VOLKSWAGEN GROUP

INTERIM REPORT

JANUARY – SEPTEMBER 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.

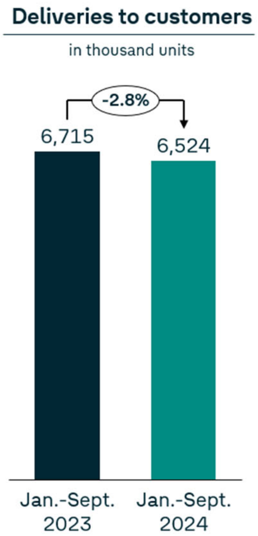
We hope our readers will understand that, for reasons of simplicity, we do not use gender-specific language. The form chosen represents all genders.

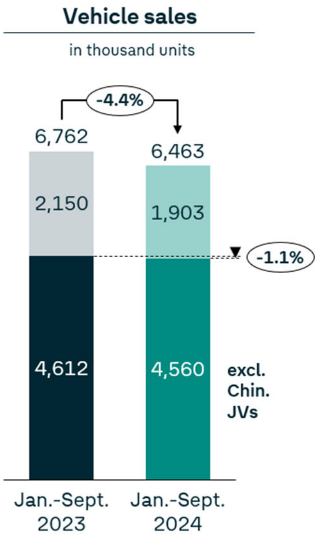
Specified vehicle range values correspond to results obtained through the Worldwide Harmonized Light Vehicles Test Procedure (WLTP) on the chassis dynamometer. WLTP range values for series-produced vehicles may vary depending on the equipment. The actual range will deviate in practice depending on various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

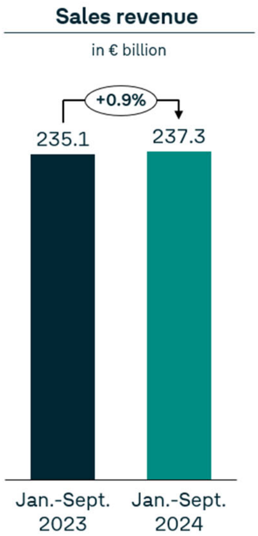
This document is an English translation of the original report written in German. In case of discrepancies, the German version shall take precedence. Both language versions can be found online at: www.volkswagen-group.com/investor-relations

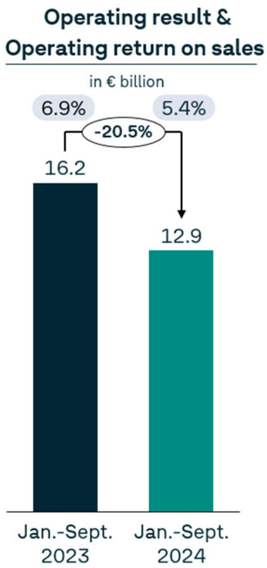
Key Figures

VOLKSWAGEN GROUP

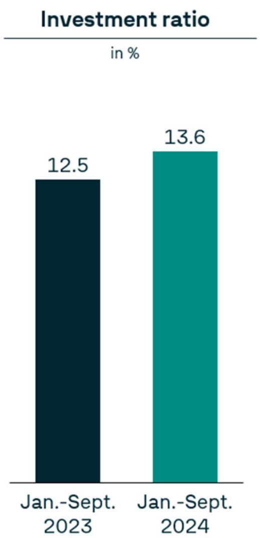


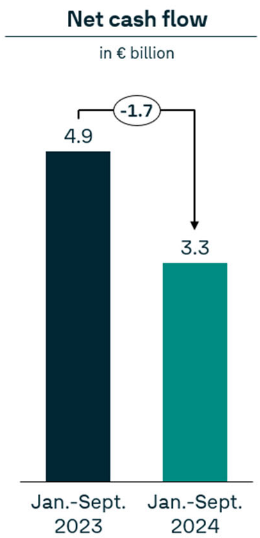


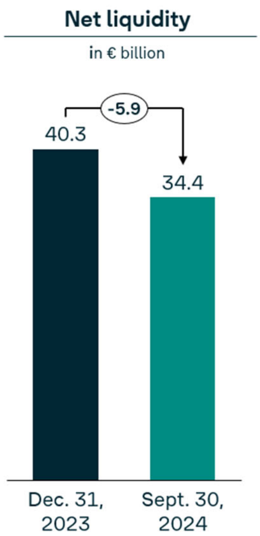




AUTOMOTIVE DIVISION







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 6.5 (6.7) million vehicles in the first three quarters of 2024; decrease in Asia-Pacific and in Central and Eastern Europe; growth mainly in North and South America
- > Deliveries of all-electric vehicles to customers down slightly year-on-year (–4.7%) due in particular to industry-wide buyer reluctance; share of Group deliveries at 7.8 (7.9)%
- > Group sales revenue up slightly year-on-year at €237.3 (235.1) billion due to volume-related increases in the financial services business
- > Operating result down at €12.9 (16.2) billion; restructuring expenses in the Passenger Cars Business Area of €2.2 billion; high upfront expenditures for new products
- > Negative financial result; earnings before tax down overall to €12.5 (17.7) billion; earnings after tax decline by €4.0 billion to €8.9 billion
- > Automotive Division’s net cash flow amounts to € 3.3 (4.9) billion; automotive investment ratio at 13.6 (12.5)%
- > Net liquidity in the Automotive Division at robust level of €34.4 billion; dividend payment of €4.5 billion to shareholders of Volkswagen AG in the second quarter

Group News

PRESENTATION OF NEW PRODUCTS AND TECHNOLOGIES

The Volkswagen Group and its brands again showcased new vehicles and technologies in the third quarter of 2024.

As part of its 'In China, for China' strategy, Volkswagen is aligning its product offering more closely to the needs of its Chinese customers. The first model from Volkswagen's new ID. UNYX sub-brand was presented in July 2024. The all-electric SUV coupé of the same name is characterized by a particularly eye-catching design, a smart control concept with a personalizable 3D avatar and a range of up to around 600 kilometers. The entry-level version is powered by a 210 kW (286 PS) electric drive motor on the rear axle. There will also be an all-wheel-drive version with two electric drive motors and an output of 250 kW (340 PS). The ID. UNYX is aimed specifically at the Chinese market and is the latest stage in the development of intelligent connected vehicles from Volkswagen. It is technically and visually tailored to the lifestyle of young customers in China's metropolises. The ID. UNYX sub-brand's retail concept supports this with 40 exclusive stores in 20 cities, where prospective customers can experience the vehicle through advanced technologies such as virtual and augmented reality.

CUPRA unveiled the new Terramar in September 2024. The sporty SUV embraces the new design language of the brand, with a bold and confident look. It comes with the new iconic light signature featuring CUPRA Matrix LED Ultra headlights with high-definition technology. The front exterior design is marked by the sporty grille and the functional lower mouth. The wide proportions of the rear give the SUV a strong presence, with the illuminated CUPRA logo and Terramar name positioned centrally between the rear lights. A particularly attractive feature of the interior is a driver-oriented cockpit enhanced by the design of the center console. The upholstery of the bucket seats is partially composed of sustainable materials. CUPRA continues its collaboration with the audio experts of Sennheiser Mobility, integrating a high-fidelity 12-speaker sound system. The CUPRA Terramar is offered with five different combustion and electric powertrains, delivering from 110 kW (150 PS) to 200 kW (272 PS). Driving dynamics are enhanced by the standard sport suspension and progressive steering, as well as the new adaptive chassis control and optimized brakes.

In the third quarter of 2024, Audi launched the A6 e-tron as a Sportback and Avant. As the second model based on the Premium Platform Electric (PPE) platform, the upper mid-size vehicle picks up on the product strengths of performance, range, efficiency, and charging. Powerful, compact and highly efficient electric motors and a lithium-ion battery newly developed for the PPE offer a range of up to around 750 kilometers in the A6 Sportback e-tron and up to around 720 kilometers in the Avant model. The Audi S6 e-tron provides a system output of up to 370 kW (503 PS) with sporty driving dynamics. It accelerates from 0 to 100 km/h in 3.9 seconds and can reach a top speed of 240 km/h. The exterior is powerful, sporty and perfectly proportioned. Enhanced basic tuning and numerous detail optimizations contribute to excellent aerodynamics and ensure an exceptionally low cw value of 0.21, making the Audi S6 e-tron the best Audi of all time in terms of aerodynamics. Audi's new design philosophy defines the interior, creating a spatial architecture tailored to the occupants in terms of design and ergonomics. Depending on the equipment level, the A6 e-tron offers many innovative features, such as second-generation virtual exterior mirrors, illuminated rings at the rear and a smart panoramic glass roof that becomes opaque at the touch of a button.

Audi has opened the next chapter in its successful history in the mid-size segment with the new A5 family. Its sharpened design language impresses with premium proportions. Both body styles - Saloon and Avant - embody the sporty essence of the Audi design philosophy. A new use of form in the interior creates a generous feeling of space. The slim, free-standing panoramic display is curved and uses OLED technology. It consists of an 11.9-inch virtual cockpit and a 14.5-inch touch display. Also available is an optional 10.9-inch front passenger display, which is perfectly integrated into the dashboard design. Efficient, electrified combustion engines and sporty, emotive S models round off the range offered for the A5 family.

Audi also presented the latest generation of its bestseller, the Q5, which is now even more modern and dynamic. It is the first SUV based on a new platform for combustion engines and is powered by petrol or diesel engines that have become even more economical thanks to MHEV plus technology. The Audi Q5 impresses with a modern infotainment system and operation concept, customizable digital light signatures and modern driver assistance systems. The sporty Audi SQ5 is already a member of the new model series at its premiere. Models with plug-in hybrid technology will be added to the model family in future.

The fourth-generation Bentley Flying Spur is the most powerful saloon ever manufactured by the British brand. Its Ultra Performance Hybrid powertrain with 575 kW (782 PS) takes the four-door car from a standing start to 100 km/h in 3.5 seconds. It also has an electric range of 76 kilometers in pure EV mode. Dynamic handling is enhanced by the Performance Active Chassis, which includes the Dynamic Ride system and all-wheel steering. An exterior refresh includes a new grille, bumper, diffuser, 22″ wheels and dark tint brightware. Striking interior updates include quilting on the seats and 3D diamond leather trim. All four seats are available with new wellness features and Seat Auto Climate. The Flying Spur's electrical architecture enables integration of new class-leading technology, with the My Bentley App Studio bringing popular apps straight to the driver's fingertips.

In August 2024, Lamborghini introduced the successor to the Huracán, the Temerario, the first super sports car to be equipped with a V8 twin-turbo engine paired with three electric motors, with an overall maximum power of 676 kW (920 PS). The exterior is characterized by the signature hexagon-shaped daytime running lights, which take one of Lamborghini's traditional geometric shapes and give it a futuristic look. The heart of the vehicle is an exposed engine, which is framed by a new aerodynamic spoiler that combines function and beauty. In addition, cutting-edge connectivity services and Augmented Reality Navigation create an intuitive driving experience. A lightweight package and carbon rims reduce the car's weight by over 25 kg compared to the predecessor model and increase aerodynamic efficiency.

To mark the 50th anniversary of the 911 Turbo, Porsche launched an exclusive anniversary model of its iconic sports car. The 911 Turbo 50 Years combines outstanding performance and the finest materials with exclusive design elements. The interior and exterior evoke historic 911 Turbo models, complemented by timelessly elegant and contemporary styling elements. Porsche has limited the 911 Turbo 50 Years to 1,974 units in honor of the year in which the first 911 Turbo made its debut. Technically, the Porsche 911 Turbo 50 Years is based on the 911 Turbo S that has been in production since 2019. Its 3.7-liter boxer engine with twin turbocharging delivers 478 kW (650 PS), and it needs just 2.7 seconds for the sprint from 0 to 100 km/h. The 8-speed dual-clutch transmission, active all-wheel drive, sports suspension and the lift system on the front axle are included as standard, as are the tinted LED main headlights with matrix beam.

IAA Transportation

Volkswagen Commercial Vehicles celebrated the world premiere of its new Transporter at the IAA Transportation 2024 in Hanover, where it presented the completely updated model range. The seventh generation of the Transporter series offers more space, a bigger payload and greater towing capacity. State-of-the-art assistance systems increase safety, while a cleverly designed cockpit and controls make organizing the workday easier. The new Transporter line-up includes a panel van (for goods transport) and panel van plus (storage space, second-row seats), a Kombi (designed for passenger transport) and a double cab (platform body with a long wheelbase). In addition, the nine-seater Caravelle for commercial passenger transport was unveiled. Volkswagen Commercial Vehicles offers this in entry-level, medium Life, and top-tier Style versions. The Caravelle is also available with an extended wheelbase. Both the Transporter panel van and the Caravelle are also available in a robust PanAmericana variant. The Transporter and the Caravelle will be available for the first time with a plug-in hybrid and all-electric drives as an alternative to the range of turbodiesel drive systems. The trade fair appearance was rounded off by a host of solutions from second stage manufacturers.

Scania showcased its comprehensive, diverse and user-friendly vehicle portfolio at the IAA Transportation, focusing on sustainability, digitalization and end-to-end solutions for a changing transport industry. Regardless of whether the customer prefers biodiesel, biogas or electrified trucks, Scania can offer modular, flexible maintenance and charging solutions, connected services and other options that give each customer the best possible total cost of operation. Other highlights included a new all-electric tractor unit, the modularized Scania 360 service portfolio and the Scania ProDriver, a fun, digital coaching tool for professional driver development.

Under the motto “Simplifying Business”, MAN showcased its entire truck drive portfolio with the latest electric, hydrogen and diesel drive systems in Hanover. At the trade fair, the eTGL celebrated its world premiere. This electrically powered 12-tonne truck rounds off the MAN electric truck portfolio for light distribution transport that now includes trucks from 12 to 50 tonnes. The eTruck can be configured with up to seven batteries that allow for ranges of up to 650 km without recharging. The MAN hTGX hydrogen burner complements the zero-emission portfolio for special applications. MAN presented improvements to the drivetrain and aerodynamics of its diesel truck line-up, with fuel consumption reduced by up to 4%. New safety and assistance systems were also presented at the trade fair.

