

# **VOLKSWAGEN INTERNATIONAL FINANCE N.V.**

## **Annual report for the year ended 31 December 2025**

### **PDF/printed version**

This document is the PDF/printed version of the 2025 Annual Report of Volkswagen International Finance N.V. and has been prepared for ease of use.

The 2025 Annual Report was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), and was filed with the Netherlands Authority for the Financial Markets (AFM) in European single electronic reporting format (the ESEF package).

The ESEF package is available on the company's website at <https://www.vif.nl/> and includes a human readable XHTML version of the 2025 Annual Report.

In any case of discrepancies between this PDF version and the ESEF package, the latter prevails.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

## **Table of Contents**

Report of the Supervisory Board	3
Report of the Management Board	5
Financial Statements	10
Statement of financial position	11
Statement of income and comprehensive income	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the annual financial statements	15
Responsibility Statement	70
Signing of the Annual Report	71
Other information	72
Auditor's report	73

## Report of the Supervisory Board

The balance sheet total and the operating result for the financial year 2025 of Volkswagen International Finance N.V. ('VIF' or 'the Company') are in line with the expected development of the Company. The solvency and liquidity of the Company remained strong and robust.

The issuance activities of VIF in the capital markets were coordinated with the parent company, Volkswagen AG. In 2025, the credit rating agencies largely maintained their short- and long-term assessments for Volkswagen AG, while several outlooks changed compared to 2024. Fitch confirmed its ratings at F-1 (short-term) and A- (long-term), but the outlook changed from stable in 2024 to negative in 2025. Moody's maintained the short-term rating at P-2, while the long-term rating changed from A3 to Baa1 in 2025, with the outlook changing from negative to stable in 2025. Standard & Poor's confirmed the ratings at A-2 (short-term) and BBB+ (long-term), with the outlook moving from stable to negative in 2025. In addition, the VIF received its own rating from China Chengxin International Credit Rating Co., Ltd. ("CCXI"), which—unchanged from 2024—was again assessed at AAA with a stable outlook.

### **Monitoring and advisory activities of the Supervisory Board**

In our capacity as the Supervisory Board, we provided the Management Board with in-depth advice on matters relating to the management and further development of the Company and monitored the Management Board's running of the business continuously and thoroughly. In 2025, the Supervisory Board convened for one formal, in-person annual meeting, which all board members attended. In addition to this physical meeting, the Management Board held several additional (non-physical) meetings with the full Supervisory Board during the year. During these discussions, the financial results of the prior year were reviewed, a forecast for the current year was presented, risk management topics were addressed, and material projects for the year were discussed.

### **Description of the Audit Committee**

The Supervisory Board does not divide the responsibilities into sub-committees but takes charge of all tasks that such committees traditionally would fulfil.

### **Composition of the Supervisory Board**

The Supervisory Board consists of three members: Björn Bätge (Wolfsburg, Germany) was appointed member and chairman on 01 October 2021. Bjoern Reinecke (Braunschweig, Germany) was appointed member on 01 November 2018. Dr. Marcus Hellmann (Braunschweig, Germany) was appointed member on 21 October 2021. The members of the Supervisory Board did not receive any remuneration in the relevant reporting periods.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

**Examination of financial statements**

During the annual General Meeting of VIF on 5 June 2025 EY Accountants B.V, Rotterdam was elected as independent auditor for the financial year 2025. The independent auditors audited the annual financial statements of VIF and issued an unqualified audit opinion. Following a thorough examination and discussion of the proposed financial statements based on the audit report, the Supervisory Board authorized the issuance of the 2025 Financial Statements by the management board on 12 March 2026.

Amsterdam, 12 March 2026

Björn Bätge  
Chairman of the Supervisory Board

## Report of the Management Board

### Business Strategy and Objectives

The Company was founded in 1977 and is one of the funding vehicles of the Company's ultimate parent, Volkswagen AG ('VWAG'). VIF raises funds by issuing bonds and commercial paper in the international capital markets and lends the proceeds to Volkswagen Group companies and joint ventures. VIF provides the capital market funding as a service within Volkswagen Group thereby achieving an adequate return commensurate with the efforts and associated risks. VIF has 8 employees and under service agreements also performing tasks for three sister companies (Volkswagen Financial Services N.V., Volkswagen Finance Europe B.V. and Volkswagen Finance Overseas B.V.). Volkswagen Financial Services N.V. with its 6 employees performs similar tasks for VIF.

At Volkswagen International Finance N.V., our mission is to provide robust financial solutions and services that support the strategic growth and operations of the Volkswagen Group. We aim to facilitate the financing of Volkswagen Group companies, ensuring their continued success across the automotive and financial services sectors. Through financial expertise, we contribute to the overall value chain through to the customer.

### Composition of the Management Board

The Management Board consists of one member: Christopher Ryan Norrod (Amsterdam, The Netherlands) and was appointed member on 01 August 2021.

### Funding

Basis for the issuing activities of the Company are the regularly updated Debt Issuance Programme (DIP) of € 30 billion that adheres to the European Prospectus Directive, as well as the € 15 billion Multicurrency Commercial Paper Programme (CP Programme). Since 2023, VIF is also issuing onshore bonds in China, via the Debt Financing Instruments (DFI) program, regulated by the National Association of Financial Market Institutional Investors (NAFMII). VIF is issuing also under stand-alone documentation. All issues are fully guaranteed by VWAG.

Therefore, the VIF credit rating by Moody's, Standard & Poor's, and Fitch is derived from the VWAG credit rating. In 2025, the credit rating agencies largely maintained their short- and long-term assessments for Volkswagen AG, while several outlooks changed compared to 2024. Fitch confirmed its ratings at F-1 (short-term) and A- (long-term), but the outlook changed from stable in 2024 to negative in 2025. Moody's maintained the short-term rating at P-2, while the long-term rating changed from A3 to Baa1 in 2025, with the outlook changing from negative to stable in 2025. Standard & Poor's confirmed the ratings at A-2 (short-term) and BBB+ (long-term), with the outlook moving from stable to negative in 2025. In addition, the company received its own rating from China Chengxin International Credit Rating Co., Ltd. ("CCXI"), which—unchanged from 2024—was again assessed at AAA with a stable outlook.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

In 2025 VIF continued with funding from the Capital Markets issuing bonds amounting to an equivalent of € 3,5 billion (2024: € 1,2 billion). VIF redeemed in 2025 multiple bond issues with an equivalent of € 3,5 billion (2024: € 3,1 billion). Under the aforementioned CP Programme, there were no issuances in 2025 (2024: € 0,6 billion). The Company did not take on any borrowings from VW Group companies in 2025 and 2024.

### **Financial Results**

VIF slightly decreased its lending assets from € 34 billion in 2024 to € 33,4 billion in 2025. All outstanding loans have been fully performing.

VIF realized a profit of € 99,3 million after tax in 2025 (2024: € 17,1 million). The Company generates income mainly from the Group financing business. The net interest income decreased from € 66,9 million to € 57,7 million.

Net cash from operating activities amounted to € 77,5 million (2024: € 699,2 million).

In 2025, VIF did not distribute any dividends.

All issuances under the DIP, DFI and CP-programmes are guaranteed by VWAG, mitigating the risk to external investors.

### **Research and Development Activities**

The company did not engage in any research and development (R&D) activities during the reporting period. This is because the business model does not require significant investment in R&D for product development or technological advancements.

As a result, there are no associated costs or assets related to R&D to report in the financial statements.

### **Risks**

The Board of Management is responsible for the internal control, the management of risks within the company and for the assessment of the effectiveness of the control systems.

VIF is exposed to business and financial risks. Business risks comprise inter alia legal, operational, personnel, reputational and compliance risks. VIF is adhering to the Governance, Risk and Compliance Guidelines of Volkswagen AG in managing the aforementioned risks.

The main financial risks of VIF are liquidity risk, credit risk, currency risk and interest rate risk. Liquidity risk is defined as the risk of not being able to meet its own payment obligations in full or when due. Credit risk is the risk that a counterparty will not meet its payment obligations under a financial instrument or customer contract, leading to a financial loss. Currency risk refers to the potential loss in open currency positions arising from adverse changes in exchange rates. Interest rate risk occurs because of fixed and floating interest rate mismatches between asset and liability items on the balance sheet. Narrow risk limits have been established to restrict these risks and achieve a low risk exposure.

# VOLKSWAGEN INTERNATIONAL FINANCE N.V.

## ANNUAL REPORT

### **Risk policies**

Liquidity risk is contained by extending loan amounts sourced from bond or CP-issuances to VW-Group companies at identical tenors as the funded amounts. VW Group borrowers repay their loans on the same due date when VIF's own payment obligations to the capital markets become due.

The Company is exposed to credit risk from loans extended to related parties and through entering into derivative contracts with external banks. Credit risk is addressed by monitoring the financial stability of the Group borrowers and by only executing derivatives with counterparties that are highly rated and have entered into master agreements in which a set-off is agreed to in the event of default by either counterparty. A fair value and impairment trigger assessment is performed for Group companies at least once a year or in case of need. Banks are monitored centrally at Volkswagen AG based on rating and financial analyses. Financial transactions are only conducted with approved banks.

Currency risk is limited by matching funding and lending currency amounts. In case funding and lending currency do not match, derivatives are used to achieve closed positions.

Interest rate risk is contained by matching the fixed and floating interest rate terms of the funding and lending amounts. Mismatches are closed using interest rate derivatives.

For remaining mismatches narrow limits have been established. VIF uses adequate tools to assess and to monitor risks. On a monthly basis, a detailed mismatch report, containing all relevant risks, is presented to the management board. In 2025, limits were not exceeded.

### **Diesel issue**

In September 2015, the California Air Resources Board (CARB) and the US Environmental Protection Agency (EPA) publicly announced that irregularities in relation to nitrogen oxide emissions had been discovered in emission tests on certain vehicles with diesel engines, resulting in violations of US environmental laws.

Depending on the different emissions regulations in the various countries, Volkswagen has rectified and is rectifying the diesel engine software, applied technical measures, compensated owners for reduced residual values or took back affected cars. The financial impact of this incident to the Group is discussed in the quarterly and annual reports of Volkswagen AG.

### **Adherence to tax and regulatory requirements**

The Company had its tax returns up to and including 2023 reviewed by the Dutch Tax Authorities. For the tax return 2024, the final assessment has not been received.

Due to its issuing activities in the capital markets and the listing at the Luxemburg Stock Exchange the Company is complying with the regulatory requirements regarding the yearly submission of its annual financial report to the Dutch Financial Market Authority (the "AFM") and the approval requirements for its prospectuses by the Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg (the "CSSF").

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

In December 2021, the OECD issued model rules for a new global minimum tax framework. Several jurisdictions announced the intention to bring these into effect. In December 2022 EU member states agreed to a correspondent EU directive. The Minimum (top-up) tax legislation has been approved on 19 December 2023 in the Netherlands. For more information regarding Pillar Two, please see Income tax note 25 in the Financial statements section of this report, which specify the (expected) impact of Pillar Two.

### **Compliance & Integrity**

Acting with Integrity, Compliance and honesty is an essential prerequisite for the success of the Volkswagen Group. For this reason, compliance with national and international laws and regulations, internal rules and guidelines and voluntary commitments is among VIF's most important principles. The focus of VIF's compliance organization is on preventing corruption, breaches of trust and money laundering and thereby reducing the risk of unlawful actions. The Volkswagen Group's Code of Conduct is established throughout the Group, and thus also within VIF. It is the main tool for reinforcing awareness of good conduct, ethical principles and an integrity culture among the employees and providing them assistance, as well as suitable contacts in case of uncertainty. Next to the Volkswagen Group Code of Conduct, other Group policies and guidelines on specific compliance issues have been implemented within VIF. Where laws and regulations have been violated, the Volkswagen Group Whistleblower System is a suitable tool for taking appropriate actions where misconduct is proven.

### **Corporate Governance**

The company acknowledges that it does not currently have non-executive directors. In line with its governance structure, the supervisory and oversight responsibilities typically performed by non-executive directors are carried out by the supervisory board.

The supervisory board oversees the company's strategic direction, risk management, and compliance with applicable laws and regulations. The company will continue to review its governance structure as part of its commitment to maintaining best practices in corporate governance.

### **Non-financial matters**

The company is exempt from preparing a non-financial statement, as the required non-financial information is included in the 2025 Annual Report of its ultimate parent company, which will be made available on the parent company's website (<https://volkswagen-group.com>)

### **Expectations 2026**

VIF expects to continue its issuing activities in the capital markets throughout 2026. The Company's outlook is shaped primarily by macroeconomic and financial-market conditions, which indirectly influence VIF through the funding needs of Volkswagen AG. Developments in interest rates, inflation, global economic growth, and monetary policy will affect investor demand, funding costs, and the overall environment for capital-market issuances. In addition, geopolitical uncertainties and volatility in commodity, energy, and currency markets may influence the timing, structure, and volume of refinancing requests directed to VIF.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

Within this framework, VIF anticipates that refinancing needs arising from Volkswagen AG's funding activities may result in stable to moderately increasing requests for refinancing. Depending on these needs and prevailing market conditions, VIF expects to meet such requests through ongoing issuance activity under its DIP, DFI, and CP programmes. Access to the capital markets and the ability to issue efficiently remain essential for fulfilling VIF's mandate.

For the year ahead, VIF does not expect significant changes in staffing levels or its organizational structure. The workforce is expected to remain stable, with no major additions, reductions, or reorganizations anticipated. The Company will continue to focus on maintaining operational efficiency while investing in employee development, well-being, and retention. Regular performance reviews and targeted training initiatives will support the continued professional growth of employees, ensuring that the organization remains prepared to meet business requirements in a changing environment.

Based on these assumptions, VIF expects a moderate increase in total business volume for 2026. Taking into account macroeconomic conditions, capital-market dynamics, and anticipated refinancing requests within the Group, the development of net interest income is expected to remain stable, supported by ongoing issuance activity and prudent balance-sheet management. The financial statements have been prepared under the going-concern assumption.

