissal of one lawsuit and the withdrawal of another. Since the beginning of the proceedings, investor lawsuits in excess of €1 billion have thus been withdrawn or finally and conclusively dismissed.

ADDITIONAL IMPORTANT LEGAL CASES

In Brazil, the Brazilian dealership association Associação Brasileira Dos Distribuidores Volkswagen (Assobrav) has filed an appeal against the trial court's January 2024 judgment dismissing the lawsuit in its entirety. Assobrav and individual dealers had brought suit against Volkswagen do Brasil in December 2023 in connection with taxes refunded to Volkswagen do Brasil by the Brazilian government because of what was deemed to constitute an unconstitutional double taxation of vehicles. The plaintiffs are demanding that Volkswagen do Brasil share at least part of the refund with them.

In July 2021, the European Commission assessed a fine totaling roughly €502 million against Volkswagen AG, AUDI AG, and Dr. Ing. h.c. F. Porsche AG pursuant to a settlement decision. Volkswagen declined to file an appeal, hence the decision became final in 2021. The subject matter scope of the decision was limited to the cooperation of German automobile manufacturers on individual technical questions in connection with the development and introduction of SCR (selective catalytic reduction) systems for passenger cars that were sold in the European Economic Area. The manufacturers were not charged with any other misconduct such as price fixing or allocating markets and customers. Within the Volkswagen Group it has been noted from public sources that the Brazilian competition authority Conselho Administrativo de Defesa Econômica (CADE) has opened proceedings against, among others, Volkswagen AG, AUDI AG and Porsche AG on allegations of improper exchange of information, possibly on the basis of the EU case. The Group has not yet received any deliveries or further information.

The Korean competition authority KFTC has searched the premises of VW Group Korea within the reporting period. This happened in connection with investigations commenced in 2022 by the European Commission and the Competition and Markets Authority (CMA), the English antitrust authorities, on suspicion that European, Japanese, and Korean manufacturers, as well as national organizations operating in such countries, and the European Automobile Manufacturers' Association (ACEA) may have agreed from 2001/2002 until the commencement of the investigations, particularly in the ACEA Working Group Recycling and related sub-groups thereof, to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (specifically passenger cars and light commercial vehicles). In June 2024, the Chinese competition authorities also served Volkswagen AG with a request for information in this matter.

In the lawsuit that Greenpeace is supporting in Braunschweig, the Braunschweig Higher Regional Court rejected the plaintiffs' appeal in June 2024 and upheld the Braunschweig Regional Court's February 2023 dismissal of the complaint. The plaintiffs in the action had sought, among other things, to compel Volkswagen AG to initially reduce in stages, and by 2029 completely cease, its production and placement into the stream of commerce of vehicles with internal combustion engines, as well as to reduce greenhouse gas emissions from development, production, and marketing (including third party vehicle use). The lawsuit further sought to compel Volkswagen to exercise influence over Group companies, subsidiaries, and joint ventures so as to cause them to fulfill these demands as well.

In Russia, in the remaining lawsuit concerning ostensible claims totaling approximately RUB 28.5 billion, the trial court rendered a judgment in July 2024 ordering Volkswagen AG to pay damages of approximately RUB 16.9 billion. The judgment is not yet final; Volkswagen AG will file an appeal and continue to defend itself in this action.

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

Beyond these events, there were no significant changes in the reporting period compared with the disclosure on the Volkswagen Group's expected development in fiscal year 2024 contained in the combined management report of the 2023 Annual Report in the sections "Report on Expected Developments" and "Report on Risks and Opportunities", including in section "Legal Risks".

16. Contingent liabilities

As of June 30, 2024, there were no material changes to the contingent liabilities as reported in the 2023 consolidated financial statements.

17. Other financial obligations

Compared with the 2023 consolidated financial statements, other financial obligations increased by €2.7 billion to €40.9 billion as of June 30, 2024. The rise was largely due to higher purchase commitments for property, plant, equipment and services.

18. Events after the balance sheet date

On July 9, 2024, the Board of Management of AUDI BRUSSELS S.A./N.V., Brussels/Belgium (Audi Brussels) initiated an information and consultation process under Belgian law for the restructuring of the site against the backdrop of the development of demand for the Audi Q8 e-tron model family manufactured in Brussels. In this process, the Board of Management of Audi Brussels is consulting on alternative solutions together with the responsible social partners. At the end of this process, operations can also be discontinued, among other things. As a result of the alternative use or plant closure, the expected restructuring expenses currently estimated at €1.3 billion will primarily weigh on the Volkswagen Group's operating profit in the second half of 2024. The expenses are made up of, among other things, anticipated amortization and depreciation, costs from a change in production operation, legal and consulting costs and employee-related expenses.

Wolfsburg, July 30, 2024

Volkswagen Aktiengesellschaft

The Board of Management

Responsibility Statement

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

Wolfsburg, July 30, 2024

Volkswagen Aktiengesellschaft

The Board of Management

Review Report

On completion of our review, we issued the following unqualified review report dated 31 July 2024 in German language. The following text is a translation of this review report. The German text is authoritative:

To VOLKSWAGEN AKTIENGESELLSCHAFT

We have reviewed the condensed interim consolidated financial statements of VOLKSWAGEN AKTIENGESELLSCHAFT, Wolfsburg, – comprising the condensed income statement, condensed statement of comprehensive income, condensed balance sheet, condensed statement of changes in equity, condensed cash flow statement as well as selected explanatory notes – and the interim group management report for the period from 1 January 2024 to 30 June 2024, which are part of the half-year financial report pursuant to Sec. 115 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the condensed interim consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's executive directors. Our responsibility is to issue a report on the condensed interim consolidated financial statements and the interim group management report based on our review.

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

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

Hanover, 31 July 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Meyer Wirtschaftsprüfer [German Public Auditor]	Matischiok Wirtschaftsprüfer [German Public Auditor]

Glossary

Selected terms at a glance

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

Modular Electric Drive Toolkit (MEB)
The modular system is for the manufacturing of electric vehicles. The MEB establishes parameters for axles, drive systems, high-voltage batteries, wheelbases and weight ratios to ensure a vehicle optimally fulfills the requirements of e-mobility. The production of the first vehicles based on the MEB started into series production in 2020.

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

Automotive investment ratio
The automotive investment ratio indicates the ratio of investment to sales revenue and is calculated by adding the research and development ratio (R&D ratio) and the capex to sales revenue ratio: The research and development ratio (R&D ratio) in the Automotive Division shows total research and development costs in relation to sales revenue. Research and development costs comprise a range of expenses, from futurology through to the development of marketable products. Particular emphasis is placed on the environmentally friendly orientation of our product portfolio. The R&D ratio underscores the efforts made to ensure the Company's future viability: the goal of competitive profitability geared to sustainable growth. The ratio of capex (investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs) to sales revenue in the Automotive Division reflects both our innovative power and our future competitiveness. It shows our capital expenditure – largely for modernizing and expanding our product range and for environmentally friendly drivetrains, as well as for adjusting the production capacity and improving production processes – in relation to the Automotive Division's sales revenue.

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

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

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

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

Net liquidity
Net liquidity in the Automotive Division is the total of cash, cash equivalents, securities, loans and time deposits not financed by third-party borrowings. To safeguard our business activities, we have formulated the strategic target that net liquidity in the Automotive Division should amount to approximately 10% of the consolidated sales revenue.

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

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

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

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Financial Calendar

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