AWARDS AND ANNIVERSARIES

At the beginning of July 2024, the new Passat from Volkswagen Passenger Cars was awarded the top score of five stars in the Euro NCAP safety assessment. The vehicle achieved very high ratings in all four categories assessed, particularly in the Adult Occupant Protection category. The Audi Q6 e-tron also received the full five stars in September 2024. Its adult and child occupant protection were both rated very highly at over 90%. In the test procedure, a consortium of European transport ministries, automobile clubs, insurance associations and research institutes examine and evaluate safety aspects of new vehicles.

In July 2024, the Volkswagen Passenger Cars brand also received the AutomotiveINNOVATIONS Award 2024 for the most innovative volume brand in the field of electric drive systems. The brand's innovative strength in the fields of range, charging capacity, consumption and the electric ecosystem were highlighted in particular. The award is conferred annually by the Center of Automotive Management, an independent institute for empirical automotive and mobility research at a German university of applied sciences, which analyses the innovation activities of around 100 vehicle brands in Europe, Asia and the United States.

In mid-August 2024, the Automotive Lean Production Award went to the Volkswagen plant in Poznań. The Poznań site was particularly praised for its use of lean production methods and continuous optimization in manufacturing with a focus on automation and digitalization. International consulting firm Agamus Consult and trade magazine *Automobil Produktion* have been selecting the best European production sites that employ state-of-the-art production processes for almost 20 years now.

At the end of August 2024, two Škoda models were awarded the Design Trophy 2024 by Germany's Auto Zeitung magazine. The Škoda Superb was named best import in the Saloon/Vans category, while the Škoda Kodiaq secured the number one spot among imported SUVs. Readers were asked to choose from a total of 63 models in four categories.

In August 2024, a number of models from the Volkswagen Group were named "Family Car of the Year 2024" by *auto motor sport* magazine in Germany. The 13th readers' poll rated vehicles in three price classes (A: up to €25 thousand, B: between €25 thousand and €35 thousand, and C: between €35 thousand and €45 thousand) and in three categories (Design, Technology and Price/Performance). The T-Cross from Volkswagen Passenger Cars came out top in price class A in the Technology category. The Škoda Kamiq was named best import in this category and also claimed the top spot in the Design category in price class A. In price class B, Škoda's Octavia Combi was selected as overall winner and best import in the Design category and was also crowned the import champion in the Technology category. The Audi Q2 was named overall winner of the Technology category in price class B. In the Price/Performance category, Škoda secured first place both overall and as an import with the Octavia Combi in price class B and with the Karoq in class C.

The Škoda Fabia celebrated 25 years of production in mid-September 2024. The unveiling of the first generation of this model had ushered in a new era for Škoda in the small car segment. To this day nearly five million units have been manufactured. The fourth model generation is produced at the Škoda plant in Mladá Boleslav.

COOPERATIONS AND INVESTMENTS

In July 2024, the Volkswagen Group's battery company PowerCo SE and QuantumScape Corporation announced they had entered into an agreement to industrialize QuantumScape's solid-state lithium-metal battery technology. The agreement supersedes an earlier joint venture between the two strategic partners to co-manufacture battery cells in future. Volkswagen will remain QuantumScape's largest shareholder. Following technical progress and certain royalty payments, QuantumScape will grant PowerCo a license to mass produce battery cells based on QuantumScape's technology platform. QuantumScape's technology platform is based on a proprietary separator, which is supposed to enable the use of a pure lithium-metal anode, an innovation that is designed for exceptional energy and power density, fast charging and a robust safety profile.

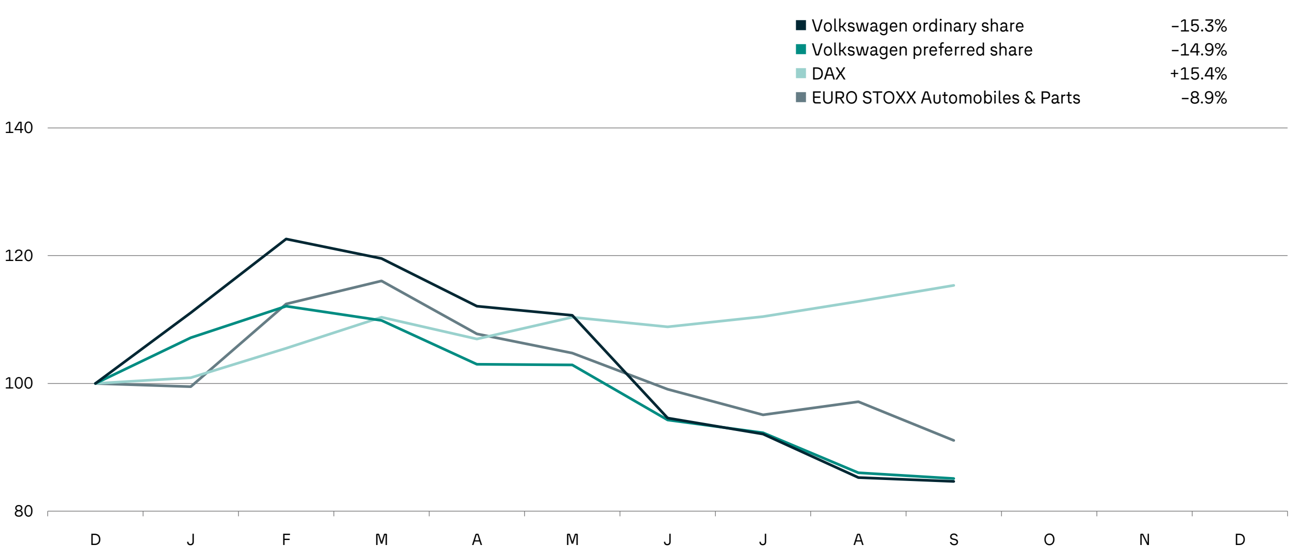
Volkswagen Shares

The international stock markets turned in a mixed but overall solid performance in the reporting period. Driven in particular by the hope that key interest rates would be lowered, they 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. Furthermore, central banks in the United States and Europe initiated a shift in monetary policy during the year with the first rate cuts, sending share prices even higher. The generally upbeat mood on the markets was not noticeably dented by the uncertain geopolitical environment, especially the situation in the Middle East.

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. The DAX began the third quarter on a weaker note before share prices started moving

PRICE DEVELOPMENT FROM DECEMBER 2023 TO SEPTEMBER 2024

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



upwards again, fueled by the turnaround in interest rates in Europe and the United States. The monetary and fiscal policy measures taken in China to stimulate the local economy also had a positive knock-on effect on the German equity market. In September 2024, the DAX – a performance index that is calculated as if all divided payments were reinvested – reached a new all-time high to exceed the year-end 2023 level by 15% at month's end. By contrast, the EURO STOXX Automobiles & Parts, which is purely a price index, posted losses of 9% in the period under review due to the difficult situation in the automotive industry.

The prices of Volkswagen AG's preferred and ordinary shares initially showed a positive trend in the first three months of the reporting period. As the year progressed, the capital market took a critical view of the fact that investment requirements continued 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, as well as the possible costs for closing an impending gap in relation to European CO_2 fleet targets for 2025 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. On top of this came the EU's announcement of punitive tariffs on Chinese electric vehicles, coupled with the threat of retaliation by China in the form of import tariffs on European vehicles, among other things. The situation in the industry worsened progressively in the course of the year. As a consequence, and due to unplanned restructuring expenses in the Group, the Company repeatedly adjusted its full-year earnings guidance. The negative reports about this in the media continued to put pressure on the share price. At the end of September 2024, both preferred shares and ordinary shares were down 15% compared with 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 –8% and the total return on the ordinary shares was –10%.

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 SEPTEMBER 30, 2024

		High	Low	Closing
Ordinary share	Price (€)	151.50	93.45	100.30
	Date	Apr. 4	Sept. 10	Sept. 30
Preferred share	Price (€)	128.50	88.66	95.16
	Date	Apr. 4	Sept. 10	Sept. 30
DAX	Price	19,474	16,432	19,325
	Date	Sept. 27	Jan. 17	Sept. 30
ESTX Auto & Parts	Price	708	539	552
	Date	Apr. 8	Sept. 10	Sept. 30

Business Development

GENERAL ECONOMIC DEVELOPMENT

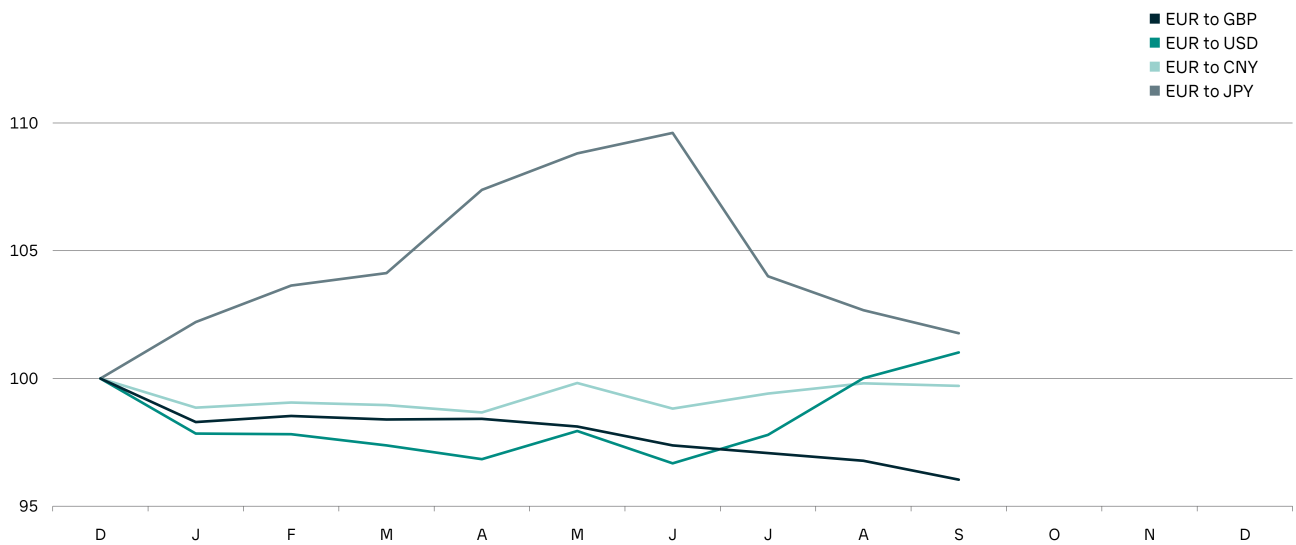
The global economy remained on a growth path in the first nine months of 2024 with somewhat slower momentum than in the previous year. This trend was seen in both the advanced economies and the emerging markets. Declining but in some cases still relatively high inflation rates in many countries, combined with restrictive monetary policies introduced by major central banks, continued to put a damper on economic growth in many places. Towards the end of the reporting period, a number of central banks started to gradually bring down key rates from their comparatively high level.

The economy in Western Europe exhibited positive growth overall in the first three quarters of this year, somewhat higher than the prior-year level. Development in the individual countries in Northern and Southern Europe was mixed. In response to declining inflation rates, the European Central Bank has lowered its key interest rates in two steps since June 2024.

German gross domestic product decreased somewhat from January to September 2024, marginally underperforming 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 SEPTEMBER 2024

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



The economies in Central and Eastern Europe recorded overall growth in the first nine months of 2024 that was somewhat higher than in the prior-year period.

In the USA, the pace of growth in gross domestic product in the reporting period was somewhat higher than that of the prior-year period. This was despite the US Federal Reserve maintaining its restrictive monetary policy until the first rate cut in September 2024 due to relatively high inflation and a tight labor market.

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

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

TRENDS IN THE MARKETS FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

From January to September 2024, the volume of the passenger car market worldwide was on a level with the prior-year figure, with the individual regions apart from Asia-Pacific and the Middle East delivering a positive performance. The supply situation continued to return to normal levels 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 September 2024 was slightly below the previous year.

In Western Europe, the number of new passenger car registrations in the first three quarters of 2024 matched the prior-year level. The performance of the large individual passenger car markets in this region was mixed. While the United Kingdom and Italy recorded slight growth and Spain registered noticeable growth, market volumes in Germany and France were similar to the prior-year period.

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 September 2024 was similar to the previous year's level. The change in electric vehicle subsidies at the end of 2023 weighed on new registrations of all-electric vehicles, and demand for vehicles with conventional and hybrid drivetrains could no longer offset this effect. Production in Germany fell to 3.1 million vehicles (–0.5%) in the first nine months of 2024, while passenger car exports rose to 2.4 million units (+3.0%).

The number of light commercial vehicles sold in Germany in the first three quarters of 2024 was noticeably 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 September 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) rose slightly in the North America region. With average improvement in the availability and affordability of new vehicles, the volume of the US market in the first nine months of 2024 was on a level with the comparative prior-year period.

In the South America region, the volume of new vehicle registrations for passenger cars and light commercial vehicles was noticeably higher in the first three quarters of 2024 than for 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 from January to September 2024 was on a level with the previous year. The number of new registrations in the Chinese passenger car market was similar to the prior-year figure. In Japan, by contrast, the market declined noticeably and had a dampening effect on growth in the region.

In the reporting period, the volume of demand for light commercial vehicles in the Asia-Pacific region was noticeably 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 noticeably compared with the period one year earlier.