In principle, one third of the Management Board should be female; however, the Company currently has only one Managing Director. VIF will address the recommendation of the Social and Economic Council (SER) in the future.

### **Responsibility**

The responsibility statement, confirming that the financial statements have been prepared in accordance with applicable reporting standards and provide a true and fair view of the company's financial position, is included as a separate section in the annual report.

Amsterdam, 12 March 2026

Volkswagen International Finance N.V.  
The Management Board

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

**Financial Statements**

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## Statement of financial position as at 31 December 2025

<i>(in thousands of EUR)</i>	Notes	31 December 2025	31 December 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, equipment and right-of-use assets		887	1.164
Loans to related parties	7	27.873.154	28.552.902
Derivative financial instruments	8	28.463	20.097
Deferred tax assets	25	18.439	38.219
<b>Total non-current assets</b>		<b>27.920.943</b>	<b>28.612.382</b>
<b>Current assets</b>			
Loans to related parties	7	5.511.433	5.459.362
Derivative financial instruments	8	3	1.127
Trade and other receivables		1	1.655
Other current assets		135	94
Current tax receivables		60	-
Cash-pool receivables	10	83.293	101.345
<b>Total current assets</b>		<b>5.594.925</b>	<b>5.563.583</b>
<b>TOTAL ASSETS</b>		<b>33.515.868</b>	<b>34.175.965</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Issued capital	11	103.035	103.035
Share premium	11	12.120	12.120
Retained earnings		583.744	484.468
<b>Total equity</b>		<b>698.899</b>	<b>599.623</b>
<b>Non-current liabilities</b>			
Debts issued and other borrowed funds	12	28.030.850	28.800.562
Derivative financial instruments	8	35.390	16.514
Other liabilities	13	655	911
Deferred tax liabilities	25	-	-
<b>Total non-current liabilities</b>		<b>28.066.895</b>	<b>28.817.987</b>
<b>Current liabilities</b>			
Trade and other payables		63	40
Debts issued and other borrowed funds	12	4.741.402	4.731.823
Derivative financial instruments	8	4.545	17.598
Other current liabilities		605	523
Current tax liabilities		2.245	8.218
Provisions		1.214	153
<b>Total current liabilities</b>		<b>4.750.074</b>	<b>4.758.355</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33.515.868</b>	<b>34.175.965</b>

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## Statement of income and comprehensive income for the year ended 31 December 2025

(in thousands of EUR)

	Notes	2025	2024
Interest revenue calculated using the effective interest method	17	1.294.099	1.320.849
Other interest and similar income	17	88.163	153.930
Interest expense calculated using the effective interest method	17	(1.220.248)	(1.277.790)
Other interest and similar expense	17	(104.320)	(130.014)
<b>Net interest income</b>		<b>57.694</b>	<b>66.975</b>
Fees and commission income	18	1.185	1.672
<b>Net fee and commission income</b>		<b>1.185</b>	<b>1.672</b>
Change in allowance for expected credit losses on financial assets and loan commitments	19	59.377	13.308
Net gains/(losses) on derivatives	20	2.931	(53.790)
Net gains/(losses) on financial assets measured at amortized cost	21	(83.138)	58.468
Net gains/(losses) on financial liabilities measured at amortized cost	21	99.014	(61.368)
Other operating income	22	4	67
<b>Net operating income/(loss)</b>		<b>137.067</b>	<b>25.332</b>
Personnel expenses	23	(1.201)	(1.712)
Depreciation of property, plant and equipment and right-of-use assets	5	(286)	(340)
Other operating expenses	24	(1.124)	(1.217)
<b>Total operating expenses</b>		<b>(2.611)</b>	<b>(3.269)</b>
<b>Profit/(loss) before tax from continuing operations</b>		<b>134.456</b>	<b>22.063</b>
Income tax expense	25	(35.180)	(4.930)
<b>Profit/(loss) for the year</b>		<b>99.276</b>	<b>17.133</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		99.276	17.133
Non-controlling interest		-	-
<b>Profit for the year</b>		<b>99.276</b>	<b>17.133</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		99.276	17.133
Non-controlling interest		-	-
<b>Total comprehensive income for the year</b>		<b>99.276</b>	<b>17.133</b>

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## Statement of changes in equity for the year ended 31 December 2025

*(in thousands of EUR)*

	<b>Issued and paid-in share capital</b>	<b>Share premium reserve</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Balance at 1 January 2024</b>	<b>103.035</b>	<b>12.120</b>	<b>467.335</b>	<b>582.490</b>
Profit (loss) and comprehensive income for the period	-	-	17.133	17.133
<b>Balances at 31 December 2024</b>	<b>103.035</b>	<b>12.120</b>	<b>484.468</b>	<b>599.623</b>
<b>Balance at 1 January 2025</b>	<b>103.035</b>	<b>12.120</b>	<b>484.468</b>	<b>599.623</b>
Profit (loss) and comprehensive income for the period	-	-	99.276	99.276
<b>Balances at 31 December 2025</b>	<b>103.035</b>	<b>12.120</b>	<b>583.744</b>	<b>698.899</b>
Notes	11	11		

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## Statement of cash flows for the year ended 31 December 2025

(in thousands of EUR)

	Notes	31 December 2025	31 December 2024
<b>Cash flow generated from operations</b>			
Interest received	17	1.340.714	1.330.869
Interest paid	17	(1.258.517)	(1.247.158)
Fees and commission income received		3.049	-
Other operating income received		-	72
Guarantee fees paid		(1.443)	(1.212)
Paid bank charges, general expenses & salaries		(2.811)	(3.533)
Tax (paid)/refund	25	(21.434)	(15.515)
Net movement in cash-pool receivables	10	17.929	635.708
<b>Net cash from operating activities</b>		<b>77.487</b>	<b>699.231</b>
<b>Cash flow from investment activities</b>			
Loans issued to related parties	7	(3.628.241)	(2.898.360)
Collection of loans to related parties	7	4.187.336	3.442.095
<b>Net cash from investment activities</b>		<b>559.095</b>	<b>543.735</b>
<b>Cash flow from financing activities</b>			
Proceeds from bonds	12	3.472.216	1.190.657
Repayment of bonds	12	(3.476.371)	(3.063.811)
Proceeds from commercial papers		-	632.755
Repayment of commercial papers		(632.755)	-
Repayment of loans from related parties		-	-
Proceeds from Derivatives	8	971.764	255.767
Cash outflows in respect of derivatives	8	(971.134)	(258.009)
Cash outflows in respect of lease liabilities	5	(303)	(325)
<b>Net cash from (used in) financing activities</b>		<b>(636.582)</b>	<b>(1.242.966)</b>
<b>Net change in cash and cash equivalents</b>		<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of period		-	-
<b>Cash and cash equivalents at end of period</b>		<b>-</b>	<b>-</b>

## Notes to the annual financial statements for the year ended 31 December 2025

### 1. General

#### (a) Reporting entity

Volkswagen International Finance N.V. ('VIF' or 'the Company'), founded in 1977, is a 100% subsidiary of Volkswagen Finance Luxemburg S.A. ('VFL'), who in turn is a 100% subsidiary of Volkswagen AG ('VWAG').

VIF is a public limited liability company and domiciled and incorporated in The Netherlands. VIF's registered office is located at Paleisstraat 1, 1012 RB Amsterdam, The Netherlands. VIF is registered with the Dutch Register of Commerce under No. 33148825. VIF maintains a website at [www.vif.nl](http://www.vif.nl).

The primary purpose of the Company is the financing of Group companies. VIF has access to several funding sources such as bonds, notes and commercial paper as well as intercompany loans.

All external issuances of financial instruments are guaranteed by VWAG. VIF has lent the proceeds of these borrowings to related parties of Volkswagen Group ('VW Group').

Due to its issuing activity in the capital markets, VIF is subject to the regulatory supervision by the Dutch Financial Market Authority (Autoriteit Financiële Markten, 'AFM') and has to submit its yearly and half-yearly reports to the AFM.

Bonds issued by VIF can be listed or unlisted. Most of the bonds outstanding as per 31 December 2025 and 31 December 2024 are listed at the Luxemburg Stock Exchange. The bond prospectuses of the listed bonds have been approved by the Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg ('CSSF').

In accordance with the Company's Articles of Association, the allocation of the profit for the year is subject to the decision of the shareholders. The shareholder Volkswagen Finance Luxemburg S.A. ('VFL'), resolved to adopt the financial statements and to allocate the profit for the year to retained earnings on 13 March 2026.

This allocation is reflected in the financial statements as presented.

#### (b) Group information

In 2014, VIF became a 100% subsidiary of Volkswagen Finance Luxemburg S.A. (VFL), which itself is 100% owned by Volkswagen AG (VWAG), the ultimate parent company. A consolidation is performed at VWAG level and these consolidated financial statements can be obtained at their website at [www.volkswagen-group.com](http://www.volkswagen-group.com).

# VOLKSWAGEN INTERNATIONAL FINANCE N.V.

## ANNUAL REPORT

### 2. Basis of preparation

#### (a) Statement of compliance

The financial statements and accompanying notes are prepared in accordance with the International Financial Reporting Standards ('IFRS'), as adopted by the European Union ('EU-IFRS') and in accordance with section 9, Book 2 of the Dutch Civil Code.

#### (b) Basis of measurement

With certain exceptions, such as derivatives, the financial statements have been prepared on a historical cost basis. The methods used to measure individual items are explained in more detail in the significant accounting policies disclosed in note 3 below.

#### (c) Basis for taxation

The current Dutch nominal tax rate of 25,8% has been applied. For further information, refer to the significant accounting policies disclosed in note 3.

Profit tax is calculated on the profit before taxation in the statement of income and comprehensive income, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax exempt items and non-deductible expenses. Account is also taken of changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable tax rates.

#### (d) Functional and presentation currency

The financial statements are presented in Euros, which is the functional and presentational currency of the Company. All financial information presented in Euros has been rounded to the nearest thousand (€'000), unless otherwise stated. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts.

#### (e) Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of revenue, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

### *Impairment losses on financial assets*

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement. These estimates are driven by a number of factors, changes in which can result in different levels of credit loss allowances.

Elements of the Company's ECL models that are considered accounting judgements and estimates include:

- The criteria for assessing if there has been a significant increase in credit risk.
- The development of ECL models, including the various formulas and choice of inputs and their interdependencies.
- Estimation of the amount and timing of future cash flows, collateral values and the discount rates used when determining impairment losses.

Estimates and assumptions about the extent and probability of occurrence of future events remain subject to a high degree of uncertainty because future business developments are subject to uncertainties that in part cannot be influenced by the Company. As far as possible, estimates are derived from experience taking into account current market data as well as rating categories and scoring information.

The *Financial risk management* note and *Impairments* under the *Significant accounting policies* disclosed in note 3 contain further details on how the Company determines ECL for financial assets.

### *Fair value of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, non-observable inputs are required in establishing fair values.

The *Fair values* note below contains further details on how the Company determines the fair value of financial instruments.

### *Effective interest rate (EIR) method*

The Company's EIR method recognizes interest income and expenses using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of financial instruments and recognizes the effect of potentially different interest rates charged at various stages and other characteristics of the instrument life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments.

The section below entitled *Recognition of net interest income* under the *Significant accounting policies* disclosed in note 3 contain further details on how the Company determines and applies the EIR method.

### *Accounting for provisions*

Accounting for provisions is based on estimates of the extent and probability of occurrence of future events, as well as estimates of the discount rate. As far as possible, these are also based on experience or external opinions. Any change in the estimates of the amount of other provisions is

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

always recognized in profit or loss. The provisions are regularly adjusted to reflect new information obtained.

### (f) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. An operating segment's operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and thus separate financial information is available.

The Company has determined that its Managing Director and the Supervisory Board are collectively the chief operating decision maker. The segment information is reported in accordance with the reporting to the Managing Director and is consistent with financial information used for assessing performance and allocating resources. The Company has identified one segment, as the Company is monitored at total Company figures.

### (g) Standards issued but not yet effective

In its 2025 financial statements, VIF did not apply the following accounting pronouncements that have been issued by the IASB until 31 December 2025, but were not yet required to be applied for the financial year. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard/Interpretation	Published by the IASB	Mandatory application	Endorsed by the EU	Expected impact
IFRS 9/ IFRS 7    Classification and Measurement of Financial Instruments	30 May 2024	1 Jan 2026	Yes	No material impact
IFRS 9/ IFRS 7    Contracts Referencing Nature- dependet Electricity	18 Dec 2024	1 Jan 2026	Yes	No material impact
IFRS 18    Presentation and Disclosure in Financial Statements	09 Apr 2024	1 Jan 2027	No	Impact currently being analyzed
IFRS 19    Subsidiaries without Public Accountability: Disclosures	09 May 2024	1 Jan 2027	No	No impact
Annual Improvements to IFRS Accounting Standards - Volume 11 <sup>1</sup>	28 Jul 2024	1 Jan 2026	Yes	No material impact

<sup>1</sup> Minor amendments to a number of IFRSs (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7).

### 3. Material accounting policy information

Information on the material accounting policies applied in the preparation of these financial statements are set out below.

#### (a) Foreign currency translation

##### *Foreign currency transactions*

Transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate ruling on the date when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate ruling at the date of the transaction.

Foreign currency differences are recognized in profit or loss.

#### (b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### *(i) Recognition and initial measurement*

Trade receivables are initially recognized when they are originated. Regular way purchases or sales of financial instruments are accounted for at the settlement date – that is, at the date on which the asset is delivered. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables without a significant financing component are initially measured at the transaction price. All other financial instruments are initially measured at fair value plus or minus, for an instrument not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### *(ii) Classification and subsequent measurement*

Financial assets are classified and measured on the basis of the entity's business model and the characteristics of the financial asset's cash flows. On initial recognition financial assets are classified into the following measurement categories:

- financial assets at FVTPL;
- financial assets at fair value through other comprehensive income (OCI) and
- financial assets at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

Financial liabilities are classified into the following categories:

- financial liabilities at FVTPL; and
- financial liabilities measured at amortized cost.