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

	MARKET VOLUME		CHANGE
Thousand Units	2024	2023	(%)
Markets for passenger cars			
Western Europe	**8,806,704**	**8,774,817**	**+0.4**
of which: Germany	2,116,287	2,138,066	–1.0
France	1,263,074	1,286,001	–1.8
United Kingdom	1,514,444	1,451,908	+4.3
Italy	1,208,866	1,182,778	+2.2
Spain	782,187	735,883	+6.3
Central and Eastern Europe	**1,858,545**	**1,636,991**	**+13.5**
of which: Czech Republic	171,999	167,564	+2.6
Poland	399,832	351,391	+13.8
Other Markets	**3,192,766**	**3,209,146**	**–0.1**
of which: Türkiye	675,273	666,890	+1.3
South Africa	252,826	262,208	–3.6
North America	**14,291,036**	**13,953,851**	**+2.4**
of which: USA	11,815,012	11,701,142	+1.0
Canada	1,396,611	1,276,167	+9.4
Mexico	1,079,413	976,542	+10.5
South America	**2,824,555**	**2,686,080**	**+5.2**
of which: Brazil	1,752,167	1,534,837	+14.2
Argentina	294,455	333,573	–11.7
Asia-Pacific	**26,112,461**	**26,168,850**	**–0.2**
of which: China	15,929,774	15,690,130	+1.5
India	3,168,884	3,018,830	+5.0
Japan	2,766,875	3,008,542	–8.0
Worldwide	**57,086,067**	**56,429,735**	**+1.2**
Markets for light commercial vehicles			
Western Europe	**1,342,427**	**1,258,243**	**+6.7**
of which: Germany	214,408	198,457	+8.0
Central and Eastern Europe	**222,193**	**200,519**	**+10.8**
Asia-Pacific	**3,582,709**	**3,900,213**	**–8.1**
of which: China	1,702,676	1,865,290	–8.7
Worldwide	**5,771,100**	**5,991,272**	**–3.7**

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 noticeably lower in the reporting period than in the same period of 2023. Truck markets throughout the world were also noticeably down on the previous year due in particular to relatively weak growth in Europe, the North American markets and China.

The volume of sales in the 27 EU states excluding Malta, but including the United Kingdom, Norway and Switzerland (EU27+3), was noticeably lower in the first nine months of 2024 than in the prior-year period. New registrations in Germany, the largest market in this region, were also down noticeably on the same period of the previous year. Demand in the United Kingdom fell slightly short of the level recorded the previous year, but matched it in France. Türkiye recorded a significant 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) – the level of new registrations continued to be noticeably lower than in the previous year. In Brazil, the largest market in the South America region, demand for trucks in the first three quarters of the year rose significantly compared with the prior-year figure.

In the first nine months of 2024, demand in the bus markets that are relevant for the Volkswagen Group was on a level with the same period of the prior year. Demand for buses in the EU27+3 markets was up slightly in the reporting period compared to the previous year, with the picture varying from country to country. The school bus segment in the USA and Canada remained significantly below the prior-year level. Demand for buses in Mexico was much stronger than in the previous year. In Brazil, demand was on a level with the prior year.

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 three quarters of 2024, the marine market remained at a similar level to the previous year. Demand in merchant shipping was stable. In this segment, the markets for LNG tankers, conventional tankers and container ships recorded a positive year-on-year trend, whereas the market for bulk cargo carriers continued to 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; the trend toward new fuel technologies continued unabated.

There was still reticence in the market for energy generation in the first nine months 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. The engines segment is seeing continuous demand for gas and dual-fuel 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. Due to the debate surrounding the origin of CO_2 for green e-fuels, restraint can currently be seen with regard to the development of new projects for e-methane and e-methanol. Demand for emergency power units (emergency gensets) continued at a stable level in the first three quarters of 2024.

There was slightly less movement in the turbomachinery market in the first three quarters of 2024 than in the previous year. The 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. In the first three quarters of 2024, demand for turbomachinery in the field of decarbonization was at the same level in the new business fields year-on-year. Demand for steam turbines for power generation in decentralized power stations was below that of the same period of the previous year.

In the first nine months of 2024, the after-sales market for engines in the marine and power plant business matched the previous year's high level.

Demand in the after-sales market for turbomachinery was up in the first three quarters of 2024 compared with the prior-year period.

TRENDS IN THE MARKETS FOR FINANCIAL SERVICES

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

The European passenger car market was characterized by stable demand in the reporting period. Sales of financial services products 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, the number of deliveries of new vehicles in the first nine months of 2024 was similar to the previous year and the volume of contracts in the financial services business was slightly higher. New vehicle penetration was up on the comparative figure for 2023. The used car business was on a par with the same period of the prior year. The number of new after-sales contracts decreased in the reporting period, coming in slightly below the figure for the first nine months of 2023.

In Türkiye, inflation continued to fall on the strength of the government's continuous fiscal tightening. The trend towards longer maturities in refinancing continued, giving a boost to the credit-based financing business with private and commercial customers. This development also had a positive effect on the insurance business to some degree. By contrast, the leasing-based fleet business remained under pressure.

Vehicle sales in South Africa declined year-on-year in the period from January to September 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. The economic challenges also led to tightening of lending requirements – a disadvantage for people with lower incomes.

On the whole, the markets for financial services in the North America region developed favorably in the first three quarters of 2024 compared with the previous year. In the USA, Canada and Mexico, deliveries, 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 market for financial services remained strong. 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 and fleet management programs entered into also rose. In Argentina, the level of financial services contracts was stable in spite of challenging, though slowly improving macroeconomic conditions.

The Chinese automotive market witnessed a further rise in demand for electrified and used vehicles in the reporting period. In addition, banks were gaining a foothold in the market with attractive products. This, in turn, also affected demand for automotive financial services. In Japan, the financial and insurance market remained relatively stable in the reporting period despite waning vehicle demand and rising interest rates; innovations in the insurance sector provided a source of impetus.

While demand for trucks and buses in the first nine months of 2024 was weaker than in the same period of the previous year, the financial services business for heavy commercial vehicles was on a level with the first three quarters of 2023.

VOLKSWAGEN GROUP DELIVERIES

The Volkswagen Group delivered 6,524,257 vehicles to customers worldwide from January to September 2024. This was 2.8% or 191,136 units less than in the same period of the previous year. While sales figures for passenger cars fell slightly short of the prior-year level, the Group's commercial vehicle sales were on the same level as the previous 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 SEPTEMBER 30[1]

	2024	2023	%
Passenger Cars	6,278,872	6,465,917	–2.9
Commercial Vehicles	245,385	249,476	–1.6
Total	**6,524,257**	**6,715,393**	**–2.8**

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 nine months of 2024, sales of Volkswagen Group Passenger Cars and Light Commercial Vehicles worldwide were down slightly on the level of the previous year at 6,278,872 units (–2.9%) in a challenging market. While Škoda, SEAT/CUPRA, Volkswagen Commercial Vehicles and Lamborghini increased vehicle deliveries, Volkswagen Passenger Cars, Audi, Bentley and Porsche did not reach their respective prior-year figures. At a regional level, we saw demand rise for passenger cars and light commercial vehicles from the Volkswagen Group in North America, South America, Africa and the Middle East. Deliveries to customers in Western Europe were on a level with the previous year, but fell short of the prior-year figures in Asia-Pacific and Central and Eastern Europe.

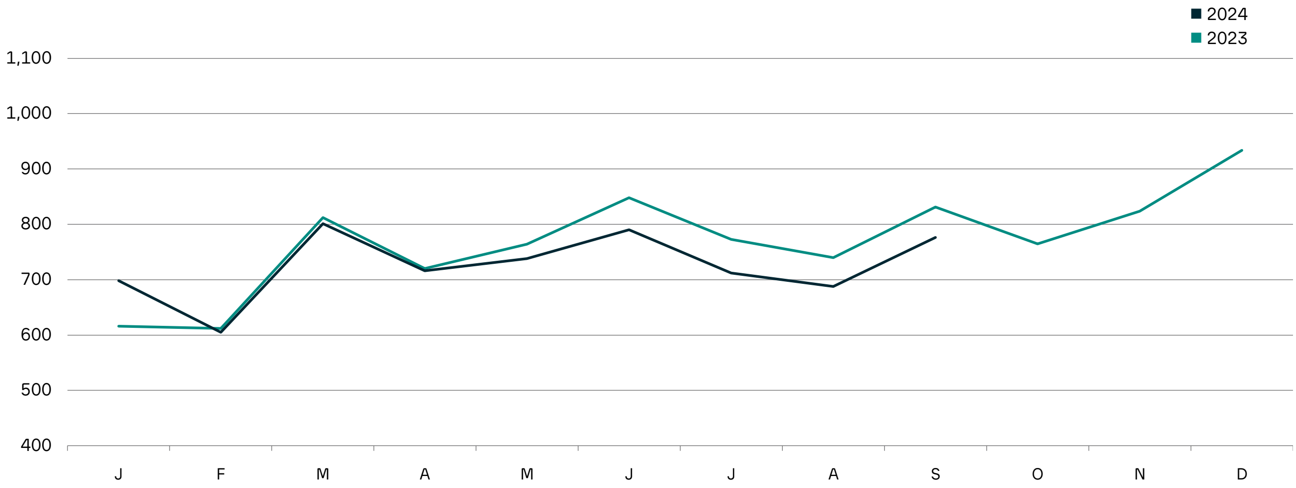
Deliveries of electrified vehicles from the Volkswagen Group were slightly lower than the prior-year figure due in particular to industry-wide buyer reluctance: we handed over 506,529 all-electric vehicles (including heavy commercial vehicles) to customers worldwide in the first three quarters of this year. This was 25,010 fewer units or 4.7% less than in the same period of the previous year. Their share of the Group's total deliveries stood at 7.8 (7.9)%. Deliveries to customers of our plug-in hybrid models amounted to 191,714 (+9.1%) units. As a result, total electrified vehicle deliveries fell by 1.3%; their share of total Group deliveries rose year-on-year to 10.7 (10.5)%. The Group brands' highest-volume all-electric vehicles included the ID.4 and ID.3 from Volkswagen Passenger Cars, the Škoda Enyaq iV, the CUPRA Born, the ID. Buzz from Volkswagen Commercial Vehicles, the Audi Q4 e-tron as well as the Porsche Taycan.

In an overall global market on the same level of the previous year, we achieved a passenger car market share of 10.5 (11.0)%.

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.

VOLKSWAGEN GROUP DELIVERIES BY MONTH

Vehicles in thousands



Deliveries in Europe/Other Markets

In Western Europe, the Volkswagen Group delivered 2,341,572 vehicles to customers in the first nine months of 2024 in an overall market that was at the same level as in the previous year. This was 0.3% less 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 286,275 units to customers in the reporting period. Their share of Group deliveries in this region fell to 11.8 (13.5)%. The number of all-electric models handed over to customers was down 13.1% year-on-year. However, incoming orders for Volkswagen Group all-electric models developed encouragingly in Western Europe, almost 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 and the Audi A4 Avant, 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, CUPRA Formentor and CUPRA Tavascan, the Audi A3, Q6 e-tron and Q7 and the Porsche Macan and 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 24.0 (24.4)%.

In Germany, 836,380 vehicles were delivered to Volkswagen Group customers between January and September 2024; this was 1.0% less than the prior-year figure. The overall market in the same period was similar to the previous year's level. The Group models with the highest sales volume were the T-Roc, Golf hatchback and Tiguan from the Volkswagen Passenger Cars brand and the Škoda Octavia Combi. In addition, the Golf Estate, Polo and ID.7 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 Golf, T-Roc, Tiguan, Passat, Touran, Multivan/Transporter and Porsche 911. The Golf was again the most popular passenger car in Germany in terms of registrations in the first nine months of 2024.

In the Central and Eastern Europe region, the number of Volkswagen Group vehicles handed over to customers in the reporting period was down 1.5% year-on-year. The overall market meanwhile experienced significant growth. Demand developed encouragingly for a number of models, including Škoda's Octavia Combi, Octavia saloon and Fabia hatchback. The Volkswagen Group's share of the passenger car market in the Central and Eastern Europe region declined to 17.5 (20.2)%.

In Türkiye, the Volkswagen Group delivered 3.0% more vehicles to customers in the first nine months of 2024 than in the prior-year period in an overall market that was similar to the level of the previous year. The Polo from Volkswagen Passenger Cars was the most sought-after Group model there. In the slightly contracting South African market, the number of Group models sold decreased by 2.8%. 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 September 2024 increased by 8.5% 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 6.4 (8.2)% 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 Jetta from the Volkswagen Passenger Cars brand, the Audi Q7 and Audi Q8 and the Porsche Taycan, Macan and Panamera were among the new or successor models launched on the market during the reporting period. The Group's share of the market in this region increased to 4.9 (4.6)%.

In the US market, which was on a level with the previous year, the Volkswagen Group delivered 2.8% more vehicles to customers in the reporting period than in the prior-year comparative period. The Group models to record the greatest increases in absolute terms included the Jetta, Atlas and Tiguan Allspace from Volkswagen Passenger Cars and the Audi Q3.

In Canada, the number of deliveries to Volkswagen Group customers increased by 27.3% year-on-year from January to September 2024. The overall market recorded noticeable growth during this period. The Group models with the highest volume of demand were the Tiguan Allspace and Taos from the Volkswagen Passenger Cars brand.

In Mexico, where the overall market is seeing significant growth, we delivered 19.7% more vehicles to customers in the first nine 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 noticeably up on the prior-year level, the number of Group models handed over to customers between January and September 2024 increased by 12.1% 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 13.0 (12.2)%.

In Brazil, a market that recorded significant growth, the Volkswagen Group delivered 15.7% more vehicles to customers in the first nine months of 2024 than in the prior-year period. The development of the sales of the Polo, Virtus and Saveiro models from Volkswagen Passenger Cars was particularly encouraging.

In Argentina, the number of Group models sold in the reporting period increased by 14.9% in comparison with the previous year in an overall market that was contracting significantly. The Group models with the highest sales volume were the Polo and the Taos from Volkswagen Passenger Cars and the Amarok from Volkswagen Commercial Vehicles.

Deliveries in the Asia-Pacific Region

In the first three quarters of 2024, the Volkswagen Group’s sales volume in the Asia-Pacific region declined by 10.9%, 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 8.6 (9.7)%.

In the reporting period, China’s overall market was similar to the previous year’s level. The Volkswagen Group delivered 10.1% fewer vehicles to customers there than in the previous year. The high intensity of competition continued to have a negative impact. At 148,086 units, the number of all-electric vehicles (including heavy commercial vehicles) handed over to customers in China was 26.5% higher than the prior-year figure. Their share of the Group’s total deliveries rose to 7.2 (5.1)%. The Group models with the highest sales volume were the Sagitar, Passat and Lavida from Volkswagen Passenger Cars and the Audi A6 saloon. In addition, the Lavida XR, ID.3 and Tayron from Volkswagen Passenger Cars and the A7 saloon and Q5 from Audi were among the models that saw an encouraging increase in demand. The ID. UNYX, Tiguan Allspace, ID.7 and Magotan models from Volkswagen Passenger Cars, the Audi Q7 and the Porsche Taycan and Porsche Panamera were among the new or successor models launched on the market in the reporting period.

In the Indian passenger car market, which registered noticeable growth, the Volkswagen Group sold 19.8% fewer vehicles in the first nine months of this year than in the same period of 2023. The Virtus and Taigun from the Volkswagen Passenger Cars brand and the Kushaq from Škoda were the most sought-after Group models there.

In Japan, the number of Group models delivered to customers between January and September 2024 decreased by 11.2% year-on-year in a noticeably declining overall market. The Group vehicles with the highest sales volume were the T-Roc and Golf hatchback models from the Volkswagen Passenger Cars brand.

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

	DELIVERIES (UNITS)		CHANGE
	2024	2023	(%)
Europe/Other Markets	**2,949,045**	**2,951,838**	**-0.1**
Western Europe	**2,341,572**	**2,349,508**	**-0.3**
of which: Germany	836,380	844,907	-1.0
France	199,537	187,809	+6.2
United Kingdom	381,213	368,275	+3.5
Italy	204,784	203,357	+0.7
Spain	184,213	178,386	+3.3
Central and Eastern Europe	**349,340**	**354,553**	**-1.5**
of which: Czech Republic	82,128	91,113	-9.9
Russia	–	3,504	x
Poland	111,799	102,962	+8.6
Other Markets	**258,133**	**247,777**	**+4.2**
of which: Türkiye	120,938	117,444	+3.0
South Africa	50,075	51,508	-2.8
North America	**698,939**	**644,429**	**+8.5**
of which: USA	474,547	461,841	+2.8
Canada	97,085	76,271	+27.3
Mexico	127,307	106,317	+19.7
South America	**366,297**	**326,717**	**+12.1**
of which: Brazil	285,486	246,726	+15.7
Argentina	48,946	42,605	+14.9
Asia-Pacific	**2,264,591**	**2,542,933**	**-10.9**
of which: China	2,055,651	2,287,306	-10.1
India	58,948	73,490	-19.8
Japan	42,683	48,041	-11.2
Worldwide	**6,278,872**	**6,465,917**	**-2.9**
Volkswagen Passenger Cars	3,396,772	3,484,247	-2.5
Škoda	671,264	642,190	+4.5
SEAT/CUPRA	422,092	391,831	+7.7
Volkswagen Commercial Vehicles	311,337	300,499	+3.6
Audi	1,235,590	1,386,631	-10.9
Lamborghini	8,411	7,744	+8.6
Bentley	7,380	10,053	-26.6
Porsche	226,026	242,722	-6.9

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 September 2024, the Volkswagen Group delivered 1.6% fewer commercial vehicles to customers worldwide than in the same period of the previous year, though the downward trend in the first six months was mitigated by slight growth in the third quarter. We handed over a total of 245,385 commercial vehicles to customers. Trucks accounted for 205,718 units (–0.7%) and buses for 20,359 units (–9.5%). Deliveries of the MAN TGE van series to customers declined compared with the prior-year period, falling to 19,308 vehicles (–3.0%).

In the 27 EU states, excluding Malta but including the United Kingdom, Norway and Switzerland (EU27+3), sales from January to September 2024 were down by 10.4% on the same period of the previous year and amounted to a total of 99,618 units, of which 76,910 were trucks and 3,720 were buses. The decrease in truck sales is attributable to continued buyer reluctance in the EU27+3 region as well as to a model upgrade at MAN Truck & Bus. Deliveries of the MAN TGE van series to customers amounted to 18,988 units.

In the first nine months of the year, deliveries to customers in Türkiye fell noticeably to 3,864 vehicles. Of the vehicles sold, 3,551 units were trucks, 130 were buses and 183 were MAN TGE vans. In South Africa, the number of Volkswagen Group commercial vehicles delivered to customers fell significantly year-on-year to 3,378 units. Of the units sold, 2,904 were trucks and 474 were buses.

Sales in North America declined in the first three quarters of 2024 to 70,070 vehicles (–2.2%), of which 61,075 were trucks and 8,995 were buses.

Deliveries to customers in South America increased very strongly to a total of 52,802 units (+35.6%) in the reporting period; 47,131 of these were trucks and 5,671 were buses. In Brazil, sales increased very strongly in the first nine months of 2024 mainly due to an economic upswing, rising by 46.1% to 45,279 units. Of the units delivered, 40,604 were trucks and 4,675 were buses.

In the Asia-Pacific region, the Volkswagen Group sold 6,784 vehicles in the reporting period, including 6,203 trucks and 581 buses. Overall, this was 24.0% less than in the previous year.

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

	DELIVERIES (UNITS)		CHANGE
	2024	2023	(%)
Europe/Other Markets	**115,729**	**129,949**	**–10.9**
of which: EU27+3	99,618	111,217	–10.4
of which: Germany	26,727	32,171	–16.9
Türkiye	3,864	4,123	–6.3
South Africa	3,378	3,764	–10.3
North America	**70,070**	**71,658**	**–2.2**
of which: USA	50,966	56,110	–9.2
Mexico	13,451	11,348	+18.5
South America	**52,802**	**38,948**	**+35.6**
of which: Brazil	45,279	30,994	+46.1
Asia-Pacific	**6,784**	**8,921**	**–24.0**
Worldwide	**245,385**	**249,476**	**–1.6**
Scania	73,971	67,654	+9.3
MAN	68,912	83,996	–18.0
International (formerly Navistar)	66,772	68,176	–2.1
Volkswagen Truck & Bus	35,730	29,650	+20.5

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 September 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, International (formerly 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 September 2024. The number of new financing, leasing, service and insurance contracts signed worldwide increased by 15.2% to 8.1 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 increased to 34.9 (33.3)% in the reporting period. At 28.1 (28.1) million, the total number of contracts as of September 30, 2024 was on a level with the adjusted figure at the end of the previous year.

In Europe/Other Markets, 5.8 million new contracts were signed, 13.1% more than the comparative prior-year figure. At 19.9 (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 7.2 (7.1) million of these contracts.

The number of new contracts signed in North America in the first nine months of 2024 increased to 1.1 (0.8) million. At 4.2 (4.1) million, the number of contracts as of September 30, 2024 was up on the end of the previous year. The customer financing/leasing area recorded 1.7 (1.6) million contracts.

In the South America region, 608 (376) thousand new contracts were concluded in the period from January to September of this year. The total number of contracts at the end of the reporting period was higher than as of December 31, 2023, at 1.6 (1.4) million; of these contracts 0.7 (0.6) were million related to the customer financing/leasing area.

The number of new contracts signed in the Asia-Pacific region in the first nine months of 2024 declined to 573 (763) thousand. At the end of September 2024, the total number of contracts stood at 2.3 (2.5) million. The customer financing/leasing area was responsible for 1.3 (1.5) million of these contracts.

SALES TO THE DEALER ORGANIZATION

In the reporting period, the Volkswagen Group's unit sales to the dealer organization decreased by 4.4% to 6,462,920 units (including the equity-accounted companies in China). Unit sales outside Germany fell by 4.9% to 5,608,619 vehicles. Growth was recorded particularly in Brazil, Canada and France. In contrast, fewer vehicles were sold above all in China. Unit sales in Germany decreased by 0.9% year-on-year. The proportion of the Group's total unit sales attributable to Germany increased to 13.2 (12.7)%.

PRODUCTION

At 6,631,704 vehicles, the Volkswagen Group's production in the first nine months of 2024 (including the equity-accounted companies in China) was down by 3.4%. Production in Germany declined by 14.6% to 1,260,296 vehicles. The proportion of the Group's total production accounted for by Germany decreased to 19.0 (21.5)%.

INVENTORIES

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

EMPLOYEES

At 651,917 (–0.4%), the number of active employees in the Volkswagen Group at the end of September 2024 was on a level with the figure as of December 31, 2023. In addition, 14,898 employees were in the passive phase of their partial retirement and 17,477 young people were in vocational traineeships. At the close of the reporting period, the Volkswagen Group had a total of 684,292 employees worldwide, matching the level recorded at the end of 2023. A total of 295,495 people were employed in Germany (–1.1%) and a further 388,797 were employed outside Germany (+0.9%).

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

in thousands	2024	2023	%
Vehicle sales (units)	6,463	6,762	–4.4
Production (units)	6,632	6,864	–3.4
Employees (as of September 30, 2024/Dec. 31, 2023)	684.3	684.0	0.0

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 nine months of fiscal year 2024, the Volkswagen Group recognized restructuring costs of €2.2 billion, mostly in the other operating result. They are mainly attributable to Volkswagen AG and the Audi Group. Furthermore, restructuring programs were also introduced in other Group companies.

To bring about a long-term reduction in personnel costs in the administrative areas of Volkswagen AG, the Board of Management resolved in April 2024 to support the downsizing activities by offering selective severance agreements. Expenses of €0.9 billion were recognized for this.

In the third quarter of 2024, the Audi Group recognized expenses of €1.2 billion in connection with the initiation of an information and consultation process under Belgian law for the restructuring of the site in Brussels. In addition to anticipated amortization and depreciation, costs from a change in the production process and legal and consulting costs, the expenses also include employee-related provisions.

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

On the basis of this planned strategic partnership, Volkswagen invested USD 1 billion in Rivian in June 2024. The investment took the form of an unsecured convertible note, which will convert into ordinary shares of Rivian on December 1, 2024 at the earliest. The conversion price for the first half of the outstanding amount under the note was calculated on the basis of a defined daily volume-weighted average price (VWAP) prior to this announcement, while 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.

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. The remaining investments of USD 2 billion are scheduled to be split between a payment when the joint venture is established, mainly for 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 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.

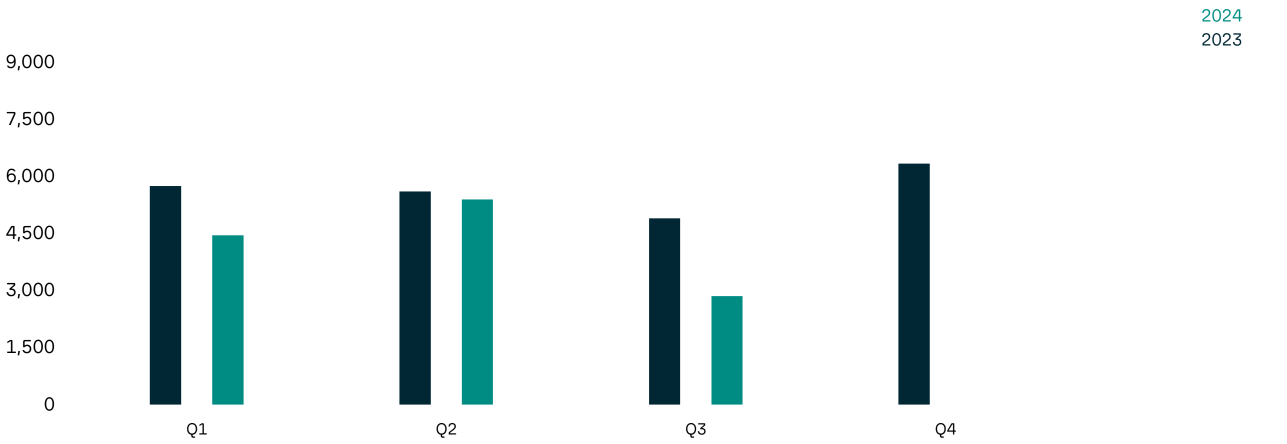
RESULTS OF OPERATIONS

Results of operations of the Group

The Volkswagen Group generated sales revenue of €237.3 (235.1) billion in the period from January to September 2024. This positive trend was attributable to the Financial Services Division. 80.6 (81.6)% of the Volkswagen Group's sales revenue came from outside Germany. Gross profit decreased by €1.9 billion to €42.4 billion. As a consequence, the gross margin declined to 17.9 (18.9)%.

The Volkswagen Group's operating result amounted to €12.9 (16.2) billion in the first nine months of 2024. The operating return on sales was 5.4 (6.9)%. The lower result was due mainly to an unfavorable trend in vehicle sales, the mix and pricing, as well as to higher upfront expenditures for new products. The Passenger Cars Business Area furthermore recognized expenses of €2.2 billion for restructuring measures in the period from January to September 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 reporting period, a rise in interest expenses, higher risk costs 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. In the previous year, the fair value measurement of derivatives to which hedge accounting is not applied had reduced the Volkswagen Group's operating result by €2.5 billion.

OPERATING RETURN BY QUARTER
Volkswagen Group in € million



The financial result was down on the previous year, at €–0.4 (1.5) billion. The share of the result of equity-accounted investments was lower than in the prior-year period, due to the decline in the result of the Chinese joint ventures, amongst other factors. The final winding-down of Argo AI resulted in a gain in the third quarter of 2024. A rise in interest expenses led to a negative interest result in the first nine months of 2024. In the other financial result, the performance of net income from securities and funds in particular had a positive impact. The Volkswagen Group's earnings before tax decreased by €5.2 billion to €12.5 billion in the first three quarters of 2024. At €8.9 billion, earnings after tax declined by €4.0 billion on the previous year.

Results of operations in the Automotive Division

In the period from January to September 2024, the Automotive Division's sales revenue of €193.4 (195.1) billion was on a level with the prior-year figure. Sales revenue in the Passenger Cars Business Area almost matched that of the previous year, while it increased slightly in the Commercial Vehicles Business Area and 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 8.6 (8.0)% in the period from January to September 2024, an increase on the same period a year earlier. The automotive investment ratio, which combines the R&D and capex ratios, amounted to 13.6 (12.5)% in the reporting period.