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component. The value of any derivative features (such as a call options) embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Once the Company has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be separately accounted for.

### *Financial assets – Business model assessment*

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows; it determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company makes an assessment of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The Company has one central business model according to which it provides loans to related parties and therefore makes a single assessment for all loans to related parties.

### *Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition and may change over the life of the financial asset. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

### *Financial assets and liabilities at amortized cost*

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows (“hold” business model); and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative to which hedge accounting is not applied or it is designated as such on initial recognition. All other financial liabilities, other than loan commitments and financial guarantees, are subsequently measured at amortized cost.

The amortized cost of a financial asset or liability is the amount:

- at which a financial asset or liability is measured at initial recognition;
- minus any principal repayments; and
- plus or minus the cumulative amortisation of any difference between the original amount and the amount repayable at maturity (premium, discount), amortized using the effective interest rate (EIR) method over the term of the financial asset or liability.

The amortized cost of financial assets is reduced by loss allowances and impairment losses. Interest income, foreign exchange gains and losses and impairments are recognized in profit or loss.

For the Company financial assets measured at amortized cost include loans to related parties, trade and other receivables, and cash-pool receivables.

Interest expense and income and foreign exchange gains and losses related to financial liabilities are recognized in profit or loss.

For the Company financial liabilities measured at amortized cost include debts issued and other borrowed funds and trade and other payables.

For reasons of materiality, discounting or unwinding of discounting is not applied to current liabilities (due within one year).

### *Financial assets and liabilities at FVTPL*

Any financial assets not measured at either amortized cost or at FVTOCI are allocated to the FVTPL category. Financial assets at FVTPL are aimed in particular at generating cash flows by selling financial instruments (“sell” business model).

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative to which hedge accounting is not applied or it is designated as such on initial recognition.

These financial assets and liabilities are measured at fair value in the statement of financial position, with net changes in fair value recognized in profit or loss. Interest and dividend income are recorded in profit or loss according to the terms of the contract or when the right to payment has been established. Interest expenses are also recorded in profit or loss.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

For the Company, this category primarily comprises derivatives in economic hedging relationships (as described in more detail below) and investments in equity instruments.

### *Derivatives recorded at FVTPL*

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company uses derivatives only for economic hedging purposes and not as speculative investments. Derivatives are recognized on the respective trade date and recorded at fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Fair value changes and foreign exchange gains and losses for derivatives are included in net operating income under *Net gains/(losses) on derivatives*.

### *Undrawn loan commitments*

The Company provides loan commitments to related parties. Loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the borrower. These contracts are in the scope of IFRS 9 ECL provisions.

The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The ECL in respect of undrawn loan commitments are presented with the Company's provisions. The nominal values of these instruments together with the corresponding ECL are disclosed in the *Provisions* note 14.

### *(iii) Derecognition*

#### *Financial assets*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. A transfer only qualifies for derecognition when the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership, but has transferred control of the asset.

The Company also derecognizes a financial asset, such as a loan to a related party, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

loss has not already been recorded. Such substantial changes could be caused by change in spreads (on top of variable interest), change in repayment structures or amounts, or forbearance.

### *Financial liabilities*

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

### *(iv) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### *(v) Fair value of financial instruments*

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value generally corresponds to the market or quoted market price. If no active market exists, fair value is determined using other observable inputs as far as possible. If no observable inputs are available, the fair values of assets and liabilities are determined using valuation techniques, such as by discounting future cash flows, taking into account customary market rates adequate to the relevant risk and corresponding to the relevant maturity, or by using recognized option pricing models, and, as far as possible, verified by confirmations from the banks that handle the transactions.

The *Fair values* note below contains further details on how the Company determines the fair value of financial instruments.

### *(vi) Hedge accounting*

The Company does not apply hedge accounting.

# VOLKSWAGEN INTERNATIONAL FINANCE N.V.

## ANNUAL REPORT

### **(c) Share capital**

#### *Ordinary shares*

The share capital consist of ordinary shares. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

### **(d) Impairment**

#### *(i) Financial assets*

IFRS 9 requires the Company to assess on a forward-looking basis the expected credit losses associated with their debt instruments carried at amortized cost. The rules on impairment also apply to risks from irrevocable loan commitments not recognized in the statement of financial position and to the measurement of financial guarantees.

The impairment methodology applied depends on whether there has been a significant increase in credit risk, except for loss allowances for trade receivables and contract assets which are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

#### *Loans and receivables to related parties and undrawn loan commitments provided to related parties*

Loans to related parties are subject to credit default risk, which is taken into account by recognizing a loss allowance for ECL or, if losses have already been incurred, by recognizing impairment losses. Loan receivables are classified into one of the three stages of the ECL model depending on their relative change in credit risk since initial recognition. At the relevant reporting dates, the Company examines each individual loan receivable to determine the appropriate stage. For loan commitments, the Company uses the stage of the corresponding loan. The loss allowance and the interest revenue on the loan receivable are then calculated according to the assigned stage:

#### *Stage 1*

Captures all loan receivables at initial recognition provided they are not credit-impaired when originated. Loan receivables will remain in stage 1 if the credit risk has not increased significantly since initial recognition. If the internal risk management and control systems do not indicate a significant increase in credit risk any earlier, the general presumption in the VW Group is that a significant increase in credit risk has occurred when payments are more than 30 days overdue.

A loss allowance at an amount equal to the 12-month ECL is recognized and the interest revenue is calculated based on the effective interest on the gross carrying amount of the asset.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

### *Stage 2*

If the credit risk as of the reporting date has increased significantly since initial recognition, the loan receivable will be transferred to stage 2. A significant increase is defined as a drop in the credit rating to a non-investment grade level, or if the loan was originated at a non-investment grade rating, a significant increase would constitute as a decrease of two or more notches in the rating.

The loss allowance is adjusted to an amount equal to the lifetime ECL and the interest revenue remains calculated based on the effective interest on the gross carrying amount of the asset.

### *Stage 3*

If there is objective evidence of impairment since the last reporting date, the loan receivable will be transferred to stage 3. Objective evidence of impairment is defined as a probability of default (PD) of 100% as indicated by credit-risk-related market data. Other criteria such as breach of contract, default or delinquency in interest or principal payments or an overdue payment greater than 90 days may also constitute a transfer to stage 3. If there is no reason to assume a default has occurred any earlier based on the internal risk management and control systems, the general presumption in the VW Group is that a default has occurred when payments are more than 90 days overdue. Internal risk management and control systems include daily monitoring of payments to identify any overdue payments. The Group Treasury Department of VWAG also tracks any significant changes in the credit risk of related parties on a monthly basis, to ensure prompt identification of any possible risks of default.

The loss allowance remains equal to the lifetime ECL and the interest revenue is calculated based on the net carrying amount of the asset. Although loan receivables allocated to stage 3 provide clear evidence of impairment, there may still be a reasonable expectation that the asset can be fully or partially recovered. At the point in time there is no longer a reasonable expectation that the borrower will be able to fully or partially settle its liability, the asset will be written off.

The Company has not used the low credit risk exemption for any financial instruments in the year ended 31 December 2024 and no receivables were past due for more than 30 days.

### *Measurement of ECLs*

ECLs are measured in accordance with Group-wide standards as a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Average historical default probabilities are used in combination with forward-looking parameters for the financial asset concerned. Various possible scenarios from the amount and timing of the expected cash flows are weighted at their probability of occurrence. The inputs required to be included in the ECL model include relevant macroeconomic factors (for example Gross Domestic Product and Consumer Price Index rates). When the time value of money is material, ECLs are discounted at the effective interest rate of the financial asset.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

### *Measurement of ECLs in respect of loans and receivables and loan commitments to related parties*

The loss allowance for all loan receivables and other exposures where the counterparty is a consolidated company of the VW Group is calculated analogously to the determination of the loss allowance for external financial assets (as described above). However, if this is not possible considering the associated costs and efforts, e.g. because there are neither external nor internal ratings available for the group internal counterparty, the calculation may be based on:

- the credit default swap spread (“CDS”) or expected percentage losses (“EPL”) value of the counterparty, if available; or
- the CDS of VWAG consistently for all group internal receivables; or
- any other method that leads to similar results.

For loans and receivables to related parties, the loss allowance is calculated as the product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The product of PD and LGD is determined by the CDS of VWAG, as there are no external or internal ratings available for the group-internal counterparties.

For loan commitments to related parties, the loss allowance is calculated as the product of PD, LGD and EAD. The product of PD and LGD is determined by the CDS of VWAG, as there are no external or internal ratings available for the group-internal counterparties. And the EAD is the nominal amount of the commitment multiplied by a Credit Conversion Factor (CCF).

### *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Loss allowances in respect of loan commitments are presented within provisions.

### *Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For loans to related parties, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

### *(ii) Non-financial assets*

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

**(e) Property, plant and equipment**

*(i) Recognition and measurement*

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses as applicable. Historical cost includes expenditure that is directly attributable to the acquisition of an item.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

*(ii) Depreciation and impairment*

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

<b>Type of Asset</b>	<b>Useful life</b>
Office equipment	5 years
Transport equipment	5 years
Furniture and fixtures	10 years
Computer hardware	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment losses on property, plant and equipment are recognized in accordance with IAS 36 where the recoverable amount of the asset concerned has fallen below the carrying amount. The recoverable amount is the higher of value in use and fair value less costs to sell. If the reasons for impairments recognized in previous years no longer apply, the impairment losses are reversed up to a maximum of the amount that would have been determined if no impairment loss had been recognized.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

### (f) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and lease liability at the commencement date of a lease (i.e., the date the underlying asset is available for use).

The lease liability is measured at the present value of the lease payments to be made over the lease term. The payments can include fixed, fixed-in-substance and variable payments, less any lease incentives and amounts expected under residual value guarantee. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, the lease liability is discounted using the incremental borrowing rate from VW Group's perspective. After commencement the lease liability is increased as a result of interest charged at a constant rate on the outstanding liability and reduced for the lease payments made. If there is a lease modification the carrying amount of the lease liability is remeasured.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term as disclosed under property, plant and equipment above.

The determination of the lease terms considers all relevant facts and circumstances that create an economic incentive to exercise or not to exercise extension and termination options. Optional periods are taken into account in determining the lease term, if it is reasonably certain that the option will or will not be exercised.

The right-of-use assets are reported in the statement of financial position under those items in which the assets underlying the lease would have been recognized if the Company had been the beneficial owner. For this reason, the right-of-use assets are presented under non-current assets in property, plant and equipment and included in impairment tests of property, plant and equipment conducted in accordance with IAS 36.

Right-of-use assets mainly relates to a lease contract with Stichting Administratiekantoor Jong B Monument for the office space in Paleisstraat 1 in Amsterdam.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The lease terms in respect of right-of-use assets are as follows:

<u>Right-of-use Asset</u>	<u>Lease term</u>
Buildings	10 years
Motor vehicles	3 years

The lease liabilities are presented in other liabilities in the statement of financial position.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

### *Short term leases and leases of low value assets*

The Company applies the short-term lease recognition exemption to leases with a term of 12 months or less. It also applies the lease recognition exemption to leases that are considered to be low value. Lease payments of short term or low value leases are recognized as an expense on a straight-line basis over the lease term.

### **(g) Cash**

Cash comprises cash on hand, current accounts with banks, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits defined above. Cash and cash equivalents are initially measured at fair value, and subsequently at amortized cost.

### **(h) Cash-pool receivables**

The Company participates in the Volkswagen International Belgium N.V. cash-pool. Receivables and liabilities to the Volkswagen International Belgium N.V. cash-pool are presented as cash-pool receivables or liabilities.

### **(i) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses. The increase in the provision due to the passage of time is recognized as interest expense.

### **(j) Interest income and interest expenses**

#### *The effective interest rate method*

Under IFRS 9, interest income and interest expenses are recorded using the effective interest rate ("EIR") method for all financial assets and liabilities measured at amortized cost. For the Company this mainly includes interest income from loans to related parties and interest expense on debt issued and other borrowed funds, as well as the interest expense recognized on lease liabilities.

The EIR is the rate that exactly discounts estimated future cash flows through the expected life of a financial instrument or, when appropriate, a shorter period, to the gross carrying amount of the financial asset or the amortized cost of a financial liability.

The EIR (and therefore, the amortized cost of the financial instrument) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial instrument, as well as fees and costs that are an integral part of the EIR. The Company recognizes interest income and expenses using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instrument. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

stages of the financial instrument's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in interest revenue/expense calculated using the effective interest method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognized at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

The Company calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset. When a financial asset becomes credit-impaired (Stage 3 of the ECL model), the Company calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

### *Interest and similar income or expenses*

Net interest income comprises interest income and interest expense calculated using both the effective interest method and other methods. These are disclosed separately in the statement of profit or loss and comprehensive income for both interest income and interest expense to provide symmetrical and comparable information.

In its interest income or expense calculated using the effective interest method, the Company only includes interest on those financial instruments that are set out in *The effective interest rate method* above.

Other interest and similar income or expenses include interest on derivatives in economic hedge relationships and all financial instruments measured at FVTPL (using the contractual interest rate), interest income from cash-pool receivables.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

**(k) Fee income**

VIF earns fee income from services it provides to related parties (customers) in accordance with Service Level Agreements (contracts) in place between VIF and its customers. VIF provides services required for the business operations of its customers and charges fees based on the costs incurred in providing the services. Fee income is recognized at an amount that reflects the consideration to which VIF expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contracts. The Company's revenue contracts do not include multiple performance obligations. As the benefit to the customers is transferred evenly over the contract period, these fees are recognized as revenue evenly over the contract period, based on time elapsed.

Payment of these fees is normally due and received monthly, based on VIF's budgeted costs, with an annual adjustment being made based on the actual costs included in the annual financial statements of VIF.

**(l) Net gains/losses on derivatives**

Net gains/losses on derivatives represent fair value changes and foreign exchange differences on non-trading derivatives held for risk management purposes.