In the first nine months of 2024, there was a slight year-on-year increase in distribution expenses – driven, among other factors, by higher marketing costs – and a noticeable rise in administrative expenses; their respective share of sales revenue also went up. The other operating result stood at €–3.1 (–3.1) billion. The Passenger Cars Business Area recognized expenses for restructuring measures in the period from January to September 2024.

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 first three quarters of 2024, the Automotive Division's operating result amounted to €10.7 billion, down €2.5 billion on the previous year. An unfavorable trend in vehicle 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 discontinuation of the new-build business with MGT gas turbines 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 to 5.5 (6.8)%. With regard to our equity-accounted Chinese joint ventures, our operating result essentially only considers income from deliveries of vehicles and vehicle parts as well as license income, as these joint ventures are included in the financial result.

Results of operations in the Financial Services Division

In the first nine months of 2024, the Financial Services Division's sales revenue went up to €43.9 billion, a year-on-year increase of 9.6% on the back of higher volumes. Compared with the same period in 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 €0.3 billion to €5.8 billion.

The Financial Services Division's operating result of €2.2 (3.0) billion was down on the prior-year period. 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. The operating return on sales decreased to 5.0 (7.5)%.

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

€ million	2024	2023
Passenger Cars		
Sales revenue	155,998	158,835
Operating result	7,332	10,276
Operating return on sales (%)	4.7	6.5
Commercial Vehicles		
Sales revenue	34,266	33,349
Operating result	3,108	2,661
Operating return on sales (%)	9.1	8.0
Power Engineering		
Sales revenue	3,136	2,876
Operating result	253	289
Operating return on sales (%)	8.1	10.1

FINANCIAL POSITION

Financial position of the Group

In the period from January to September 2024, the Volkswagen Group's gross cash flow decreased by €3.5 billion to €32.6 billion year-on-year, driven among other things by earnings-related factors. The negative non-cash measurement effects in connection with hedging transactions, which in particular affected prior-year earnings, are eliminated from the cash flow statement. The change in working capital amounted to €–20.8 (–23.5) 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 €0.7 billion to €11.8 billion in the first three quarters of 2024.

The Volkswagen Group's investing activities attributable to operating activities increased by €0.5 billion to €17.7 billion in the reporting period. Investments in property, plant and equipment, investment property and intangible assets, excluding capitalized development costs (capex) were up, as were expenses for mergers and acquisitions.

Investing activities also include the convertible note granted to Rivian.

The Volkswagen Group's financing activities generated a total cash inflow of €15.8 (11.7) 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 €51.4 billion in its cash flow statement. As of the end of December 2023 this figure stood at €43.5 billion.

On September 30, 2024, the Volkswagen Group's net liquidity stood at €–160.6 billion; it had amounted to €–147.4 billion at the end of 2023.

Financial position of the Automotive Division

In the first three quarters of 2024, the Automotive Division recorded gross cash flow of €22.5 (26.4) billion. The decline was attributable among other factors to lower earnings; it was set against a decrease in income tax payments. 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 €–2.0 (–4.6) 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 €1.3 billion to €20.4 billion in the first nine months of 2024.

In the period from January to September 2024, investing activities attributable to operating activities increased to €17.2 (16.8) billion. Within this figure, capex increased by €1.0 billion to €9.7 billion. The capex ratio was 5.0 (4.5)%. 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 down slightly, at €7.5 (7.9) billion. The "Acquisition and disposal of equity investments" item amounted to €–0.5 (–0.5) billion; it primarily included strategic investments in a variety of companies.

The Automotive Division's net cash flow decreased by €1.7 billion to €3.3 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 €1.1 (9.6) 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 three quarters of 2024, the Automotive Division reported sound net liquidity of €34.4 billion, compared with €40.3 billion at the end of December 2023.

Financial position of the Financial Services Division

In the first nine months of 2024, the Financial Services Division recorded gross cash flow of €10.1 (9.7) billion. The change in working capital amounted to €–18.7 (–18.9) 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 stood at €–8.6 (–9.2) billion.

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

The Financial Services Division's financing activities generated a cash inflow of €16.9 (21.3) billion in the period from January to September 2024. This figure relates primarily to the issuance and redemption of bonds and to other financial liabilities.

At the end of September 2024, the Financial Services Division's negative net liquidity, which is common in the industry, was €–195.0 billion as against €–187.7 billion on December 31, 2023.

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

€ million	2024	2023
Passenger Cars		
Gross cash flow	18,050	22,003
Change in working capital	–724	–3,077
Cash flows from operating activities	17,326	18,926
Cash flows from investing activities attributable to operating activities	–15,235	–15,784
Net cash flow	2,091	3,142
Commercial Vehicles		
Gross cash flow	4,036	3,961
Change in working capital	–1,133	–1,363
Cash flows from operating activities	2,903	2,598
Cash flows from investing activities attributable to operating activities	–1,825	–942
Net cash flow	1,079	1,656
Power Engineering		
Gross cash flow	395	399
Change in working capital	–183	–190
Cash flows from operating activities	212	209
Cash flows from investing activities attributable to operating activities	–105	–69
Net cash flow	107	140

NET ASSETS

Consolidated balance sheet structure

On September 30, 2024, the Volkswagen Group's total assets stood at €631.4 billion, 5.2% more than at the end of 2023. At €191.6 (189.9) billion, the Group's equity was on a level with the end of 2023. The equity ratio was 30.4 (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 were also slightly higher than on December 31, 2023, as additions to property, plant and equipment exceeded depreciation and impairment losses. Equity-accounted investments decreased, due primarily to the Chinese joint ventures' dividend resolutions. Total non-current assets stood at €189.0 (186.0) billion, similar to the figure recorded at the end of the previous year.

Current assets amounted to €132.0 (120.2) billion on September 30, 2024, an increase compared to the end of 2023. Inventories expanded significantly. Current other receivables and financial assets went up, buoyed among other factors by a rise in trade receivables. Cash and cash equivalents were down by €2.9 billion to €25.8 billion.

At the end of the reporting period, the Automotive Division reported equity of €145.9 (146.3) billion, on a level with the figure recorded on December 31, 2023. Earnings performance and lower actuarial losses from the remeasurement of pension plans because of the change in the discount rate were set against the dividend paid to the shareholders of Volkswagen AG, the redemption of the hybrid note called in May 2024 and adverse effects arising from the measurement of derivatives, which are recognized directly in equity, and from currency translation. Non-controlling interests, which were similar to the figure at the end of 2023, comprised mostly the non-controlling interest shareholders of the Porsche AG Group and of the TRATON Group. The equity ratio was 45.4 (47.8)%.

Non-current liabilities amounted to €92.0 (86.9) billion at the end of the first three quarters of 2024, up noticeably 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 significantly from the end of 2023 to €83.1 (73.1) billion at the end of the first nine months of 2024. Current financial liabilities declined to €–6.3 (–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. Both trade payables and current other liabilities increased noticeably, while current other provisions rose significantly, driven among other factors by the planned restructuring measures in the Passenger Cars Business Area.

On September 30, 2024, the Automotive Division had total assets of €321.1 billion, 4.8% more than at the end of 2023.

Financial Services Division balance sheet structure

On September 30, 2024, the Financial Services Division's total assets amounted to €310.4 billion, 5.5% more than at the end of 2023.

At €184.2 (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 5.6% to €126.2 billion. The other receivables and financial assets included in this item were down, while the Financial Services Division's cash and cash equivalents almost doubled to €25.6 (14.8) billion.

At the end of the first nine months of 2024, the Financial Services Division accounted for around 49.2 (49.0)% of the Volkswagen Group's assets.

Equity in the Financial Services Division stood at €45.7 billion at the end of September 2024, 4.9% more than at the end of the previous year. The equity ratio was 14.7 (14.8)%.

At €123.3 (117.7) billion, the Financial Services Division's non-current liabilities were slightly higher than the figure recorded at the end of 2023. The non-current financial liabilities included in this item increased noticeably. Current liabilities went up, due primarily to a noticeable rise in current financial liabilities, which in turn was driven in particular by higher deposits.

Deposits from the direct banking business amounted to €56.5 billion on September 30, 2024, compared with €38.8 billion at the end of 2023.

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

€ million	Sept. 30, 2024	Dec. 31, 2023
Passenger Cars		
Non-current assets	147,200	149,881
Current assets	106,697	100,013
Total assets	**253,897**	**249,894**
Equity	126,442	127,684
Non-current liabilities	67,891	69,259
Current liabilities	59,565	52,952
Commercial Vehicles		
Non-current assets	40,111	34,530
Current assets	21,419	16,237
Total assets	**61,530**	**50,767**
Equity	16,680	15,918
Non-current liabilities	23,665	17,077
Current liabilities	21,185	17,772
Power Engineering		
Non-current assets	1,724	1,631
Current assets	3,910	3,955
Total assets	**5,634**	**5,585**
Equity	2,781	2,703
Non-current liabilities	494	532
Current liabilities	2,359	2,350

REPORT ON EXPECTED DEVELOPMENTS, RISKS AND OPPORTUNITIES

Given the challenging market conditions and in view of the fact that several Group brands have not met our original expectations, we revised our forecast for deliveries to customers during the third quarter and now expect to sell around 9 million vehicles.

Consequently, we expect sales revenue for the Volkswagen Group to come in at around €320 billion and for the Passenger Cars Business Area to reach sales revenue of around €210 billion. We assume that the Group will achieve an operating result in the range of approximately €18 billion and the Passenger Cars Business Area of approximately €10 billion, respectively. These figures factor in expenses in connection with the restructuring at Audi's Brussels location, which was the reason we adjusted the forecast after the first six months.

We raised our revenue guidance for the Power Engineering Business Area after the first half of the year.

The difficult operating environment outside Europe forced us to trim our forecast for the Financial Services Division's operating result. We also no longer expect to be able to compensate during the remainder of the fiscal year for the negative effect of around €0.2 billion in connection with the deconsolidation of Volkswagen Bank Rus, which is why we are now projecting an operating result in the range of €3.2 billion for the Financial Services Division.

The transaction announced as part of the strategic partnership with Rivian could lead to a cash outflow of up to €2.0 billion in the current fiscal year. Together with the revision in the third quarter of our earnings guidance, we now estimate that the net cash flow for the Automotive Division will be around €2 billion, with net liquidity of between €36 billion and €37 billion.

The forecast for all other core performance indicators remains unchanged. The outlook for fiscal year 2024 can be found on page 33.

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. Subsequently the plaintiff filed an interlocutory appeal against this decision with the Superior Court of Justice at the end of April 2024.

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 vehicles of the Volkswagen, Audi, Škoda, or SEAT brands from 2009 to 2015 with type EA 189 engines that were affected by the diesel issue. Both sides refrain from appealing last year's judgment at the first appellate level by the Venice appeals court, thus terminating the proceedings. Provisions totaling roughly €50 million were recognized for the settlement and its implementation.

In the Netherlands class action brought by the Diesel Emissions Justice Foundation (DEJF), the Amsterdam appellate court issued a ruling in August 2024 modifying the March 2022 interlocutory judgment to hold that the new class action regime – which permits damage awards in addition to declaratory judgment on the existence of claims – is applicable to vehicles in the Euro 6 emissions category. However, the court held the new class action regime to be inapplicable to vehicles in lower emissions categories (such as Euro 5). The decision is not yet final.

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. On the basis of the EU case, the Brazilian competition authority Conselho Administrativo de Defesa Econômica (CADE) opened proceedings in July 2024 against Volkswagen AG, AUDI AG, Porsche AG, and others on charges of improper exchange of information.

The Korean competition authority KFTC searched the premises of VW Group Korea in 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.

The Brazilian competition authority CADE opened proceedings against numerous companies on charges of anti-competitive improper exchange of human resources information in October 2024. Within the Volkswagen Group Volkswagen do Brasil is affected.

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. The appellate court's June 2024 decision is final and terminates the Braunschweig lawsuit.

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 has filed an appeal and will continue to mount a comprehensive defense.

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.

The risk situation has intensified on the whole in the reporting period, particularly due to the macroeconomic conditions. Beyond these events, there were no significant changes 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 on average both the advanced economies and the group of emerging markets will show positive momentum at the level of the previous year.

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 similar to the prior-year figure. For 2024, we anticipate that the volume of new passenger car registrations in Western Europe will likewise be on a similar level to 2023. In the German passenger car market, we also expect the volume of new registrations in 2024 to match 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 below 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 slight 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 will come in at around 9 million vehicles in 2024.

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 in 2024 to reach around €320 billion and the Passenger Cars Business Area to achieve sales revenue of around €210 billion. The Group's operating result is expected to be in the range of approximately €18 billion and the operating result for the Passenger Cars Business Area should be around €10 billion. For the Commercial Vehicles Business Area, we anticipate an operating return on sales of 8.5% to 9.5% 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 €3.2 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 around €2.0 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 €36 billion and €37 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 €237.3 (235.1) billion in the period from January to September 2024. The operating result stood at €12.9 (16.2) billion.

The Core brand group sold 3.6 (3.6) million vehicles in the first nine months of 2024. Sales revenue amounted to €101.5 (101.1) billion. The operating result fell to €4.5 (5.0) billion.

Unit sales by the Volkswagen Passenger Cars brand in the first nine months of 2024 were similar to the prior-year level at 2.3 (2.2) million vehicles. Demand rose for the Polo, Golf, ID.7 and Atlas. The new Passat, the new Tiguan and the ID.7 Tourer were successfully launched on the market. At €63.5 (63.4) billion, sales revenue was on a level with the previous year. The operating result amounted to €1.3 (2.1) billion, impacted by increased fixed costs in addition to expenses for restructuring measures. Mix effects had a positive effect, as did optimized material costs.

Škoda sold 809 (778) thousand vehicles in the reporting period. Its bestseller remained the Octavia; the Fabia, Kamiq and Karoq also recorded growth. Sales revenue amounted to €20.4 (19.7) billion. The operating result rose to €1.7 (1.3) billion, mainly due to positive volume, mix and exchange rate effects.