**(m) Net gains/losses on financial assets and financial liabilities measured at amortized cost**

Net gains/losses on financial instruments measured at amortized cost represent foreign exchange differences on financial assets and financial liabilities measured at amortized cost.

**(n) Income tax**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss.

Interest and penalties related to income taxes are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Uncertain tax treatments are accounted for under IFRIC 23 Uncertainty over Income Tax Treatments and IAS 12 Income Taxes.

*Current tax*

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date. Current tax assets and liabilities are offset only if there is both a legal right to offset and it's the Company's intention to settle on a net basis.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

# VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

## *Deferred tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for temporary differences on the initial recognition of goodwill or of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is both a legal right to offset and it's the Company's intention to settle on a net basis.

## **4. Operating segment information**

The Company only has one operating segment and undertakes its operations in the Netherlands. The majority of the Company's income relates to interest received on loans to related parties within the VWAG Group ('related parties') and the total reported revenue consists of income from related parties. Furthermore, the vast majority of VIF's receivables and interest revenue is from Volkswagen AG, as indicated in the tables below.

*(in thousands of EUR)*

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Interest revenue by location of related parties</b>		
Germany	1.173.637	1.184.158
Other countries	120.462	136.691
<b>Total interest revenue calculated using the effective interest method</b>	<b>1.294.099</b>	<b>1.320.849</b>
<b>Interest revenue from Volkswagen AG</b>	<b>992.973</b>	<b>985.645</b>
Interest revenue from Volkswagen AG (%)	77%	75%

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

	31 December 2025	31 December 2024
<b>Loans receivable by location of related parties</b>		
Germany	30.267.966	30.635.019
Other countries	3.116.621	3.377.245
<b>Total</b>	<b>33.384.587</b>	<b>34.012.264</b>
Less: current portion of loans receivables	(5.511.433)	(5.459.362)
Add: other non-current assets	47.789	59.480
<b>Total non-current assets of the company</b>	<b>27.920.943</b>	<b>28.612.382</b>

## 5. Property, equipment and right-of-use assets

(in thousands of EUR)

	Owned assets	Right-of-use assets	Total
	Business and office equipment, Other installations	Buildings, Motor Vehicles	
<b>Cost</b>			
<b>As at 1 January 2024</b>	<b>475</b>	<b>1.338</b>	<b>1.813</b>
Additions	7	1.181	1.188
Disposals	(117)	(140)	(257)
<b>As at 31 December 2024</b>	<b>365</b>	<b>2.379</b>	<b>2.744</b>
Additions	7	-	7
Disposals	-	-	-
<b>As at 31 December 2025</b>	<b>372</b>	<b>2.379</b>	<b>2.751</b>
<b>Depreciation and disposals</b>			
<b>As at 1 January 2024</b>	<b>(442)</b>	<b>(1.026)</b>	<b>(1.468)</b>
Depreciation charge for the year	(26)	(314)	(340)
Disposals	117	112	229
<b>As at 31 December 2024</b>	<b>(351)</b>	<b>(1.228)</b>	<b>(1.579)</b>
Depreciation charge for the year	(10)	(275)	(285)
Disposals	-	-	-
<b>As at 31 December 2025</b>	<b>(361)</b>	<b>(1.503)</b>	<b>(1.864)</b>
<b>Net book value</b>			
<b>As at 1 January 2024</b>	<b>33</b>	<b>312</b>	<b>345</b>
<b>As at 31 December 2024</b>	<b>14</b>	<b>1.151</b>	<b>1.165</b>
<b>As at 31 December 2025</b>	<b>11</b>	<b>876</b>	<b>887</b>

### *Nature of leasing activities*

The leases relate to 5 vehicles with an average lease term of 3 years and a lease agreement for office space in Paleisstraat 1 in Amsterdam, which was extended in 2024 for an additional 5 years.

Set out below are the carrying amounts of lease liabilities (included under Other liabilities in Note 13) and the movements during the period:

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

	Cash movements	Non-cash movements	Total
<b>As at 1 January 2024</b>	<b>(1.414)</b>	<b>1.736</b>	<b>322</b>
Additions	-	1.086	1.086
Accretion of interest		89	89
Payments	(325)	-	(325)
<b>As at 31 December 2024</b>	<b>(1.739)</b>	<b>2.911</b>	<b>1.172</b>
Additions	-	-	-
Accretion of interest		38	38
Payments	(300)	-	(300)
<b>As at 31 December 2025</b>	<b>(2.039)</b>	<b>2.949</b>	<b>910</b>

The maturity analysis of the contractual cash flows related to lease liabilities are disclosed under *Liquidity* in the *Financial risk management note* below.

## 6. Classification of financial instruments

The Company holds the following financial instruments classified by IFRS 9 measurement categories:

### *Financial assets*

(in thousands of EUR)

	Notes	31 December 2025		Total carrying amount
		Measured at fair value through P/L	Measured at amortized cost	
<b>Financial assets</b>				
<i>Non-current assets</i>				
Loans to related parties	7	-	27.873.154	27.873.154
Derivative financial instruments	8	28.463	-	28.463
		<b>28.463</b>	<b>27.873.154</b>	<b>27.901.616</b>
<i>Current assets</i>				
Loans to related parties	7	-	5.511.433	5.511.433
Derivative financial instruments	8	3	-	3
Cash-pool receivables	10	-	83.293	83.293
		<b>3</b>	<b>5.594.727</b>	<b>5.594.730</b>
<b>Total</b>		<b>28.466</b>	<b>33.467.881</b>	<b>33.496.347</b>

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

(in thousands of EUR)

	Notes	31 December 2024		
		Measured at fair value through P/L	Measured at amortized cost	Total carrying amount
<b>Financial assets</b>				
<i>Non-current assets</i>				
Loans to related parties	7	-	28.552.902	28.552.902
Derivative financial instruments	8	20.097	-	20.097
		<b>20.097</b>	<b>28.552.902</b>	<b>28.572.998</b>
<i>Current assets</i>				
Loans to related parties	7	-	5.459.362	5.459.362
Derivative financial instruments	8	1.127	-	1.127
Cash-pool receivables	10	-	101.345	101.345
		<b>1.127</b>	<b>5.562.363</b>	<b>5.563.490</b>
<b>Total</b>		<b>21.224</b>	<b>34.115.264</b>	<b>34.136.488</b>

### *Financial liabilities*

(in thousands of EUR)

	Notes	31 December 2025		
		Measured at fair value through P/L	Measured at amortized cost	Total carrying amount
<b>Financial liabilities</b>				
<i>Non-current liabilities</i>				
Debts issued and other borrowed funds	12	-	(28.030.850)	(28.030.850)
Derivative financial instruments	8	(35.390)	-	(35.390)
		<b>(35.390)</b>	<b>(28.030.850)</b>	<b>(28.066.240)</b>
<i>Current liabilities</i>				
Debts issued and other borrowed funds	12	-	(4.741.402)	(4.741.402)
Derivative financial instruments	8	(4.545)	-	(4.545)
Trade and other payables		-	(63)	(63)
		<b>(4.545)</b>	<b>(4.741.465)</b>	<b>(4.746.010)</b>
<b>Total</b>		<b>(39.935)</b>	<b>(32.772.315)</b>	<b>(32.812.250)</b>

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

	Notes	31 December 2024		
		Measured at fair value through P/L	Measured at amortized cost	Total carrying amount
<b>Financial liabilities</b>				
<i>Non-current liabilities</i>				
Debts issued and other borrowed funds	12	-	(28.800.562)	(28.800.562)
Derivative financial instruments	8	(16.514)	-	(16.514)
		<b>(16.514)</b>	<b>(28.800.562)</b>	<b>(28.817.076)</b>
<i>Current liabilities</i>				
Debts issued and other borrowed funds	12	-	(4.731.823)	(4.731.823)
Derivative financial instruments	8	(17.598)	-	(17.598)
Trade and other payables		-	(40)	(40)
		<b>(17.598)</b>	<b>(4.731.863)</b>	<b>(4.749.462)</b>
<b>Total</b>		<b>(34.113)</b>	<b>(33.532.425)</b>	<b>(33.566.538)</b>

## 7. Loans to related parties

Amounts due from related parties are measured at amortized cost and included in non-current and current assets:

(in thousands of EUR)

	Measured at amortized cost			Fair value
	31 December 2025			
	Carrying amount in statement of financial position			
	Non-current	Current	Total	
Loan outstanding	27.873.154	5.511.433	33.384.587	34.085.762
<b>Total</b>	<b>27.873.154</b>	<b>5.511.433</b>	<b>33.384.587</b>	<b>34.085.762</b>

(in thousands of EUR)

	Measured at amortized cost			Fair value
	31 December 2024			
	Carrying amount in statement of financial position			
	Non-current	Current	Total	
Loan outstanding	28.552.902	5.459.362	34.012.264	34.607.121
<b>Total</b>	<b>28.552.902</b>	<b>5.459.362</b>	<b>34.012.264</b>	<b>34.607.121</b>

Refer to the section below entitled *Fair values* for details on how the Company determines the fair value of financial instruments.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

*Gross carrying amount of loans to related parties*

The gross carrying amount of loans to related parties exposed to credit risk is disclosed below, classified by the residual maturity and original currency of the loans:

*(in thousands of EUR)*

**Loans to related parties classified by residual maturity**

Original currency	31 December 2025		31 December 2024	
	Average interest rate (%)	Gross carrying amount	Average interest rate (%)	Gross carrying amount
<i>Residual maturity: less than 1 year</i>				
EUR	3,52%	5.470.866	3,66%	4.838.373
GBP	3,72%	42.737	4,70%	430.066
CNY	-	1.136	4,03%	199.294
		<b>5.514.739</b>		<b>5.467.733</b>
<i>Residual maturity: 1 to 5 years</i>				
EUR	3,66%	18.930.702	3,77%	17.900.263
GBP	3,72%	735.126	4,70%	396.452
CNY	2,71%	364.260	-	-
		<b>20.030.088</b>		<b>18.296.715</b>
<i>Residual maturity: longer than 5 years</i>				
EUR	4,40%	7.904.906	3,79%	10.058.681
GBP	-	-	4,70%	314.743
		<b>7.904.906</b>		<b>10.373.424</b>
<b>Total gross carrying amount</b>		<b>33.449.733</b>		<b>34.137.872</b>
<b>Allowance for ECL</b>		<b>(65.146)</b>		<b>(125.608)</b>
<b>Carrying amount</b>		<b>33.384.587</b>		<b>34.012.264</b>

The above stated weighted average effective interests rate are calculated for the outstanding loans as per year end and constitute fixed rates.

The maturity analysis of the contractual cash flows related to Volkswagen Group company loans are disclosed under *Liquidity* in the *Financial risk management* note.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

*Impairment losses on loans to related parties*

The Company determined that there is a low risk of default on all receivables due from Group companies due to various factors explained in under *Credit risk* in the *Financial risk management* note below. Although the Company determined that there is a low risk of default on loans receivable, the Company has recognized loss allowances in accordance with IFRS 9.

The Company applied the credit default swap spread (CDS) of VWAG to measure the ECL for all amounts due from Group companies. The loss allowances were recognized in accordance with Stage 1 of the Company's ECL model at an amount equal to the 12-month ECL.

A reconciliation of changes in gross carrying amount of the loans to related parties and corresponding allowance for ECL is as follows:

*(in thousands of EUR)*

	<b>Stage 1</b>		
	Gross carrying amount	ECL	Carrying amount
<b>At 1 January 2024</b>	<b>34.624.452</b>	<b>(138.917)</b>	<b>34.485.535</b>
Loans advanced	2.898.360	(11.883)	2.886.477
Loan repayments received	(3.442.095)	14.113	(3.427.982)
Re-measurement of year-end ECL	-	11.314	11.314
Interest accrued	(1.276)	5	(1.271)
Foreign exchange adjustments	58.431	(240)	58.191
<b>At 31 December 2024</b>	<b>34.137.872</b>	<b>(125.608)</b>	<b>34.012.264</b>
Loans advanced	3.628.241	(7.619)	3.620.622
Loan repayments received	(4.187.336)	8.793	(4.178.543)
Re-measurement of year-end ECL	-	59.017	59.017
Interest accrued	(45.407)	95	(45.312)
Foreign exchange adjustments	(83.636)	176	(83.460)
<b>At 31 December 2025</b>	<b>33.449.733</b>	<b>(65.146)</b>	<b>33.384.587</b>

The Company also provides loan commitments to related parties. The nominal value and related ECL provision is disclosed in the *Provisions* note below.

The total income statement charge for allowance for ECL for the year in respect of loans to related parties and the related loan commitments are disclosed in the *Change in allowance for expected credit losses on financial assets and loan commitments* note. More details regarding the measurement of ECL are disclosed in the *Credit risk* section in the *Financial risk management* note below.

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## 8. Derivative financial instruments

VIF uses derivatives only for economic hedging purposes and not as speculative investments, as explained in the *Summary of significant accounting policies* above. VIF does not apply hedge accounting.

The Company's policy is to fully hedge its interest rate and foreign exchange rate exposures. It uses derivatives to manage interest and foreign exchange exposures that arise as result of mismatches between debt issued in the capital markets and loans issued to related parties. On this basis the fair value changes in derivatives are primarily driven by changes in the applicable currencies and related interest curves.

The Company's derivative assets and liabilities are not offset in the statement of financial position. Derivatives are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

(in thousands of EUR)

Derivatives in economic hedge relationships	Measured at fair value			
	31 December 2025		31 December 2024	
	Assets	Liabilities	Assets	Liabilities
Non-current	28.463	35.390	20.097	16.514
Current	3	4.545	1.127	17.598
<b>Total</b>	<b>28.466</b>	<b>39.935</b>	<b>21.224</b>	<b>34.112</b>

The tables below show the fair values of derivative instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the quantity of the derivative contracts' underlying instrument, being cross-currency interest rate swaps (CCIRS), interest rate swaps (IRS) or forward exchange contracts (FX Contracts). The notional amounts indicate the volume of transactions outstanding at the year-end and are not indicative of either the market or credit risk.

(in thousands of EUR)

Derivatives in economic hedge relationships	31 December 2025		
	Notional contract amount	Fair Value	
		Assets	Liabilities
CCIRS	792.406	28.460	39.927
IRS	-	-	-
FX Contracts	1.979	6	8
<b>Total</b>	<b>794.385</b>	<b>28.466</b>	<b>39.935</b>

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

Derivatives in economic hedge relationships	31 December 2024		
	Notional contract amount	Fair Value	
		Assets	Liabilities
CCIRS	293.637	21.224	34.106
IRS	-	-	-
FX Contracts	1.056	-	6
<b>Total</b>	<b>294.693</b>	<b>21.224</b>	<b>34.112</b>

The Company's exposure to derivative contracts is monitored on regular basis as part of its overall risk management framework (as described in the *Financial Risk Management* note below).

### Swaps

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as an interest rate, foreign currency rate or equity index.

Interest rate swaps relate to contracts taken out by the Company with other counterparties (financial institutions) in which the Company either receives or pays a floating rate of interest, respectively, in return for paying or receiving a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

In a cross-currency interest rate swap, the Company pays a specified amount in one currency and receives a specified amount in another currency. The swaps are mostly gross settled, settlement dates being directly linked to the relevant payment dates of the interest and/or principal amounts of the related loans and/or bonds.

### Forward exchange contracts

Forward exchange contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. FX Contracts are customised contracts transacted in the over-the-counter market. FX Contracts are usually settled gross, settlement dates being directly linked to the relevant payment dates of the interest and/or principal amounts of the related loans and/or bonds.

### Fair values

Further disclosures concerning the fair value and credit/market risk of derivatives are provided in the Financial Risk Management note below.

## 9. Other assets

(in thousands of EUR)

	31 December 2025	31 December 2024
<b>Current</b>		
Other assets	120	75
Rental deposit	15	19
<b>Total</b>	<b>135</b>	<b>94</b>

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## 10. Cash-pool receivables

*(in thousands of EUR)*

	<u>31 December 2025</u>	<u>31 December 2024</u>
Cash-pool receivables	83.293	101.345
<b>Total</b>	<b>83.293</b>	<b>101.345</b>

Cash-pool receivables constitutes a cash-pool arrangement with Volkswagen International Belgium N.V.

All balances are at the free disposal of the Company and bear market interest rates. The cash-pool receivable is carried at amortized cost and an allowance for ECL is not recognized, because it is receivable on demand. VIF's maximum exposure to credit risk in relation to cash-pool receivables are represented by the carrying amounts for each respective year, as illustrated above.

## 11. Capital and reserves

### Share capital

#### *Ordinary shares*

Holders of these shares are entitled to dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

The subscribed and paid-up share capital of the Company amounts to TEUR 103.035 (2024: TEUR 103.035) and consists of 103.035 shares (2024: 103.035 shares) of €1.000 each which have been authorised, registered and issued.

### Share premium

The share premium of TEUR 12.120 relates to capital contributions of the shareholder Volkswagen Finance Luxembourg S.A., to strengthen the financial position of the Company. There are no restrictions on distribution of this reserve.

### Distributions made and proposed

No dividends for 2025 and 2024 were proposed.

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## 12. Debt issued and other borrowed funds

### Balances

(in thousands of EUR)

	Measured at amortized cost			Fair value
	31 December 2025			
	Carrying amount in statement of financial position			
	Non-current	Current	Total	
<b>Debt issued and other borrowed funds</b>				
Bonds	28.030.850	4.741.402	32.772.252	32.030.071
Commercial Papers	-	-	-	-
	<b>28.030.850</b>	<b>4.741.402</b>	<b>32.772.252</b>	<b>32.030.071</b>
<b>Total</b>	<b>28.030.850</b>	<b>4.741.402</b>	<b>32.772.252</b>	<b>32.030.071</b>

(in thousands of EUR)

	Measured at amortized cost			Fair value
	31 December 2024			
	Carrying amount in statement of financial position			
	Non-current	Current	Total	
<b>Debt issued and other borrowed funds</b>				
Bonds	28.800.562	4.085.962	32.886.524	31.615.603
Commercial Papers	-	645.861	645.861	-
	<b>28.800.562</b>	<b>4.731.823</b>	<b>33.532.385</b>	<b>31.615.603</b>

The note below entitled *Fair values* contain details on how the Company determines the fair value of financial instruments.

The maturity analysis of the above debts issued and other borrowed funds are disclosed under *Liquidity* in the *Financial risk management* note below.

There are no pledges on the Company's assets in connection with the above debts.

### Movement schedule

(in thousands of EUR)

	31 December 2025		
	Cash movements	Non-cash movements	Total
<b>As at 1 January 2024</b>	-	-	<b>33.532.385</b>
Issuance	3.472.216	-	3.472.216
Repayment	(3.476.371)	-	(3.476.371)
Interest	(1.229.705)	556.637	(673.068)
Amortization of issuance fees and discount	16.606	-	16.606
Foreign exchange adjustments	-	(99.515)	(99.515)
<b>As at 31 December 2024</b>	<b>(1.217.254)</b>	<b>457.122</b>	<b>32.772.252</b>

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

	<b>31 December 2024</b>		
	Cash movements	Non-cash movements	Total
<b>As at 1 January 2023</b>	-	-	<b>34.704.303</b>
Issuance	1.823.411	-	1.823.411
Repayment	(3.063.811)	-	(3.063.811)
Interest	(1.270.588)	599.269	(671.319)
Amortization of issuance fees and discount	18.481	-	18.481
Foreign exchange adjustments	-	721.319	721.319
<b>As at 31 December 2023</b>	<b>(2.492.506)</b>	<b>1.320.588</b>	<b>33.532.385</b>

**Hybrid notes issued in May 2025**

In May 2025, the Company issued two unsecured subordinated hybrid notes with a total principal amount of €1,9 billion. The hybrid notes are perpetual instruments and may be called at the discretion of the Company. The first note, with a principal amount of €0,75 billion and a coupon of 5,493%, may be redeemed for the first time after five years. The second note, with a principal amount of €1,15 billion and a coupon of 5,994%, may be redeemed for the first time after eight years.

The interest on the perpetual hybrid notes becomes due in the event of dividends being declared, as determined on the discretion of VWAG. VIF has no influence on these mandatory payment events, as it cannot prevent the declaration of dividends by VWAG. Accordingly the perpetual hybrid notes were classified as liabilities.

**Floating rate bond issued in May 2025**

The Company issued a floating-rate bond with a principal amount of €0,4 billion. The bond is due in March 2027, and carries a coupon based on 3-month EURIBOR plus a spread of 0,7%.

**On-shore CNY Bond issued in May 2025**

In May 2025, the Company issued an on-shore, fixed-rate CNY denominated bond with a principal amount of CNY 2,5 billion and a coupon of 2%. The bond matures in 2027. A cross-currency interest rate swap was executed in connection with this issuance to hedge the related foreign currency and interest rate risks.

**Green bond issued in September 2025**

The Company issued a green bond with a principal amount of €0,5 billion. The bond matures in 2035 and carries a fixed coupon of 4,125%.

**On-shore CNY Bond issued in November 2025**

The Company issued on-shore, fixed-rate CNY-denominated bonds with principal amounts of CNY 2,0 billion and CNY 1,0 billion, carrying coupons of 2% and 2,1%, respectively. The bonds mature in 2027 and 2028.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

The issuance in 2024 relates to below bonds:

In March 2024, VIF issued a floating rate bonds with an aggregate principal amount of €1,0 billion. The bond is due in March 2026 and has a principal amount of €1,0 billion with a coupon of 3-month EURIBOR plus spread of 0,65%.

In August 2024, VIF issued a floating rate bonds with an aggregate principal amount of €1,0 billion. The bond is due in August 2026 and has a principal amount of €1,0 billion with a coupon of 3-month EURIBOR plus spread of 0,55%.

In September 2024, VIF issued a fixed rate bonds with an aggregate principal amount of CNY1,5 billion. The bond is due in September 2027 and has a principal amount of CNY1,5 billion with a coupon of 2,29%. The bond matures in 2027. A Cross-Currency Interest Rate Swap was also traded in connection with this issuance.

### Analysis of bonds

The following table reconciles the notional amount outstanding in respect of the bonds to the total carrying amount of the bonds:

(in thousands of EUR)

	31 December 2025	31 December 2024
Notional amount outstanding	32.285.008	32.387.963
Issuance fees & Bond discount	(202.798)	(286.414)
Interest accrued	556.637	586.163
Cumulative amortization of Issuance fees & Bond discount	145.205	128.599
Foreign exchange adjustments	(11.800)	70.213
<b>Carrying amount</b>	<b>32.772.252</b>	<b>32.886.524</b>

The carrying amount and fair values of the bonds classified according to their residual maturity and original currencies are as follows:

(in thousands of EUR)

	31 December 2025			
	Original currency	Average interest rate (%)	Carrying amount	Fair value
<i>Residual maturity of longer than 5 years</i>				
Listed fixed rate bonds	EUR	3,15%	4.323.997	3.954.548
Listed fixed rate bonds	GBP	4,13%	516.056	491.569
<i>Residual maturity of less than 5 years</i>				
Listed fixed rate bonds	EUR	2,76%	10.848.112	10.633.663
Listed fixed rate bonds	GBP	3,38%	402.214	398.368
Listed fixed rate bonds	JPY	1,00%	32.628	32.113
Listed variable rate bonds	EUR	2,67%	1.402.790	1.401.573
Unlisted fixed rate bonds - onshore	CNY	2,08%	855.933	853.218
Unlisted fixed rate bonds	HKD	4,58%	35.941	35.309
<i>Perpetual bonds</i>				
Listed fixed rate bonds	EUR	4,78%	14.354.581	14.229.710
<b>Total</b>			<b>32.772.252</b>	<b>32.030.071</b>

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

	<b>31 December 2024</b>			
	Original currency	Average interest rate (%)	Carrying amount	Fair value
<i>Residual maturity of longer than 5 years</i>				
Listed fixed rate bonds	EUR	3,00%	6.591.362	6.309.701
Listed fixed rate bonds	GBP	4,13%	542.336	490.490
<i>Residual maturity of less than 5 years</i>				
Listed fixed rate bonds	EUR	2,88%	9.832.379	9.572.468
Listed fixed rate bonds	GBP	3,38%	422.513	406.391
Listed fixed rate bonds	CNY	0,00%	-	-
Listed fixed rate bonds	JPY	1,00%	36.771	37.093
Listed variable rate bonds	EUR	3,48%	1.002.481	1.004.456
Unlisted fixed rate bonds - onshore	CNY	2,68%	397.432	401.727
Unlisted fixed rate bonds	HKD	4,74%	95.346	93.817
<i>Perpetual bonds</i>				
Listed fixed rate bonds	EUR	4,50%	13.965.904	13.299.460
<b>Total</b>			<b>32.886.524</b>	<b>31.615.603</b>

The above stated weighted average effective interest rates are calculated for the outstanding amounts as per year end. All bonds issued by VIF are guaranteed by VWAG, mitigating the risk to external investors. The bonds issued do not contain any financial covenants.

The credit ratings of the rating agencies were derived from VWAG's rating. However, for China Chengxin International Credit Rating Co., Ltd (CCXI), VIF received its own rating:

<b>31 December 2025</b>			
Agency	Short-term	Long term	Outlook
Moody's	P-2	Baa1	Stable
Standard & Poor	A-2	BBB+	Negative
Fitch	F-1	A-	Negative
DBRS Morningstar	R-1 (low)	A (low)	Negative
CCXI	-	AAA	Stable

<b>31 December 2024</b>			
Agency	Short-term	Long term	Outlook
Moody's	P-2	A3	Negative
Standard & Poor	A-2	BBB+	Stable
Fitch	F-1	A-	Stable
DBRS Morningstar	R-1 (low)	A (low)	Stable
CCXI	-	AAA	Stable

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

### Commercial paper

The basis for the issuing activities of the Company are the regularly updated Debt Issuance Programme (DIP) of EUR 30 billion, that adheres to the European Prospectus Directive standards, as well as the EUR 15 billion Multicurrency Commercial Paper Programme (CP Programme). VIF is also issuing under stand-alone documentation. All issues are fully guaranteed by VWAG.

As of 31 December 2025 the Company did not have any commercial papers outstanding (2024:EUR 646)

### Loans due to related parties

Refer to the disclosure in *Related parties* note below for further analysis of loans due to related parties.

## 13. Other liabilities

*(in thousands of EUR)*

	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Current other liabilities</b>		
Accrued liabilities	96	211
Lease liability (Note 5)	255	262
Accrued interest	-	-
VAT	228	50
<b>Total</b>	<b>579</b>	<b>523</b>

*(in thousands of EUR)*

	<u>31 December 2025</u>	<u>31 December 2024</u>
<b>Non-current other liabilities</b>		
Lease liability (Note 5)	655	911
<b>Total</b>	<b>655</b>	<b>911</b>

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## 14. Provisions

(in thousands of EUR)

	<b>Loss allowance on undrawn loan commitments</b>	<b>Other provisions</b>	<b>Total</b>
<b>At 1 January 2024</b>	<b>(0)</b>	<b>199</b>	<b>199</b>
Changes in ECL	1	-	1
Arising during the year	-	152	152
Utilized during the year	-	(199)	(199)
<b>At 31 December 2024</b>	<b>1</b>	<b>152</b>	<b>153</b>
Changes in ECL	1.103	-	1.103
Arising during the year	-	110	110
Utilized during the year	-	(149)	(149)
Released during the year	-	(3)	(3)
<b>At 31 December 2025</b>	<b>1.104</b>	<b>110</b>	<b>1.214</b>

### 14.1 Loss allowance on undrawn loan commitments

The Company provides loan commitments to related parties. These commitments are on market terms and even though the nominal contractual values of undrawn loan commitments are not recognized in the statement of financial position, the Company is required to consider the credit risk they contain. The nominal values of the undrawn loan commitments, together with the corresponding ECL are disclosed below.