REPORTING STRUCTURE OF THE VOLKSWAGEN GROUP

Automotive Division

Passenger Cars Business Area
- Volkswagen Passenger Cars
- Škoda
- SEAT/CUPRA
- Volkswagen Commercial Vehicles
- Tech. Components
- Audi
- Porsche Automotive
- CARIAD
- Battery
- Others

Commercial Vehicles Business Area
- TRATON Commercial Vehicles

Power Engineering Business Area
- MAN Energy Solutions

Financial Services Division
- Dealer and customer financing
- Leasing
- Direct bank
- Insurance
- Fleet management
- Mobility services

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

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	2024	2023	2024	2023	2024	2023
Core brand group	3,627	3,575	101,523	101,060	4,491	4,985
Progressive brand group	800	945	46,262	50,390	2,088	4,595
Sport Luxury brand group[1]	221	250	25,899	27,785	3,771	5,232
CARIAD	–	–	652	544	−2,058	−1,728
Battery	–	–	1	2	−371	−234
TRATON Commercial Vehicles	246	250	34,266	33,349	3,097	2,662
MAN Energy Solutions	–	–	3,136	2,876	255	292
Equity-accounted companies in China[2]	1,903	2,150	–	–	–	–
Volkswagen Group Mobility	–	–	40,959	37,595	2,113	2,535
Other[3]	−335	−408	−15,419	−18,499	−479	−2,098
Volkswagen Group	**6,463**	**6,762**	**237,279**	**235,102**	**12,907**	**16,241**

1 Including Porsche Financial Services: sales revenue €28,564 (30,132) million, operating result €4,035 (5,501) 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 €1,179 (1,880) 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 SEPTEMBER 30

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	2024	2023	2024	2023	2024	2023
Volkswagen Passenger Cars	2,260	2,238	63,535	63,390	1,341	2,126
Škoda	809	778	20,399	19,659	1,699	1,260
SEAT/CUPRA	466	454	10,515	10,837	415	501
Volkswagen Commercial Vehicles	310	313	11,093	11,109	606	672
Tech. Components	–	–	15,499	16,526	420	449
Consolidation	−218	−208	−19,518	−20,461	10	−23
Core brand group	**3,627**	**3,575**	**101,523**	**101,060**	**4,491**	**4,985**

KEY FIGURES BY DIVISION FROM JANUARY 1 TO SEPTEMBER 30

	VEHICLE SALES		SALES REVENUE		OPERATING RESULT	
Thousand vehicles/€ million	2024	2023	2024	2023	2024	2023
Passenger Cars Business Area	6,217	6,512	155,998	158,835	7,332	10,276
Commercial Vehicles Business Area	246	250	34,266	33,349	3,108	2,661
Power Engineering Business Area	–	–	3,136	2,876	253	289
Automotive Division[1]	6,463	6,762	193,400	195,060	10,694	13,226
Financial Services Division	–	–	43,879	40,042	2,213	3,015
Volkswagen Group	**6,463**	**6,762**	**237,279**	**235,102**	**12,907**	**16,241**

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

Amid a challenging environment, unit sales at SEAT/CUPRA increased to 466 thousand vehicles in the period from January to September of this year, 2.6% more than a year earlier. The figure includes the A1 manufactured for Audi. The CUPRA Formentor and the SEAT Ibiza were particularly popular. The CUPRA Tavascan and the CUPRA Terramar were successfully launched on the market. At € 10.5 billion, sales revenue was down 3.0% year-on-year. The operating result decreased by 17.2% year-on-year to €415 million due to mix effects.

In the first three quarters of 2024, unit sales of Volkswagen Commercial Vehicles declined to 310 (313) thousand units worldwide. The Multivan and Caddy models recorded growth. At €11.1 (11.1) billion, sales revenue was on a level with the previous year. The operating result decreased to €606 (672) million, which in addition to volume effects was due in particular to expenses for restructuring measures.

In the first nine months of this year, Tech. Components generated sales revenue of €15.5 (16.5) billion. At €420 (449) million, the operating result was lower than in the previous year, due mainly to ramp-up costs and restructuring costs.

Unit sales at the Progressive brand group (Audi, Bentley, Lamborghini, Ducati) came to 800 (945) thousand vehicles globally in the reporting period. A further 433 (472) thousand Audi vehicles were sold by the Chinese joint ventures FAW-Volkswagen and SAIC VOLKSWAGEN. Ducati sold 43,933 (48,456) motorcycles in the first nine months of this year. Sales revenue amounted to €46.3 (50.4) billion. The operating result fell to €2.1 (4.6) billion. The trend in the volume and financial performance indicators of the Progressive brand group is a reflection of the current challenging situation, especially the difficult economic environment, the intense competition, the forthcoming model initiative and expected restructuring costs for the Brussels site.

The Sport Luxury brand group (Porsche Automotive) sold 221 (250) thousand vehicles globally in the reporting period. The Cayenne was the best-selling series. Sales revenue decreased to €25.9 (27.8) billion and the operating result contracted to €3.8 (5.2) 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 €652 (544) million in the period from January to September 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 €–2.1 (–1.7) 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 field, the operating result in the Battery business field in the reporting period amounted to €–371 (–234) million.

At 246 (250) thousand vehicles, unit sales by TRATON Commercial Vehicles (Scania, MAN, International (formerly Navistar), Volkswagen Truck & Bus) fell short of the prior-year figure. Nevertheless, sales revenue was up by 2.8% to €34.3 billion. The operating result improved to €3.1 (2.7) billion. The increase is mainly attributable to a favorable market and product mix and strong price positioning.

MAN Energy Solutions generated sales revenue of €3.1 (2.9) billion in the period from January to September 2024. The operating result amounted to €255 (292) million. In particular, expenses in connection with the discontinuation of the new-build business with MGT gas turbines.

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 7.5 million (+ 18.3%). 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 34.9 (33.1)%. At 26.2 (25.8) million, the total number of contracts at the end of September 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 16.1 (15.6) million. As of September 30 of this year, Volkswagen Bank managed 1.9 (1.8) million deposit accounts. The operating result contracted to €2.1 (2.5) 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 3.0 million vehicles in the Europe/Other Markets region in the first nine months of this year, 1.4% less than in the previous year. Sales revenue rose to €142.5 (138.4) 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 4.4% to 795 thousand vehicles in the reporting period. Sales revenue amounted to €49.4 (49.1) billion.

Unit sales in South America rose year-on-year to 426 (368) thousand vehicles in the period from January to September 2024. As a result, the operating result improved to €13.9 (12.2) billion.

In the Asia-Pacific region, the unit sales of the Volkswagen Group – including those of the equity-accounted companies in China – decreased by 13.6% to 2.2 million vehicles in the reporting period. Sales revenue amounted to €31.7 (36.1) 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 (–0.7) billion in the first nine months of 2024.

KEY FIGURES BY MARKET FROM JANUARY 1 TO SEPTEMBER 30

	VEHICLE SALES		SALES REVENUE	
Thousand vehicles/€ million	2024	2023	2024	2023
Europe/Other Markets	3,044	3,088	142,501	138,361
North America	795	761	49,436	49,146
South America	426	368	13,890	12,246
Asia-Pacific[1]	2,198	2,545	31,674	36,068
Hedges on sales revenue	–	–	–223	–720
Volkswagen Group[1]	**6,463**	**6,762**	**237,279**	**235,102**

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 September 30

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2024	2023	2024	2023	2024	2023
Sales revenue	**237,279**	**235,102**	**193,400**	**195,060**	**43,879**	**40,042**
Cost of sales	-194,894	-190,777	-156,810	-156,864	-38,084	-33,914
Gross result	**42,385**	**44,324**	**36,590**	**38,196**	**5,795**	**6,128**
Distribution expenses	-16,007	-15,344	-15,120	-14,494	-887	-850
Administrative expenses	-9,367	-9,333	-7,648	-7,361	-1,719	-1,972
Other operating result	-4,104	-3,406	-3,128	-3,115	-976	-292
Operating result	**12,907**	**16,241**	**10,694**	**13,226**	**2,213**	**3,015**
Share of the result of equity-accounted investments	482	1,814	559	1,649	-76	165
Interest result and other financial result	-866	-355	-890	-320	25	-35
Financial result	**-383**	**1,459**	**-332**	**1,329**	**-52**	**130**
Earnings before tax	**12,523**	**17,700**	**10,362**	**14,555**	**2,162**	**3,145**
Income tax expense	-3,607	-4,832	-2,881	-3,958	-726	-874
Earnings after tax	**8,917**	**12,868**	**7,481**	**10,596**	**1,436**	**2,271**
of which attributable to						
Non-controlling interests	852	1,098	768	1,004	84	94
Volkswagen AG hybrid capital investors	475	421	475	421	–	–
Volkswagen AG shareholders	7,590	11,348	6,238	9,171	1,352	2,177
Basic/diluted earnings per ordinary share in €[2]	**15.12**	**22.61**				
Basic/diluted earnings per preferred share in €[2]	**15.18**	**22.67**				

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 September 30

€ million	2024	2023
Earnings after tax	**8,917**	**12,868**
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	1,176	2,720
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	–337	–812
Pension plan remeasurements recognized in other comprehensive income, net of tax	839	1,907
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	–122	13
Deferred taxes relating to fair value valuation of equity instruments that will not be reclassified to profit or loss	26	1
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	–96	13
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	4	15
Items that will not be reclassified to profit or loss	**747**	**1,935**
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	–716	–891
Transferred to profit or loss	232	348
Exchange differences on translating foreign operations, before tax	–484	–543
Deferred taxes relating to exchange differences on translating foreign operations	0	0
Exchange differences on translating foreign operations, net of tax	–484	–542
Hedging		
Fair value changes recognized in other comprehensive income (OCI I)	–77	877
Transferred to profit or loss (OCI I)	–881	–425
Cash flow hedges (OCI I), before tax	–958	452
Deferred taxes relating to cash flow hedges (OCI I)	239	–121
Cash flow hedges (OCI I), net of tax	–718	331
Fair value changes recognized in other comprehensive income (OCI II)	–460	–333
Transferred to profit or loss (OCI II)	832	770
Cash flow hedges (OCI II), before tax	371	438
Deferred taxes relating to cash flow hedges (OCI II)	–101	–119
Cash flow hedges (OCI II), net of tax	271	319
Fair value valuation of debt instruments that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	87	39
Transferred to profit or loss	–5	–4
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	81	36
Deferred taxes relating to fair value valuation of debt instruments recognized in other comprehensive income	–21	–11
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	60	24
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	–268	–326
Items that may be reclassified to profit or loss	**–1,139**	**–195**
Other comprehensive income, before tax	–199	2,803
Deferred taxes relating to other comprehensive income	–193	–1,063
Other comprehensive income, net of tax	**–392**	**1,741**
Total comprehensive income	**8,524**	**14,608**
of which attributable to		
Non-controlling interests	793	1,267
Volkswagen AG hybrid capital investors	475	421
Volkswagen AG shareholders	7,256	12,920

Income Statement for the Period July 1 to September 30

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2024	2023	2024	2023	2024	2023
Sales revenue	**78,478**	**78,845**	**64,035**	**64,491**	**14,444**	**14,353**
Cost of sales	–65,420	–65,436	–52,947	–52,968	–12,473	–12,468
Gross result	**13,058**	**13,409**	**11,087**	**11,523**	**1,971**	**1,886**
Distribution expenses	–5,496	–5,318	–5,167	–5,051	–329	–268
Administrative expenses	–2,754	–3,132	–2,392	–2,487	–361	–645
Other operating result	–1,954	–64	–1,471	121	–483	–185
Operating result	**2,855**	**4,894**	**2,057**	**4,106**	**797**	**788**
Share of the result of equity-accounted investments	417	931	365	812	52	119
Interest result and other financial result	–915	–24	–851	–126	–64	103
Financial result	**–498**	**907**	**–486**	**685**	**–12**	**222**
Earnings before tax	**2,356**	**5,801**	**1,571**	**4,791**	**785**	**1,010**
Income tax expense	–780	–1,455	–539	–1,201	–241	–254
Earnings after tax	**1,576**	**4,347**	**1,032**	**3,590**	**544**	**756**
of which attributable to						
Noncontrolling interests	210	314	181	284	29	30
Volkswagen AG hybrid capital investors	155	143	155	143	–	–
Volkswagen AG shareholders	1,212	3,889	697	3,163	515	726
Basic/diluted earnings per ordinary share in €[2]	**2.42**	**7.76**				
Basic/diluted earnings per preferred share in €[2]	**2.42**	**7.76**				

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 July 1 to September 30

€ million	2024	2023
Earnings after tax	**1,576**	**4,347**
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	–928	3,022
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	288	–916
Pension plan remeasurements recognized in other comprehensive income, net of tax	–639	2,106
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	204	–20
Deferred taxes relating to fair value valuation of equity instruments that will not be reclassified to profit or loss	–54	3
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	150	–17
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	0	0
Items that will not be reclassified to profit or loss	**–490**	**2,089**
Exchange differences on translating foreign operations		
Unrealized currency translation gains/losses	–1,043	834
Transferred to profit or loss	4	–
Exchange differences on translating foreign operations, before tax	–1,039	834
Deferred taxes relating to exchange differences on translating foreign operations	–1	–1
Exchange differences on translating foreign operations, net of tax	–1,041	833
Hedging		
Fair value changes recognized in other comprehensive income (OCI I)	–302	–237
Transferred to profit or loss (OCI I)	–430	–220
Cash flow hedges (OCI I), before tax	–731	–456
Deferred taxes relating to cash flow hedges (OCI I)	149	132
Cash flow hedges (OCI I), net of tax	–582	–324
Fair value changes recognized in other comprehensive income (OCI II)	–73	–210
Transferred to profit or loss (OCI II)	314	301
Cash flow hedges (OCI II), before tax	242	91
Deferred taxes relating to cash flow hedges (OCI II)	–58	–29
Cash flow hedges (OCI II), net of tax	183	62
Fair value valuation of debt instruments that may be reclassified to profit or loss		
Fair value changes recognized in other comprehensive income	96	–2
Transferred to profit or loss	–4	0
Fair value valuation of debt instruments that may be reclassified to profit or loss, before tax	92	–2
Deferred taxes relating to fair value valuation of debt instruments recognized in other comprehensive income	–28	0
Fair value valuation of debt instruments that may be reclassified to profit or loss, net of tax	64	–2
Share of other comprehensive income of equity-accounted investments that may be reclassified to profit or loss, net of tax	–357	57
Items that may be reclassified to profit or loss	**–1,733**	**624**
Other comprehensive income, before tax	–2,517	3,525
Deferred taxes relating to other comprehensive income	295	–812
Other comprehensive income, net of tax	**–2,223**	**2,713**
Total comprehensive income	**–647**	**7,060**
of which attributable to		
Noncontrolling interests	167	392
Volkswagen AG hybrid capital investors	155	143
Volkswagen AG shareholders	–968	6,525

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

	VOLKSWAGEN GROUP		DIVISIONS			
			AUTOMOTIVE[1]		FINANCIAL SERVICES	
€ million	2024	2023	2024	2023	2024	2023
Assets						
Non-current assets	**373,218**	**360,694**	**189,035**	**186,042**	**184,182**	**174,653**
Intangible assets	91,027	89,109	90,496	88,504	531	605
Property, plant and equipment	68,488	66,880	67,519	65,918	969	962
Lease assets	68,926	64,094	173	377	68,753	63,717
Financial services receivables	98,352	94,474	-667	-726	99,018	95,200
Investment Property, equity-accounted investments and other equity investments, other receivables and financial assets	46,426	46,137	31,514	31,969	14,912	14,168
Current assets	**258,211**	**239,644**	**132,026**	**120,204**	**126,185**	**119,439**
Inventories	60,044	53,601	55,422	48,692	4,622	4,909
Financial services receivables	67,245	66,381	-744	-832	67,989	67,213
Other receivables and financial assets	51,921	49,250	28,022	21,348	23,899	27,902
Marketable securities and time deposits	27,604	26,772	23,500	22,211	4,105	4,561
Cash and cash equivalents	51,392	43,449	25,820	28,698	25,571	14,751
Assets held for sale	6	190	6	88	0	103
Total assets	**631,429**	**600,338**	**321,061**	**306,246**	**310,368**	**294,092**
Equity and liabilities						
Equity	**191,641**	**189,912**	**145,902**	**146,305**	**45,739**	**43,607**
Equity attributable to Volkswagen AG shareholders	163,351	160,539	118,221	117,489	45,131	43,050
Equity attributable to Volkswagen AG hybrid capital investors	13,773	15,155	13,773	15,155	–	–
Equity attributable to Volkswagen AG shareholders and hybrid capital investors	177,124	175,694	131,993	132,644	45,131	43,050
Non-controlling interests	14,517	14,218	13,909	13,661	608	557
Non-current liabilities	**215,344**	**204,552**	**92,050**	**86,868**	**123,294**	**117,684**
Financial liabilities	133,781	122,323	23,171	18,046	110,609	104,277
Provisions for pensions	28,615	29,672	28,147	29,174	467	498
Other liabilities	52,949	52,557	40,731	39,648	12,218	12,908
Current liabilities	**224,444**	**205,874**	**83,109**	**73,073**	**141,335**	**132,801**
Financial liabilities	121,756	110,476	-6,299	-8,637	128,055	119,113
Trade payables	32,402	30,901	28,667	26,836	3,735	4,064
Other liabilities	70,281	64,467	60,736	54,869	9,545	9,597
Liabilities associated with assets held for sale	5	31	5	5	0	26
Total equity and liabilities	**631,429**	**600,338**	**321,061**	**306,246**	**310,368**	**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	–	–	11,348	–	–	–	–	–	421	11,769	1,098	12,868
Other comprehensive income, net of tax	–	–	1,832	-488	236	271	33	-311	–	1,572	169	1,741
Total comprehensive income	**–**	**–**	**13,180**	**-488**	**236**	**271**	**33**	**-311**	**421**	**13,341**	**1,267**	**14,608**
Disposal of equity instruments	–	–	13	–	–	–	-13	–	–	–	–	–
Capital increases/Capital decreases	–	–	–	–	–	–	–	–	1,004	1,004	–	1,004
Dividend payments	–	–	-4,374	–	–	–	–	–	-519	-4,892	-36	-4,929
Capital transactions involving a change in ownership interest	–	–	-42	-11	–	–	–	–	–	-54	-27	-80
Other changes	–	–	75	–	–	–	–	0	–	75	111	185
Balance at Sept. 30, 2023	**1,283**	**14,551**	**146,124**	**-2,756**	**1,859**	**-806**	**-985**	**553**	**15,027**	**174,850**	**14,267**	**189,117**
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	–	–	7,590	–	–	–	–	–	475	8,065	852	8,917
Other comprehensive income, net of tax	–	–	807	-413	-689	259	-34	-264	–	-334	-59	-392
Total comprehensive income	**–**	**–**	**8,397**	**-413**	**-689**	**259**	**-34**	**-264**	**475**	**7,731**	**793**	**8,524**
Disposal of equity instruments	–	–	0	–	–	–	0	–	–	–	–	–
Capital increases/Capital decreases	–	–	–	–	–	–	–	–	-1,244	-1,244	104	-1,140
Dividend payments	–	–	-4,524	–	–	–	–	–	-613	-5,138	-595	-5,732
Capital transactions involving a change in ownership interest	–	–	–	–	–	–	–	–	–	–	–	–
Other changes	–	–	81	–	–	–	–	0	–	81	-4	77
Balance at Sept. 30, 2024	**1,283**	**14,551**	**151,784**	**-3,844**	**783**	**-417**	**-1,001**	**212**	**13,773**	**177,124**	**14,517**	**191,641**

Cash Flow Statement for the Period January 1 to September 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	12,523	17,700	10,362	14,555	2,162	3,145
Income taxes paid	-4,575	-6,061	-3,778	-4,900	-797	-1,161
Depreciation and amortization expense[2]	22,732	21,056	14,406	13,107	8,326	7,949
Change in pension provisions	86	204	76	195	9	8
Share of the result of equity-accounted investments	1,892	457	1,768	547	124	-91
Other non-cash income/expense and reclassifications[3]	-44	2,718	-352	2,859	308	-141
Gross cash flow	**32,613**	**36,073**	**22,482**	**26,363**	**10,132**	**9,710**
Change in working capital	**-20,787**	**-23,513**	**-2,039**	**-4,630**	**-18,748**	**-18,883**
Change in inventories	-6,771	-6,374	-7,007	-5,610	236	-764
Change in receivables	-3,177	-4,908	-3,340	-3,504	163	-1,405
Change in liabilities	3,931	5,205	3,841	3,452	90	1,753
Change in other provisions	4,670	597	4,618	563	53	34
Change in lease assets (excluding depreciation)	-13,504	-10,426	-34	531	-13,470	-10,957
Change in financial services receivables	-5,936	-7,607	-117	-63	-5,820	-7,544
Cash flows from operating activities	**11,826**	**12,560**	**20,442**	**21,733**	**-8,616**	**-9,173**
Cash flows from investing activities attributable to operating activities	**-17,747**	**-17,281**	**-17,165**	**-16,795**	**-583**	**-486**
of which: Investments in intangible assets (excluding capitalized development costs), property, plant and equipment, and investment property	-9,864	-8,908	-9,742	-8,718	-122	-189
capitalized development costs	-7,496	-7,873	-7,496	-7,873	–	–
acquisition and disposal of equity investments	-947	-827	-456	-511	-490	-316
Net cash flow[4]	***-5,921***	***-4,721***	***3,277***	***4,938***	***-9,198***	***-9,659***
Change in investments in securities, time deposits and loans	-1,698	9,567	-4,846	10,962	3,148	-1,395
Cash flows from investing activities	**-19,445**	**-7,714**	**-22,011**	**-5,833**	**2,566**	**-1,881**
Cash flows from financing activities	**15,798**	**11,723**	**-1,072**	**-9,586**	**16,870**	**21,309**
of which: capital transactions with non-controlling interests	–	-8	–	-8	–	–
capital contributions/capital redemptions	-1,146	1,000	-1,753	868	607	132
Effect of exchange rate changes on cash and cash equivalents	-304	-602	-238	-458	-66	-144
Change of loss allowance within cash and cash equivalents	0	-1	1	-1	-1	0
Net change in cash and cash equivalents	**7,875**	**15,966**	**-2,878**	**5,855**	**10,753**	**10,111**
Cash and cash equivalents at September 30[5]	**51,397**	**45,704**	**25,826**	**28,897**	**25,571**	**16,807**
Securities and time deposits and loans	43,551	40,356	25,462	19,971	18,088	20,385
Gross liquidity	**94,948**	**86,060**	**51,288**	**48,868**	**43,660**	**37,192**
Total third-party borrowings	-255,537	-229,172	-16,872	-12,156	-238,665	-217,016
Net liquidity at September 30[6]	**-160,589**	**-143,112**	**34,416**	**36,712**	**-195,005**	**-179,824**
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 September 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 September 30, 2024 were thus 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 3.4% (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 nine months 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 nine months of fiscal year 2024, the Volkswagen Group recognized restructuring costs of €2.2 billion, mostly in the other operating result. They are primarily attributable to Volkswagen AG and the Audi Group. Furthermore, restructuring programs were also introduced in other Group companies.

To bring about a long-term reduction in personnel costs in the administrative areas of Volkswagen AG, the Board of Management resolved in April 2024 to support the downsizing activities by offering selective severance agreements. Expenses of €0.9 billion were recognized for this.

In the third quarter of 2024, the Audi Group recognized expenses of €1.2 billion in connection with the initiation of an information and consultation process under Belgian law for the restructuring of the site in Brussels. In addition to anticipated amortization and depreciation, costs from a change in the production process and legal and consulting costs, the expenses also include employee-related provisions.

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

On the basis of this planned strategic partnership, Volkswagen invested USD 1 billion in Rivian in June 2024. The investment took the form of an unsecured convertible note, which will convert into ordinary shares of Rivian on December 1, 2024 at the earliest. The conversion price for the first half of the outstanding amount under the note was calculated on the basis of a defined daily volume-weighted average price (VWAP) prior to this announcement, while 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.

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. The remaining investments of USD 2 billion are scheduled to be split between a payment when the joint venture is established, mainly for a license for Rivian's electric architecture technology, and a loan to the joint venture in 2026.

ARGO AI

The process of winding down Argo AI, LLC, Pittsburgh/USA (Argo AI) initiated in the third quarter of 2022 was completed in the third quarter of 2024. The inclusion of the investment in the consolidated financial statements using the equity method was ended as of September 30, 2024. This resulted in a gain of €265 million, which is reported in the share of the result of equity-accounted investments. The gain is the result of realizing currency translation effects, which had previously been recognized directly in equity. They were reclassified from other reserves attributable to equity-accounted investments to the share of the result of equity-accounted investments.

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 in fiscal year 2022; another minor impairment loss and offsetting currency translation effects were identified in fiscal year 2023. No further adjustments were made in the first nine months of 2024.

In total, assets of €6 million and liabilities of €5 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 September 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: Q1 – Q3 2024

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total Segments	Reconciliation	Volkswagen Group
Vehicles	130,180	23,835	–	–	154,015	-12,490	141,525
Genuine parts	12,557	5,090	–	–	17,647	-142	17,505
Used vehicles and third-party products	10,511	1,675	–	17,654	29,840	-3,060	26,780
Engines, powertrains and parts deliveries	10,638	682	–	–	11,321	-72	11,249
Power Engineering	–	–	3,135	–	3,135	-1	3,134
Motorcycles	665	–	–	–	665	–	665
Leasing business	699	1,075	2	14,818	16,594	-954	15,639
Interest and similar income	209	0	–	10,917	11,127	-681	10,445
Hedges sales revenue	-269	-11	–	–	-281	58	-223
Other sales revenue	8,783	1,920	–	490	11,192	-635	10,558
	173,973	**34,266**	**3,136**	**43,879**	**255,254**	**-17,975**	**237,279**

STRUCTURE OF GROUP SALES REVENUE: Q1 – Q3 2023

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total Segments	Reconciliation	Volkswagen Group
Vehicles	140,075	22,520	–	–	162,595	-14,340	148,254
Genuine parts	12,039	5,152	–	–	17,192	-143	17,049
Used vehicles and third-party products	9,459	1,886	–	17,231	28,575	-3,201	25,374
Engines, powertrains and parts deliveries	8,737	749	–	–	9,486	-50	9,436
Power Engineering	–	–	2,875	–	2,875	-1	2,875
Motorcycles	735	–	–	–	735	–	735
Leasing business	718	1,180	0	13,400	15,299	-958	14,341
Interest and similar income	206	0	–	8,966	9,172	-635	8,537
Hedges sales revenue	-814	24	–	–	-790	70	-720
Other sales revenue	7,638	1,838	–	445	9,921	-700	9,221
	178,793	**33,349**	**2,876**	**40,042**	**255,059**	**-19,958**	**235,102**

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 €7,759 million (previous year: €5,790 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 €869 million (previous year: €986 million); they are mostly recognized in the other operating result and in cost of sales.

3. Research and development costs

	Q1 – 3		
€ million	2024	2023	%
Total research and development costs	16,594	15,572	+ 6.6
of which: capitalized development costs	7,496	7,873	– 4.8
Capitalization ratio in %	45.2	50.6	
Amortization of capitalized development costs	4,885	3,970	+ 23.1
Research and development costs recognized in profit or loss	**13,983**	**11,669**	**+ 19.8**

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.