(in thousands of EUR)

	<b>31 December 2025</b>		<b>31 December 2024</b>	
	<b>Stage 1</b>		<b>Stage 1</b>	
Original currency	Nominal amount	ECL	Nominal amount	ECL
EUR	700.060	1.103	245	1
	<b>700.060</b>	<b>1.103</b>	<b>245</b>	<b>1</b>

The Company applied the same credit default swap spread (CDS) to measure the ECL for all amounts due from Group companies. The loss allowances were recognized in accordance with Stage 1 of the Company's ECL model at an amount equal to the 12-month ECL. The table above shows the maximum exposure to credit risk.

A reconciliation of changes in outstanding exposures and corresponding allowance for ECL by stage for undrawn loan commitments is, as follows:

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

*(in thousands of EUR)*

	2025		2024	
	Stage 1		Stage 1	
	Outstanding exposure	ECL	Outstanding exposure	ECL
<b>At 1 January</b>	<b>245</b>	<b>1</b>	-	-
New exposures	700.060	1.103	245	1
Dissolutions	(245)	(1)	-	-
<b>At 31 December</b>	<b>700.060</b>	<b>1.103</b>	<b>245</b>	<b>1</b>

*14.2 Other provisions*

The outstanding other provisions mainly relates to employee gratuity.

## 15. Financial risk management

The Company's activities expose it to a variety of financial risks. These include currency, interest rate, credit, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by the Company under the treasury risk guidelines provided by VWAG Group Treasury. VWAG provides direction for overall risk management, covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Government authorities in a number of jurisdictions worldwide have conducted and are continuing to conduct investigations of Volkswagen Group regarding findings of irregularities in relation to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The results of these and any future investigations, and criminal litigations, may have a material adverse effect on Volkswagen Group's business, financial position, results of operations and reputation, as well as the prices of its securities and its ability to make payments under its securities.

VIF's commercial success largely depends on the financial health and the reputation of the ultimate shareholder VWAG and due to the events, VIF may not succeed in obtaining funds for financing requests in due time and to the extent necessary. In addition, because of the investigation, VIF as an issuer may face risks arising from legal disputes from investors claiming damages for alleged breaches of capital market laws.

### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks.

Market risk comprises two types of risks in the Company's operation: interest rate risk and currency risk.

### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its financial instruments (loans to related parties and its related borrowings).

To avoid this risk, the loans to related parties are generally matched in currency terms to the related funding (bonds or commercial papers). Any mismatch would typically be corrected via swaps and/or forwards to achieve the matched basis.

In cases where the matching cannot be achieved completely, the Supervisory Board has set small currency limits for individual currencies; policies are monitored and enforced. Consequently, currency risk is relatively remote. In 2025 and 2024, the limits were not exceeded.

The main currencies and interest zones applicable are GBP and CNY. The significant foreign currency balances included within financial instruments, to which the Company is exposed should exchange rates fluctuate, are as follows (excluding the effect of derivatives used for hedging):

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

*(in thousands of EUR)*

<b>Bonds in foreign currencies</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
CNY	855.933	397.432
GBP	918.270	964.849
JPY	32.628	36.771
HKD	35.942	95.347
<b>Total</b>	<b>1.842.773</b>	<b>1.494.398</b>

*(in thousands of EUR)*

<b>Loans to related parties in foreign currencies</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
CNY	365.396	199.294
GBP	777.863	1.141.261
<b>Total</b>	<b>1.143.259</b>	<b>1.340.555</b>

The key exchange rates applied in the Company accounts are as follows:

*(in thousands of EUR)*

<b>Borrowings in foreign currencies</b>	<b>Average rate</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
CNY	8,12	7,79
GBP	0,86	0,85
JPY	169,08	163,85
HKD	8,81	8,44

*(in thousands of EUR)*

<b>Borrowings in foreign currencies</b>	<b>Year-end rate</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
CNY	8,22	7,60
GBP	0,87	0,83
JPY	183,98	163,23
HKD	9,14	8,08

An analysis has been performed on the Company's exposure to movements in foreign exchange rates and its potential impact on profit and loss, and equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

	<b>31 December 2025</b>		<b>31 December 2024</b>	
	+10%	-10%	+10%	-10%
<b>Change in exchange rate</b>				
<b>EUR/CNY</b>	220	(220)	73	(73)
Profit/loss after tax	163	(163)	54	(54)
<b>EUR/GBP</b>	(7.700)	7.700	(13.402)	13.402
Profit/loss after tax	(5.713)	5.713	(9.944)	9.944
<b>EUR/JPY</b>	3.261	(3.261)	3.676	(3.676)
Profit/loss after tax	2.420	(2.420)	2.728	(2.728)
<b>EUR/HKD</b>	3.499	(3.499)	9.277	(9.277)
Profit/loss after tax	2.596	(2.596)	6.884	(6.884)

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from loans to related parties and borrowings.

Based on funding requests by related parties, VIF issues notes to investors matching the fixed or variable interest requirement of the related parties. Bonds were issued with both fixed and variable interest rates.

The following table indicates the composition of fixed versus variable rate bonds:

(in thousands of EUR)

	<b>31 December 2025</b>	<b>31 December 2024</b>
Fixed rate bonds	31.369.462	31.884.043
Variable rate bonds	1.402.790	1.002.481
<b>Total</b>	<b>32.772.252</b>	<b>32.886.524</b>

The variable rate bond is hedged with interest rate swaps to mitigate interest rate risk. There is a floor of 0% applicable to the variable rate bond, however this bond has a positive spread above the linked index rate (3M-EURIBOR) and based on prior year curves, the Company considers it highly unlikely that the bond will be floored at 0%.

In cases where the investor looks for a different interest structure, VIF uses interest rate swaps or cross-currency interest rate swaps to convert the interest into the structure required by the related parties. The Supervisory Board authorised VIF to run a certain interest rate risk. A limit system and tools to monitor and manage the risk have been set up. Interest mismatches are permitted within a twelve-month period only. Therefore, the risk is relatively low. In 2025 and 2024, no limits were exceeded.

The table below demonstrates the sensitivity of profit and loss, and equity to reasonably possible changes in interest rates on that portion of bonds and related party loans affected, including the impact of related derivatives. With all other variables held constant, the profit and loss, and equity of the Company is affected through the impact on variable rate bonds, variable rate related party loans and related derivative contracts, as follows:

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

(in thousands of EUR)

Change in interest rate	31 December 2025		31 December 2024	
	+100 bps	-100bps	+100 bps	-100bps
Profit/loss after tax	(13.743)	14.203	(22.093)	22.725

### *Credit risk*

Credit risk is the risk that a counterparty will not meet its payment obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from loans extended to related parties and through entering into derivative contracts with external banks.

#### *Intercompany-related credit risk*

VIF extends loans to related parties, which are granted according to the guidelines and instructions from VWAG, the guarantor of commercial paper and capital market issuances by VIF. The default risk of VIF-borrowers has been analysed based on financial reports, planning forecasts and discussions with VWAG headquarters. Based on the analysis, the credit risk of VIF-borrowers is considered to be remote.

Although the Company determined that there is a low risk of default on loans receivable, the Company has recognized loss allowances in accordance with IFRS 9. Refer to notes 7 and 14 for disclosure of the gross carrying amount of loans and undrawn loan commitments exposed to credit risk and the related allowance for ECL recognized.

The Company establishes a three stage impairment model, based on whether there has been a significant increase in the credit risk of a financial asset since its initial recognition. These three stages then determine the amount of impairment to be recognized as expected credit losses (ECL), as well as the amount of interest income to be recorded at each reporting date. Refer to Note 3 *Significant accounting policies* for a detailed description of how the Company applies staging in measuring impairment.

The loss allowance is calculated as the product of PD, LGD and EAD. There are no external or internal ratings available for the group-internal counterparties and therefore:

- for loans receivables: the product of PD and LGD is determined by the CDS of VWAG; and
- for loan commitments: the product of PD and LGD is determined by the CDS of VWAG. The EAD is the nominal amount of the commitment multiplied by a Credit Conversion Factor (CCF).

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

If the CDS rate had increased or decreased by 10% the Company would have the following effects on earnings after tax.

*(in thousands of EUR)*

<b>Change in CDS</b>	<b>31 December 2025</b>		<b>31 December 2024</b>	
	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>
Profit/loss after tax	(4.916)	4.916	(9.321)	9.321

***Cash and cash equivalents and cash-pool receivables***

For VIF's external bank counterparties risk is limited by a limit system centrally managed by VWAG Group Treasury Risk Management taking into account also the credit assessments by the international rating agencies. Credit risk with external counterparties materializes from account balances, deposits and derivative transactions. Given the business purpose of VIF, account balances and deposits are zero or kept to a minimum.

***Derivative-related credit risk***

Exposure is kept within the risk limits defined by VWAG Group Risk Management. In order to mitigate credit risk associated with derivative contracts, the Company only executes derivatives with counterparties that are highly rated and have entered into an ISDA Master Agreement in which a set-off is agreed to in the event of default by either counterparty. Therefore, derivative-related credit risk is represented only by the positive fair value of the instrument and is normally a small fraction of the contract's nominal amount. Settlement dates of derivatives are also directly linked to the relevant payment dates of the interest and/or principal amounts of the related loans and/or bonds. Credit risk and counterparty limit allocations are frequently monitored by Group Treasury Risk Management.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

**Liquidity risk**

Liquidity risk is the risk of having insufficient cash resources to meet current financial obligations without raising funds at unfavourable rates or selling assets on a forced basis. The critical terms of the Company's assets and liabilities match. Management believes that the expected inflows and outflows are aligned such that there is no liquidity risk.

The age analysis of undiscounted contractual cash flows from financial liabilities and assets are as follows:

(in thousands of EUR)

<b>31 December 2025</b>						
<b>UNDISCOUNTED CASH FLOWS FOR REMAINING CONTRACTUAL MATURITY</b>						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>						
Loans to related parties	-	3.926.077	2.270.330	23.094.330	9.207.623	38.498.360
Cash-pool receivables	83.293	-	-	-	-	83.293
	<b>83.293</b>	<b>3.926.077</b>	<b>2.270.330</b>	<b>23.094.330</b>	<b>9.207.623</b>	<b>38.581.653</b>
<b>Financial liabilities</b>						
<i>Debt issued and other borrowed funds:</i>						
Bonds	-	(3.649.053)	(1.717.657)	(23.076.353)	(9.220.027)	(37.663.090)
	<b>-</b>	<b>(3.649.053)</b>	<b>(1.717.657)</b>	<b>(23.076.353)</b>	<b>(9.220.027)</b>	<b>(37.663.090)</b>
<b>Gross settled derivatives</b>						
<b>Financial assets</b>						
Contractual amounts receivable	-	14.060	16.869	783.629	-	814.558
Contractual amounts payable	-	(9.809)	(29.869)	(779.478)	-	(819.156)
	<b>-</b>	<b>4.251</b>	<b>(13.000)</b>	<b>4.151</b>	<b>-</b>	<b>(4.598)</b>
<b>Financial liabilities</b>						
Contractual amounts receivable	-	35	482.931	614.839	536.696	1.634.501
Contractual amounts payable	-	(1.013)	(481.607)	(623.527)	(534.396)	(1.640.543)
	<b>-</b>	<b>(978)</b>	<b>1.324</b>	<b>(8.688)</b>	<b>2.300</b>	<b>(6.042)</b>
<b>Total gross settled derivatives</b>	<b>-</b>	<b>3.273</b>	<b>(11.676)</b>	<b>(4.537)</b>	<b>2.300</b>	<b>(10.640)</b>
<b>Total net financial assets / (liabilities)</b>	<b>83.293</b>	<b>280.297</b>	<b>540.997</b>	<b>13.440</b>	<b>(10.104)</b>	<b>907.923</b>

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

<b>31 December 2024</b>						
UNDISCOUNTED CASH FLOWS FOR REMAINING CONTRACTUAL MATURITY						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>						
Loans to related parties	-	2.154.370	3.972.950	21.512.764	11.748.081	39.388.165
Cash-pool receivables	101.345					101.345
	<b>101.345</b>	<b>2.154.370</b>	<b>3.972.950</b>	<b>21.512.764</b>	<b>11.748.081</b>	<b>39.489.510</b>
<b>Financial liabilities</b>						
<i>Debt issued and other borrowed funds:</i>						
Bonds	-	(1.171.843)	(3.502.164)	(21.447.299)	(11.819.269)	(37.940.575)
Commercial papers	-	(647.000)	-	-	-	(647.000)
	<b>-</b>	<b>(1.818.843)</b>	<b>(3.502.164)</b>	<b>(21.447.299)</b>	<b>(11.819.269)</b>	<b>(38.587.575)</b>
<b>Gross settled derivatives</b>						
<b>Financial assets</b>						
Contractual amounts receivable	-	-	76.329	683.650	-	759.979
Contractual amounts payable	-	(1.332)	(70.740)	(653.721)	-	(725.793)
	<b>-</b>	<b>(1.332)</b>	<b>5.589</b>	<b>29.929</b>	<b>-</b>	<b>34.186</b>
<b>Financial liabilities</b>						
Contractual amounts receivable	-	13.373	402.252	522.018	900.444	1.838.087
Contractual amounts payable	-	(17.486)	(435.092)	(560.592)	(876.938)	(1.890.108)
	<b>-</b>	<b>(4.113)</b>	<b>(32.840)</b>	<b>(38.574)</b>	<b>23.506</b>	<b>(52.021)</b>
<b>Total gross settled derivatives</b>	<b>-</b>	<b>(5.445)</b>	<b>(27.251)</b>	<b>(8.645)</b>	<b>23.506</b>	<b>(17.835)</b>
<b>Total net financial assets / (liabilities)</b>	<b>101.345</b>	<b>330.082</b>	<b>443.535</b>	<b>56.820</b>	<b>(47.682)</b>	<b>884.100</b>

The table below shows the contractual expiry by maturity of the Company's undrawn loan commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down:

(in thousands of EUR)

<b>31 December 2025</b>						
UNDISCOUNTED CASH FLOWS FOR REMAINING CONTRACTUAL MATURITY						
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Contingent liabilities and commitments</b>						
Undrawn loan commitments	-	700.060	-	-	-	700.060
	<b>-</b>	<b>700.060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700.060</b>

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

(in thousands of EUR)

	<b>31 December 2024</b>					Total
	UNDISCOUNTED CASH FLOWS FOR REMAINING CONTRACTUAL MATURITY					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	
<b>Contingent liabilities and commitments</b>						
Undrawn loan commitments	-	245	-	-	-	245
	-	245	-	-	-	245

Based on funding requests by VWAG related parties, VIF issues commercial paper and bonds to investors. Funds taken from investors are extended with the same maturity to VW Group borrowers.