		Q3		Q1 – 3	
		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	1,576	4,347	8,917	12,868
Non-controlling interests	€ million	210	314	852	1,098
Earnings attributable to Volkswagen AG hybrid capital investors	€ million	155	143	475	421
Earnings attributable to Volkswagen AG shareholders	€ million	1,212	3,889	7,590	11,348
of which: basic/diluted earnings attributable to ordinary shares	€ million	713	2,289	4,460	6,673
of which: basic/diluted earnings attributable to preferred shares	€ million	498	1,600	3,129	4,675
Earnings per ordinary share – basic/diluted	€	2.42	7.76	15.12	22.61
Earnings per preferred share – basic/diluted	€	2.42	7.76	15.18	22.67

5. Non-current assets

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

€ million	Carrying amount at Jan. 1, 2024	Additions/ Changes in consolidated Group	Disposals/ Other changes	Depreciation and amortization	Carrying amount at Sept. 30, 2024
Intangible assets	89,109	7,977	–39	6,098	91,027
Property, plant and equipment	66,880	10,767	1,287	7,873	68,488
Lease assets	64,094	27,636	14,204	8,601	68,926

6. Inventories

€ million	Sept. 30, 2024	Dec. 31, 2023
Raw materials, consumables and supplies	9,693	9,787
Work in progress	6,542	5,005
Finished goods and purchased merchandise	35,235	30,994
Current lease assets	6,579	6,183
Prepayments	2,001	1,649
Hedges on inventories	–7	–16
	60,044	**53,601**

Loss allowances (excluding lease assets) recognized as expenses in the reporting period amounted to €681 million (December 31, 2023: €621 million). There were no material reversals of impairment losses.

7. Current other receivables and financial assets

€ million	Sept. 30, 2024	Dec. 31, 2023
Trade receivables	21,405	21,849
Miscellaneous other receivables and financial assets	30,516	27,401
	51,921	**49,250**

In the period January 1 to September 30, 2024, impairment losses and reversals of impairment losses on non-current and current financial assets reduced operating profit by €686 million (previous year: €438 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	Sept. 30, 2024	Dec. 31, 2023
Bonds, commercial paper and notes	105,998	97,166
Liabilities to banks	17,085	15,288
Deposit business	3,859	3,238
Lease liabilities	5,559	5,381
Other financial liabilities	1,280	1,250
	133,781	**122,323**

10. Current financial liabilities

€ million	Sept. 30, 2024	Dec. 31, 2023
Bonds, commercial paper and notes	47,333	46,718
Liabilities to banks	19,731	25,769
Deposit business	52,735	35,589
Lease liabilities	1,206	1,112
Other financial liabilities	751	1,288
	121,756	**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 SEPTEMBER 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 SEPT. 30, 2024
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	–	–	–	–	10,076	10,076
Other equity investments	1,218	–	–	–	3,702	4,920
Financial services receivables	46	53,460	56,185	–	44,845	98,352
Other financial assets	3,220	6,815	6,852	2,834	–	12,869
Tax receivables	–	–	–	–	413	413
Current assets						
Trade receivables	0	21,405	21,405	–	0	21,405
Financial services receivables	18	45,800	45,800	–	21,427	67,245
Other financial assets	1,537	14,350	14,350	2,021	–	17,908
Tax receivables	–	0	0	–	2,335	2,335
Marketable securities and time deposits	26,871	733	733	–	–	27,604
Cash and cash equivalents	–	51,392	51,392	–	–	51,392
Assets held for sale	–	6	6	–	–	6
Non-current liabilities						
Financial liabilities	–	128,222	128,338	–	5,559	133,781
Other financial liabilities	1,326	2,132	2,107	2,645	–	6,102
Current liabilities						
Financial liabilities	–	120,551	120,551	–	1,206	121,756
Trade payables	–	32,402	32,402	–	–	32,402
Other financial liabilities	850	12,491	12,491	1,723	–	15,064
Tax payables	–	29	29	–	841	870
Liabilities associated with assets held for sale	–	0	0	–	5	5

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

€ million	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASURE-MENT CATEGORY	BALANCE SHEET ITEM AT DEC. 31, 2023
	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 €66.3 billion (previous year: €62.3 billion) and their fair value was €66.8 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	Sept. 30, 2024	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	1,218	566	–	652
Financial services receivables	46	–	–	46
Other financial assets	3,220	–	834	2,386
Current assets				
Trade receivables	0	–	–	0
Financial services receivables	18	–	–	18
Other financial assets	1,537	–	990	547
Marketable securities and time deposits	26,871	26,765	106	–
Non-current liabilities				
Other financial liabilities	1,326	–	999	327
Current liabilities				
Other financial liabilities	850	–	754	96

€ 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	Sept. 30, 2024	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	2,834	–	2,628	206
Current assets				
Other financial assets	2,021	–	2,021	–
Non-current liabilities				
Other financial liabilities	2,645	–	2,543	102
Current liabilities				
Other financial liabilities	1,723	–	1,723	–

€ 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	–23	3
Changes in consolidated Group	7	–
Total comprehensive income	–239	310
recognized in profit or loss	–235	310
recognized in other comprehensive income	–4	–
Additions (purchases)	2,592	3
Sales and settlements	–125	–28
Transfers into Level 2	–47	–27
Transfers Hedge Accounting	–250	–76
Balance at Sept. 30, 2024	**3,649**	**423**
Total gains or losses recognized in profit or loss	**–235**	**–310**
Other operating result	–194	–322
of which attributable to assets/liabilities held at the reporting date	–313	–329
Financial result	–42	12
of which attributable to assets/liabilities held at the reporting date	–70	–

€ million	Financial assets measured at fair value	Financial liabilities measured at fair value
Balance at Jan. 1, 2023	**3,181**	**102**
Foreign exchange differences	–5	2
Changes in consolidated Group	–6	–
Total comprehensive income	–719	92
recognized in profit or loss	–740	92
recognized in other comprehensive income	21	–
Additions (purchases)	115	–
Sales and settlements	–301	–
Transfers into Level 2	–251	–32
Transfers Hedge Accounting	–	–
Balance at Sept. 30, 2023	**2,013**	**164**
Total gains or losses recognized in profit or loss	**–740**	**–92**
Other operating result	–737	–92
of which attributable to assets/liabilities held at the reporting date	–559	–72
Financial result	–3	–
of which attributable to assets/liabilities held at the reporting date	8	–

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	20	48
recognized in profit or loss	1	0
recognized in other comprehensive income	19	47
Transfers non Hedge Accounting	250	76
Transfers into Level 2	–64	–21
Balance at Sept. 30, 2024	**206**	**102**

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 September 30, 2024, earnings after tax would have been €– million (previous year: €214 million) higher (lower) and equity would have been €301 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 September 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 September 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 September 30, 2024, earnings after tax would have been €442 million (previous year: €495 million) higher. If the prices of the used cars covered by the residual value protection model had been 10% lower as of September 30, 2024, earnings after tax would have been €477 million (previous year: €526 million) lower.

If the risk-adjusted interest rates applied to receivables measured at fair value had been 100 basis points higher as of September 30, 2024, earnings after tax would have been €10 million (previous year: €4 million) lower. If the risk-adjusted interest rates as of September 30, 2024 had been 100 basis points lower, earnings after tax would have been €12 million (previous year: €2 million) higher.

If the corresponding vehicle price used in the vehicle financing programs had been 10% higher as of September 30, 2024, earnings after tax would have been €5 million (previous year: €10 million) higher. If the corresponding vehicle prices used in the vehicle financing programs had been 10% lower as of September 30, 2024, earnings after tax would have been €5 million (previous year: €10 million) lower.

If the result of operations of equity investments measured at fair value had been 10% better as of September 30, 2024, equity would have been €26 million (previous year: €10 million) higher, and earnings after tax would have been €22 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 €26 million (previous year: €10 million) lower, and earnings after tax would have been €22 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	Sept. 30, 2024	Sept. 30, 2023
Cash and cash equivalents as reported in the balance sheet	51,392	45,662
Cash and cash equivalents held for sale	6	42
Cash and cash equivalents as reported in the cash flow statement	**51,397**	**45,704**

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

	Q1 – 3	
€ million	2024	2023
Capital contributions/Capital redemptions	–1,146	1,000
Dividends paid	–5,732	–11,677
Capital transactions with non-controlling interest shareholders	–	–8
Proceeds from issuance of bonds	28,464	24,738
Repayments of bonds	–23,142	–18,878
Changes in other financial liabilities	18,278	17,418
Repayments of lease liabilities	–924	–872
	15,798	**11,723**

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: Q1 – Q3 2024

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	159,214	33,370	3,135	41,170	236,889	390	237,279
Intersegment sales revenue	14,759	896	1	2,709	18,365	–18,365	–
Total sales revenue	173,973	34,266	3,136	43,879	255,254	–17,975	237,279
Segment result (operating result)	8,722	3,108	253	2,213	14,297	–1,390	12,907

REPORTING SEGMENTS: Q1 – Q3 2023

€ million	Passenger Cars and Light Commercial Vehicles	Commercial Vehicles	Power Engineering	Financial Services	Total segments	Reconciliation	Volkswagen Group
Sales revenue from external customers	162,160	32,617	2,875	37,131	234,783	318	235,102
Intersegment sales revenue	16,633	731	1	2,911	20,276	–20,276	–
Total sales revenue	178,793	33,349	2,876	40,042	255,059	–19,958	235,102
Segment result (operating result)	14,801	2,661	289	3,015	20,766	–4,525	16,241

RECONCILIATION

€ million	Q1 – 3 2024	2023
Segment result (operating result)	**14,297**	**20,766**
Unallocated activities	26	94
Group financing	–24	–12
Consolidation/Holding company function	–1,392	–4,608
Operating result	**12,907**	**16,241**
Financial result	**–383**	**1,459**
Consolidated earnings before tax	**12,523**	**17,700**

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.

	SUPPLIES AND SERVICES RENDERED Q1 – 3		SUPPLIES AND SERVICES RECEIVED Q1 – 3	
€ million	2024	2023	2024	2023
Porsche SE and its majority interests	3	2	0	0
Supervisory Board members	2	1	4	3
Unconsolidated subsidiaries	861	1,149	1,597	1,419
Joint ventures and their majority interests	12,939	11,443	996	873
Associates and their majority interests	260	288	2,063	2,142
State of Lower Saxony, its majority interests and joint ventures	3	10	3	3

	RECEIVABLES FROM		LIABILITIES (INCLUDING OBLIGATIONS) TO	
€ million	Sept. 30, 2024	Dec. 31, 2023	Sept. 30, 2024	Dec. 31, 2023
Porsche SE and its majority interests	0	0	2	0
Supervisory Board members	0	0	178	179
Unconsolidated subsidiaries	2,192	1,780	2,411	2,332
Joint ventures and their majority interests	16,311	15,687	5,099	4,864
Associates and their majority interests	650	775	8,947	8,647
State of Lower Saxony, its majority interests and joint ventures	1	1	0	1

The tables above do not contain the dividend payments (net of withholding tax) of €1,841 million (previous year: €1,717 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: €1,529 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 €10,491 million (December 31, 2023: €12,068 million) as well as trade receivables in an amount of €3,440 million (December 31, 2023: €3,234 million). Receivables from unconsolidated subsidiaries also result primarily from loans granted in an amount of €3,233 million (December 31, 2023: €1,266 million) as well as trade receivables in an amount of €194 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 €13 million (previous year: €2 million) in the first three quarters of 2024.

In addition, the Volkswagen Group has furnished guarantees to external banks on behalf of related parties in the amount of €71 million (December 31, 2023: €150 million).

Between January and September 2024, the Volkswagen Group made capital contributions of €915 million (previous year: €742 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. Subsequently the plaintiff filed an interlocutory appeal against this decision with the Superior Court of Justice at the end of April 2024.

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 vehicles of the Volkswagen, Audi, Škoda, or SEAT brands from 2009 to 2015 with type EA 189 engines that were affected by the diesel issue. Both sides refrain from appealing last year's judgment at the first appellate level by the Venice appeals court, thus terminating the proceedings. Provisions totaling roughly €50 million were recognized for the settlement and its implementation.

In the Netherlands class action brought by the Diesel Emissions Justice Foundation (DEJF), the Amsterdam appellate court issued a ruling in August 2024 modifying the March 2022 interlocutory judgment to hold that the new class action regime – which permits damage awards in addition to declaratory judgment on the existence of claims – is applicable to vehicles in the Euro 6 emissions category. However, the court held the new class action regime to be inapplicable to vehicles in lower emissions categories (such as Euro 5). The decision is not yet final.

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. On the basis of the EU case, the Brazilian competition authority Conselho Administrativo de Defesa Econômica (CADE) opened proceedings in July 2024 against Volkswagen AG, AUDI AG, Porsche AG, and others on charges of improper exchange of information.

The Korean competition authority KFTC searched the premises of VW Group Korea in 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.

The Brazilian competition authority CADE opened proceedings against numerous companies on charges of anti-competitive improper exchange of human resources information in October 2024. Within the Volkswagen Group Volkswagen do Brasil is affected.

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. The appellate court's June 2024 decision is final and terminates the Braunschweig lawsuit.

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 has filed an appeal and will continue to mount a comprehensive defense.

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.

The risk situation has intensified on the whole in the reporting period, particularly due to the macroeconomic conditions. Beyond these events, there were no significant changes 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 September 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 €4.6 billion to €42.8 billion as of September 30, 2024. The rise was due largely to higher obligations from irrevocable credit commitments in the Financial Services Division and higher purchase commitments for property, plant, equipment and services.

18. Events after the balance sheet date

There were no events with a significant effect on net assets, financial position and results of operations after September 30, 2024.

Wolfsburg, October 29, 2024

Volkswagen Aktiengesellschaft

The Board of Management

Review Report

On completion of our review, we issued the following unqualified review report dated 29 October 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 September 2024, which are part of the interim financial report pursuant to Sec. 115 (7) in conjunction with (2) Nos. 1 and 2 and (3) and (4) 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, 29 October 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Meyer	Matischiok
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[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

→ **March 11, 2025**
Volkswagen AG Annual Media Conference and Investor Conference

→ **May 16, 2025**
Volkswagen AG Annual General Meeting

458.809.628.20

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