In cases where this matching cannot be achieved the Supervisory Board has set narrow liquidity risk limits. The Company monitors the limits on a permanent basis. Against the background of the relatively narrow limits and the strong financial solidity of the Volkswagen Group, the liquidity risk is remote. In 2025 and 2024, no limits were exceeded. Notes issued by VIF have the benefit of a Guarantee and Negative Pledge given by VWAG.

The Debt Issuance Program under which VIF is issuing is regularly updated to incorporate current developments. VIF is able to continue the issuance of commercial paper based on the existing CP Program to finance the requirements of Volkswagen group companies and joint ventures of the Volkswagen group.

To ensure flexible refinancing possibilities, VWAG has arranged for uncommitted facilities with related parties for general corporate purposes. The undrawn amounts of these borrowing facilities which are available to VIF from related parties are presented in the following table:

(in thousands of EUR)

	Original currency	<b>31 December 2025</b>	<b>31 December 2024</b>
		Nominal amount	Nominal amount
Undrawn borrowing facilities	EUR	700.060	245
		<b>700.060</b>	<b>245</b>

### **Capital management**

The Company manages its total equity (share capital and reserves) as capital. The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital.
- To maintain sufficient financial resources to repay the nominal amounts of its debts and other borrowed funds.

## VOLKSWAGEN INTERNATIONAL FINANCE N.V. ANNUAL REPORT

- To ensure compliance with capital market requirements.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the following criteria:

- Bond issuance fees are deducted upfront and sufficient cash reserves therefore needs to be build up to bridge the difference between the proceeds received on bonds and the nominal amounts that are payable upon maturity of the bonds. VIF incorporates the deducted amounts in the interest charged on related party loans, separated on each interest payment day and accumulated over the lifetime of the loan as a cash reserve.

The following table indicates the key indicators and equity levels used to manage and monitor the Company's capital:

*(in thousands of EUR)*

	<b>31 December 2025</b>	<b>31 December 2024</b>
Cash reserves available to repay nominal bond amounts	140.718	123.370
Total equity	698.899	599.623
Total liabilities	32.816.969	33.576.342

There have been no breaches of financial covenants or capital market requirements during the periods reported on. No changes were made in the objectives, policies and processes for managing capital during the periods reported on.

## 16. Fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values for financial instruments. The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company has an established control framework with respect to the measurement of fair values for its financial instruments. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: fair value of financial instruments for which a price is directly available in an active market. Quoted prices (unadjusted) are used.
- *Level 2*: fair values determined based on observable inputs (either directly or indirectly) other than quoted prices included in Level 1. For example, fair values determined using foreign exchange rates or yield curves using market-based valuation techniques.
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs). Fair values are calculated using valuation techniques that incorporate inputs that are not observable in active markets.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows the fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

*(in thousands of EUR)*

	Carrying amount	Fair Value as of 31 December 2025			
		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>					
Derivative financial instruments	28.466	-	28.466	-	28.466
<b>Total</b>	<b>28.466</b>	<b>-</b>	<b>28.466</b>	<b>-</b>	<b>28.466</b>
<b>Financial assets not measured at fair value</b>					
Loans to related parties	33.384.587	-	34.085.762	-	34.085.762
<b>Total</b>	<b>33.384.587</b>	<b>-</b>	<b>34.085.762</b>	<b>-</b>	<b>34.085.762</b>
<b>Financial liabilities measured at fair value</b>					
Derivative financial instruments	39.935	-	39.935	-	39.935
<b>Total</b>	<b>39.935</b>	<b>-</b>	<b>39.935</b>	<b>-</b>	<b>39.935</b>
<b>Financial liabilities not measured at fair value</b>					
Debts issued and other borrowed funds	32.772.252	30.502.366	1.527.705	-	32.030.071
<b>Total</b>	<b>32.772.252</b>	<b>30.502.366</b>	<b>1.527.705</b>	<b>-</b>	<b>32.030.071</b>

*(in thousands of EUR)*

	Carrying amount	Fair Value as of 31 December 2024			
		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>					
Derivative financial instruments	21.224	-	21.224	-	21.224
<b>Total</b>	<b>21.224</b>	<b>-</b>	<b>21.224</b>	<b>-</b>	<b>21.224</b>
<b>Financial assets not measured at fair value</b>					
Loans to related parties	34.012.264	-	34.607.121	-	34.607.121
<b>Total</b>	<b>34.012.264</b>	<b>-</b>	<b>34.607.121</b>	<b>-</b>	<b>34.607.121</b>
<b>Financial liabilities measured at fair value</b>					
Derivative financial instruments	34.113	-	34.112	-	34.112
<b>Total</b>	<b>34.113</b>	<b>-</b>	<b>34.112</b>	<b>-</b>	<b>34.112</b>
<b>Financial liabilities not measured at fair value</b>					
Debts issued and other borrowed funds	33.532.385	29.648.542	1.967.061	-	31.615.603
<b>Total</b>	<b>33.532.385</b>	<b>29.648.542</b>	<b>1.967.061</b>	<b>-</b>	<b>31.615.603</b>

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

*Valuation techniques*

Loans to/(from) related parties:

The fair values are determined using the discounted cash flow model. Because all loans are granted to companies and affiliates of the Volkswagen Group, the fair value calculation takes into account the credit default swap rate of the VWAG traded in the financial markets retrieved from Reuters. The country risk premium is based on the country in which the counterparty is located.

Derivative financial instruments:

Interest rate derivatives include interest rate swaps and cross-currency interest rate swaps. These are valued using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2 unless adjustments to yield curves or credit spreads are based on significant non-observable inputs, in which case, they are Level 3.

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Debts issued and other borrowed funds:

The market values for the bonds are based on the prices of the Stuttgart stock exchange. In case of non-availability, the market values are determined on the basis of discounted cash flows. Credit spreads were not included in the model used to determine the market value.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## 17. Net interest income

*Interest income*

*(in thousands of EUR)*

	<u>2025</u>	<u>2024</u>
<i>Interest income calculated using the effective interest method</i>		
Loans to related parties	1.294.099	1.320.849
	<b>1.294.099</b>	<b>1.320.849</b>
<i>Other interest and similar income</i>		
Interest income earned on derivative financial instruments	86.548	144.665
Other Interest income	1.615	9.265
	<b>88.163</b>	<b>153.930</b>
<b>Total</b>	<b>1.382.262</b>	<b>1.474.779</b>

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

*Interest expenses*

*(in thousands of EUR)*

	<b>2025</b>	<b>2024</b>
<i>Interest expense calculated using the effective interest method</i>		
Bonds interest expense	1.219.108	1.264.684
Commercial papers interest expense	1.139	13.106
Interest accrued on loans from related parties	-	-
	<b>1.220.247</b>	<b>1.277.790</b>
<i>Other interest and similar expense</i>		
Interest expense on derivative financial instruments	101.995	128.002
Direct fees from issuances	845	777
Interest expense on lease liabilities (Note 5)	38	23
Guarantee commission on bond	1.443	1.212
	<b>104.321</b>	<b>130.014</b>
<b>Total</b>	<b>1.324.568</b>	<b>1.407.804</b>

**18. Fees and commission income**

*(in thousands of EUR)*

	<b>2025</b>	<b>2024</b>
<i>Fee income recognized over time in respect of services to:</i>		
Volkswagen Financial Services N.V.	699	1.210
Volkswagen Finance Overseas B.V.	273	228
Volkswagen Finance Europe B.V.	213	234
	<b>1.185</b>	<b>1.672</b>

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## 19. Change in allowance for expected credit losses on financial assets and loan commitments

(in thousands of EUR)

	2025			
	Stage 1	Stage 2	Stage 3	Total
Loans to related parties	60.462	-	-	60.462
Undrawn loan commitments	(1.102)	-	-	(1.102)
Other receivables	16	-	-	16
<b>Total change in ECL</b>	<b>59.377</b>	<b>-</b>	<b>-</b>	<b>59.377</b>

(in thousands of EUR)

	2024			
	Stage 1	Stage 2	Stage 3	Total
Loans to related parties	13.326	-	-	13.326
Undrawn loan commitments	(1)	-	-	(1)
Other receivables	(17)	-	-	(17)
<b>Total change in ECL</b>	<b>13.308</b>	<b>-</b>	<b>-</b>	<b>13.308</b>

## 20. Net gains/(losses) on derivatives

Net gain/(loss) on derivative financial instruments

(in thousands of EUR)

	2025	2024
Realized FX losses on derivatives	(6.126)	(2.074)
Unrealized FX losses on derivatives	-	(4)
Realized FX gains on derivatives	6.756	176
Unrealized FX gains on derivatives	31	4
Fair value losses on derivatives	56.013	(104.739)
Fair value gains on derivatives	(53.744)	52.847
<b>Total</b>	<b>2.931</b>	<b>(53.790)</b>

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## 21. Net gains/(losses) on financial instruments measured at amortized cost

(in thousands of EUR)

	2025	2024
<i>Gain / (loss) on financial assets at amortized cost:</i>		
Realized FX losses on loans to related parties	(21.215)	(1.358)
Unrealized FX losses on loans to related parties	(66.496)	(1.191)
Realized FX gains on loans to related parties	3.196	3.491
Unrealized FX gains on loans to related parties	1.377	57.526
	<b>(83.138)</b>	<b>58.468</b>
<i>Gain / (loss) on financial liabilities at amortized cost:</i>		
Realized FX losses on bonds	(6.728)	(286)
Unrealized FX losses on bonds	-	(62.793)
Realized FX gains on bonds	23.727	196
Unrealized FX gains on bonds	82.013	1.509
Realized FX losses on loans to related parties	-	-
Realized FX gains on loans to related parties	2	6
Unrealized FX gains on loans to related parties	-	-
	<b>99.014</b>	<b>(61.368)</b>
<b>Total</b>	<b>15.876</b>	<b>(2.900)</b>

## 22. Other operating income

(in thousands of EUR)

	2025	2024
Rental income	-	55
Other income	4	12
<b>Total</b>	<b>4</b>	<b>67</b>

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## 23. Personnel expenses

*(in thousands of EUR)*

	<u>2025</u>	<u>2024</u>
Salaries and social security charges	1.048	1.416
Pension cost - defined contribution plan	153	296
<b>Total</b>	<b>1.201</b>	<b>1.712</b>

The Company has a defined contribution pension plan that is re-insured with an insurance company. The premium payable during the financial year is charged to the result.

In 2025, the average number of employees calculated on a full-time-equivalent basis was 8 (2024: 11,5), of which 1 is a key management employee (2024: 1). There were no employees working abroad.

## 24. Other operating expenses

*(in thousands of EUR)*

	<u>2025</u>	<u>2024</u>
Audit and advisory costs	171	195
Other general administrative expenses	1.005	1.074
<b>Total</b>	<b>1.176</b>	<b>1.269</b>

The following fees based on invoices and estimated work orders for assurance services incurred in the reported year:

*(in thousands of EUR)*

	<u>2025</u>	<u>2024</u>
Audit of the financial statements	100	93
Other audit services	52	52
Other assurance services	19	18
Other non-audit services	-	32
<b>Total</b>	<b>171</b>	<b>195</b>

The audit of the statutory accounts in 2025 and 2024 were performed by EY Accountants B.V. and these statutory accounts were prepared in accordance with IFRS.

Other audit services in 2025 and 2024 are related to the audit of the special purpose financial statements (SPFS), performed by Ernst & Young Hua Ming LLP. This audit is required by the Debt Financing Instruments (DFI) program in China, regulated by the National Association of Financial Market Institutional Investors (NAFMII).

The other assurance services in 2025 and 2024 are related to the consent letter by EY Accountants B.V., for the use of the audit report in the bond issue prospectus.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

The other non-audit services in 2024 are related to the review of the quarterly group reporting package and were performed by EY Accountants B.V.

Neither tax services nor other non-audit services were rendered by EY Accountants B.V. The fees disclosed represent the expenses incurred in relation to the audit of the year of the respective financial statements as opposed to when the fees were incurred.

## **25. Income taxes**

### **Global minimum top-up tax**

On 19 December 2023, the government of the Netherlands enacted the Pillar Two income taxes legislation effective from 1 January 2024.

Based on the most recent available Country-by-Country Reporting (CbCR) data of the Volkswagen Group for the Netherlands, VIF would have been able to make use of the transitional CbCR-safe harbour tests of the Pillar Two legislation. VIF does not expect a material exposure to Pillar Two income taxes. For 2025 the Volkswagen Group will continue to monitor the impact of the Pillar Two legislation.

### **Amounts recognized in the statement of profit or loss and other comprehensive income**

*(in thousands of EUR)*

	<b>2025</b>	<b>2024</b>
<b>Current tax</b>		
Current tax on profits for the year	(15.408)	(18.004)
Adjustments in respect of prior years	8	1.295
<b>Total current tax</b>	<b>(15.400)</b>	<b>(16.709)</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(19.780)	11.779
<b>Total deferred tax</b>	<b>(19.780)</b>	<b>11.779</b>
<b>Income tax (expense) benefit</b>	<b>(35.180)</b>	<b>(4.930)</b>

Deferred taxes as at 31 December 2025 are calculated at 25,8% (2024: 25,8%).

The exception introduced in May 2023 with the amendments to IAS 12 means that deferred taxes in connection with income taxes resulting from applicable or announced tax provisions implementing the Pillar Two model rules are neither recognized nor disclosed at VIF.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT**

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

**Reconciliation of effective tax rate**

The reconciliation of the weighted average statutory income tax rate to the effective income tax rate is as follows:

*(in thousands of EUR)*

	<u>2025</u>		<u>2024</u>	
Profit (loss) before taxation	134.456		22.063	
Tax (expense) / benefit at weighted-average statutory rate	(34.690)	<b>25,800%</b>	(5.692)	<b>25,800%</b>
<i>Tax effects of:</i>				
Withholding tax paid	(678)		(723)	
Withholding tax expense	175		187	
Adjustment to prior years	-		1.285	
Basic tax rate 19 % (2024: 19 %)	14		14	
<b>Income tax (expense) benefit</b>	<b>(35.180)</b>	<b>26,164%</b>	<b>(4.930)</b>	<b>22,346%</b>

**Movement in deferred tax balances**

*(in thousands of EUR)*

	Net balance at 1 January 2025	(Charged) / Credited through the statement of profit and loss	Balance at 31 December 2025		
			Net balance	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(297)	71	(226)	-	(226)
Leases	302	(67)	235	235	-
Impairment allowance for loans to related parties	32.407	(15.599)	16.808	16.808	-
Derivative financial instruments	5.807	(4.185)	1.622	3.985	(2.363)
<b>Total</b>	<b>38.219</b>	<b>(19.780)</b>	<b>18.439</b>	<b>21.028</b>	<b>(2.589)</b>

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

(in thousands of EUR)

	Net balance at 1 January 2024	(Charged) / Credited through the statement of profit and loss	Balance at 31 December 2024		
			Net balance	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(80)	(217)	(297)	-	(297)
Leases	83	219	302	302	-
Impairment allowance for loans	35.841	(3.434)	32.407	32.407	-
Impairment allowance for undrawn loan commitments	-	-	-	-	-
Derivative financial instruments	(9.404)	15.211	5.807	7.759	(1.952)

## 26. Related parties

### Identification of related parties

Related parties and enterprises, as defined by IAS 24, are parties and enterprises which can be influenced by the reporting company or which can influence the reporting company. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions between related parties have taken place at an arm's length basis and include rendering or receiving of services.

### Loans with related parties

The Company, a wholly owned subsidiary of VFL, provides related parties with unsecured intercompany loans. Loans are issued with both variable and fixed interest rates. The full principal of the loan is due at maturity. There are no guarantees given by the parent or ultimate parent for these loans. All loan to related parties are with affiliated entities of Volkswagen Group.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

*Loans receivable*

Loan receivable balances outstanding with related parties are shown in the following table:

*(in thousands of EUR)*

	Original currency	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Loans receivable</b>			
Volkswagen AG	EUR	26.495.813	25.754.295
Volkswagen Financial Services AG	EUR	1.797.940	1.792.821
Volkswagen Leasing GmbH	EUR	1.674.086	3.087.903
Volkswagen International Luxemburg S.A.	EUR	779.076	704.971
Volkswagen Financial Services (UK) Ltd.	GBP	776.229	1.137.049
Powerco Battery Spain SA	EUR	504.700	-
TRATON Finance Luxemburg S.A.	EUR	499.839	498.128
Volkswagen Financial Overseas AG	EUR	300.127	-
Volkswagen (Anhui) Digital Sales and Services Co., Ltd.	CNY	243.074	-
TRATON Treasury AB, Södertälje	EUR	192.183	191.825
Volkswagen (Anhui) Automotive Co., Ltd.	CNY	121.520	-
Volkswagen Finance China Co., Ltd.	CNY	-	198.751
Volkswagen Renting S.A.	EUR	-	646.520
<b>Total</b>		<b>33.384.587</b>	<b>34.012.264</b>

The following table provides the movement schedule of the loans granted:

*(in thousands of EUR)*

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Loans receivable</b>		
Beginning of the period	34.012.264	34.485.535
Loans advanced	3.628.241	2.898.360
Loan repayments received	(4.187.336)	(3.442.095)
Interest accrued	574.244	619.651
Interest received	(619.651)	(620.928)
Foreign exchange movements	(83.636)	58.431
Movements in ECL	60.462	13.309
<b>End of the period</b>	<b>33.384.587</b>	<b>34.012.264</b>

*Loans payable*

The Company had no loan payable balances with related parties in 2025 and 2024.

**VOLKSWAGEN INTERNATIONAL FINANCE N.V.**  
**ANNUAL REPORT**

### **Cash-pool receivable**

As of 31 December 2025, the Company had a cash pool balance with Volkswagen International Belgium N.V.

*(in thousands of EUR)*

	<b>31 December 2025</b>	<b>31 December 2024</b>
Cash-pool receivables	83.293	101.345
<b>Total</b>	<b>83.293</b>	<b>101.345</b>

Further details are disclosed in note 10.

### **Other transactions**

#### *Commission fee*

The service fees, as disclosed in note 18, constitute compensation for the use of VIF's infrastructure and staff under service agreements with related parties.

#### *Guarantee fee*

The guarantee commission, as disclosed in note 17, is charged by Volkswagen AG for guaranteeing due payment of the amounts corresponding to the principal and interest to the holder of notes issued by VIF.

### **Key management personnel compensation**

In line with the exemption provided in article 2:383 of the Dutch civil code, no information is disclosed with respect to the remuneration of the management.

The members of the Supervisory Board did not receive any remuneration in the relevant reporting periods.

## **27. Subsequent events**

No subsequent events that require disclosure nor adjustment have occurred.

## **28. Going concern**

The Managing Director has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources and activities to continue in business for the foreseeable future. Furthermore, the Managing Director is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## **Responsibility Statement**

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

Amsterdam, 12 March 2026

Volkswagen International Finance N.V.  
The Management Board

VOLKSWAGEN INTERNATIONAL FINANCE N.V.  
ANNUAL REPORT

## Signing of the Annual Report

Amsterdam, 12 March 2026

**Management Board,**

Original has been signed by  
C. Norrod

**Supervisory Board,**

Original has been signed by  
B. Bätge

Original has been signed by  
Dr. M. Hellmann

Original has been signed by  
B. Reinecke

## Other information

### **Profit appropriation according to the Articles of Association**

The Company's Articles of Association provide that appropriation of accrued profit is subject to the decision of the shareholders at the general meeting of shareholders. The Company can only make distributions to the shareholders and other persons entitled up to an amount, which does not exceed the amount of the distributable reserves. The general meeting may resolve to pay dividends from legally distributable reserves.

## Independent auditor's report

To: the shareholder and the supervisory board of Volkswagen International Finance N.V.

## Report on the audit of the financial statements 2025 included in the annual report

### Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2025 of Volkswagen International Finance N.V. based in Amsterdam, the Netherlands.

In our opinion the financial statements give a true and fair view of the financial position of Volkswagen International Finance N.V. as at 31 December 2025 and of its result and its cash flows for 2025 in accordance with IFRS Accounting Standards as adopted in the European Union (IFRS Accounting Standards) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The statement of financial position as at 31 December 2025
- The following statements for 2025: the income statement, the statements of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Volkswagen International Finance N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

### Our understanding of the business

Volkswagen International Finance N.V. (the company) is incorporated as a wholly-owned subsidiary of Volkswagen Finance Luxemburg S.A., who in turn is a 100% subsidiary of Volkswagen AG (VWAG).

The main purpose of the company is to assist VWAG in raising funds and on-lending money to companies within the Volkswagen group. VWAG's main activities are development, production and sale of vehicles and other vehicle related products and services. The main income of Volkswagen International Finance N.V. is the interest income on the loans issued to related parties.

We paid specific attention in our audit to a number of areas driven by the operations of the company and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### Materiality

Materiality	€268 million (2024: €273 million)
Benchmark applied	0.8% of total assets as at 31 December 2025
Explanation	We determined materiality based on our understanding of the company's business and our perception of the financial information needs of users of the financial statements. We considered that total assets reflects the source of income and repayments to the holders of the bonds and the commercial paper issued by the company and other lenders. We determined materiality consistent with prior financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of €13.4 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed finance company. We have made use of specialists in the area of income taxes including transfer pricing.

### Our focus on fraud and non-compliance with laws and regulations

#### Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### **Our audit response related to fraud risks**

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the management board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We refer to Section Risks of the report of the management board for the management board's risk assessment after consideration of potential fraud risks

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the VWAG's code of conduct and whistle blower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have, among other things, performed procedures to evaluate whether the selection and application of accounting policies by the company, particularly those relating to subjective measurements and complex transactions as disclosed in Note 2(e) Use of estimates and judgements to the financial statements, including impairment losses on financial assets' to the financial statements may be indicative to fraudulent financial reporting. Furthermore, we have used data analysis to identify and address high-risk journal entries and other adjustments made in the financial reporting process. We evaluated the business rationale (or the lack thereof) of significant extraordinary transactions and transactions with related parties. We also evaluated whether transactions with related parties were accounted for at-arm's length and in accordance with transfer pricing documentation.

We did not identify a risk of fraud in revenue recognition, other than the risks related to management override of controls.

We considered available information and made enquiries of relevant executives, directors, legal, the group auditor of VWAG and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

### **Our audit response related to risks of non-compliance with laws and regulations**

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We have been informed by the management board that there was no correspondence with regulatory authorities, enquired with the group auditor of VWAG and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

### **Our audit response related to going concern**

As disclosed in section Going concern in Note 28 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the management board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the management board exercising professional judgment and maintaining professional skepticism. We considered whether the management board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern, including considerations relating to the financial position of VWAG in cooperation with the group auditor. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern or the management board's use of the going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

### **Our key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the supervisory board. The key audit matter is not a comprehensive reflection of all matters discussed.

In comparison with previous year, the nature of our key audit matter did not change.

## **Valuation of loans issued to related parties**

Risk	The company is exposed to the risk that VWAG and VWAG group companies, default on meeting its obligations. As loans issued to related parties (Long-term and Short-term loans to related parties) represent the most significant portion of the company's current and non-current assets, a default may have a material impact on the company's financial position and results.
------	---

Valuation of loans issued to related parties	
	<p>We consider the valuation of the loans issued to related companies and determination of the expected credit losses a key audit matter because this is an area that involves significant judgment and determines the ability of the company to fulfil its obligations and to continue as a going concern.</p> <p>We refer to Note 3(d) Impairment and Note 7 Loans to related parties to the financial statements, where the management board disclosed the policies and procedures in respect of the expected credit loss assessment on loans issued to the related parties. The credit risk is disclosed in Note 15 to the financial statements.</p>
Our audit approach	<p>Our audit procedures included, amongst others, evaluating the appropriateness of the company's accounting policies related to recognition of expected credit losses in accordance with IFRS 9 Financial Instruments. We evaluated whether the accounting policies and methods applied for making estimates have been applied consistently. We also evaluated the design of internal controls of the processes underlying the estimation process insofar relevant to our audit of the financial statements.</p> <p>In order to verify that the management board appropriately measured the loss allowance at an amount equal to twelve-month expected credit losses, instead of the lifetime expected credit losses, we:</p> <ul style="list-style-type: none"> <li>▪ Evaluated the financial position of VWAG and determined that the related parties have met its financial obligations towards the company throughout the year and up to the date of this report</li> <li>▪ Verified the most recent ratings assigned by an external credit rating agency to VWAG in order to determine that the credit risk has not increased significantly since the loans were issued to related parties</li> </ul> <p>Furthermore, we have performed the following substantive audit procedures:</p> <ul style="list-style-type: none"> <li>▪ Confirming our understanding of the company's data, assumptions and method used to determine the expected credit losses on a sample of outstanding loans issued to related parties, including verifying the most recent Credit Default Swap (CDS) spread of VWAG</li> <li>▪ Reviewing the previous accounting estimate and the subsequent re-estimation Recalculating the expected credit losses on a sample of outstanding loans issued to related parties and challenging the key assumptions in the model, i.e. the probability of default and loss given default rates</li> <li>▪ Evaluating the accuracy and completeness of the relevant disclosures in accordance with the relevant paragraphs and application guidance of IFRS 7: Financial instruments: disclosures</li> </ul>
Key observations	<p>Based on procedures performed, we consider the valuation of loans issued to related companies to be reasonable and concur with the related disclosures in accordance with IFRS Accounting Standards.</p>

## Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities regarding the financial statements

### Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the management board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going concern basis of accounting unless the management board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The management board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

#### Communication

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

In this respect we also submit an additional report to the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

## Report on other legal and regulatory requirements and ESEF

### Engagement

We were engaged by the supervisory board as auditor of Volkswagen International Finance on 22 July 2020, as of the audit for the year 2020 and have operated as statutory auditor ever since that date.

### No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

### European Single Electronic Reporting Format (ESEF)

Volkswagen International Finance N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML-format, including the financial statements of Volkswagen International Finance N.V., complies in all material respects with the RTS on ESEF.

The management board is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the annual report in XHTML-format
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including obtaining the annual report in XHTML-format and performing validations to determine whether the annual report complies with the RTS on ESEF

In our opinion the annual report prepared in the XHTML-format, including the (partially) marked-up financial statements as included in the SBR Report Package by Volkswagen International Finance N.V. , complies in all material respects with the SBR-RTS.

The management board is responsible for preparing the annual report, including the financial statements, in accordance with the SBR-RTS, whereby the management board combines the various components into a single SBR Report Package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report including the financial statements in the SBR Report Package complies with the SBR-RTS.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the company's financial reporting process, including the preparation of the SBR Report Package
- Identifying and assessing the risks that the annual report, including the financial statements, does not comply in all material respects with the SBR-RTS and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the SBR Report Package and performing validations to determine whether the SBR Report Package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the SBR-RTS
  - Examining the information related to the financial statements in the SBR Report Package to determine whether all required mark-ups have been applied and whether these are in accordance with the SBR-RTS

Amsterdam, 12 March 2026

EY Accountants B.V.

signed by M.L. Milet de Saint Aubin