

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

Interim Financial statements as at 30 June 2022

This copy of the interim financial reporting of Volkswagen International Finance N.V. as at 30 June 2022 is not presented in the ESEF-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815).

The ESEF interim financial reporting is available at:
<https://www.vif.nl/en/InvestorRelations/financial-reports.html>

VOLKSWAGEN INTERNATIONAL FINANCE N.V.

INTERIM FINANCIAL STATEMENTS

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VOLKSWAGEN INTERNATIONAL FINANCE N.V. INTERIM FINANCIAL STATEMENTS

Report of the Management Board

Volkswagen International Finance N.V. ('VIF' or 'the company'), founded in 1977, is one of the funding vehicles of Volkswagen AG, Wolfsburg (VWAG) and its subsidiaries. VIF raises funds from the capital markets by issuing notes and lends the proceeds on to group and joint venture companies.

Basis for the issuing activities are the EUR 30 billion Debt Issuance Programme (DIP) that adheres to the European Prospectus Directive Standards and a EUR 15 billion Multi-Currency Commercial Paper Programme (CP Programme). All issues are guaranteed by VWAG. According to Moody's, VWAG's rating is set to P-2 (short-term) and A3 (long-term) with a negative outlook. Standard & Poor's assessed VWAG's creditworthiness as A-2 (short-term) and BBB+ (long-term) with a stable outlook.

In March 2022 VIF called and redeemed all the EUR 1.1 billion hybrid notes that were issued by the company in 2015. During the first half of 2022 a total amount EUR 1.6 billion in bonds was repaid. In the first half of 2022 there have not been any activities under the CP Programme and DIP.

The main risks of VIF are interest rate risk, currency risk, liquidity risk and credit risk. The financing activities are carried out in different currencies and interest terms. To avoid currency and interest rate risks, the company concludes interest rate and currency swaps. The Supervisory Board has set limits to restrict those risks. VIF uses adequate tools to assess and to monitor them.

European Union regulations transformed into Dutch Law require the presentation of half-year balance sheet figures in comparison to year-end figures of the previous year. Income statement figures compare the half-year result with the corresponding half-year result of the previous year.

Within the first half year of 2021, VIF realized earnings of EUR 107.1 million after taxes against EUR 55.6 million in the first half of 2021. The company generates income mainly from the group financing business and dividends. The net interest income from group financing activities amounted to EUR 16.3 million (2021: EUR 16.2 million). Net gains on equity instruments were EUR 162.4 million (2021: EUR 24.1 million). This consists of dividend received of EUR 11.3 million and the gains from disposals of equity instruments of EUR 151.1 million.

The company distributed EUR 25.5 million dividend on 29 March 2022 to the only shareholder Volkswagen Finance Luxemburg S.A.

For the second half of 2022 we expect business volume and net interest result to be on a similar level as in the first half.

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

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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 Whistle blower System is a suitable tool for taking appropriate actions where misconduct is proven.

The Management Board declares to the best of their knowledge:

1. the financial statements for the first half year of 2022 give a true and fair view of the assets, the liabilities, the financial position and the results of the Company; and
2. the management report gives a true and fair view of the Company's situation as at the balance sheet date, the events that occurred during the first half year of 2022 and the risks to which the Company is exposed.

Amsterdam, 29 July 2022

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Original has been signed by
Christopher R. Norrod, Managing Director

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Statement of financial position as at 30 June 2022

(unaudited)

(in thousands of EUR)

	30 June 2022	31 December 2021
ASSETS		
Non-current assets		
Property, equipment and right-of-use assets	594	746
Investments in equity instruments	-	367.689
Loans to related parties	29.818.910	27.240.424
Derivative financial instruments	66.976	29.641
Other assets	-	10
Deferred tax assets	163.381	137.862
Total non-current assets	30.049.861	27.776.372
Current assets		
Loans to related parties	3.033.848	3.321.598
Derivative financial instruments	13	2
Trade and other receivables	151	40
Prepayments	-	3.074
Other current assets	246	189
Current tax receivables	5.258	1.347
Cash-pool receivables	682.348	166.078
Total current assets	3.721.864	3.492.328
TOTAL ASSETS	33.771.725	31.268.700
EQUITY AND LIABILITIES		
Equity		
Issued capital	103.035	103.035
Share premium	12.120	12.120
Retained earnings	332.547	55.481
Other reserves	-	195.403
Total equity	447.702	366.039
Non-current liabilities		
Debts issued and other borrowed funds	30.173.110	27.432.943
Derivative financial instruments	17	32.658
Other liabilities	275	408
Deferred tax liabilities	111.159	117.755
Total non-current liabilities	30.284.561	27.583.764
Current liabilities		
Trade and other payables	147	77
Debts issued and other borrowed funds	3.020.487	3.296.571
Derivative financial instruments	8.101	11.376
Contract liabilities (deferred income)	687	-
Other current liabilities	1.220	694
Current tax liabilities	-	-
Provisions	8.820	10.179
Total current liabilities	3.039.462	3.318.897
TOTAL EQUITY AND LIABILITIES	33.771.725	31.268.700

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**Statement of income and comprehensive income
for the period from 1 January to 30 June 2022**

(unaudited)

(in thousands of EUR)

	<u>30 June 2022</u>	<u>30 June 2021</u>
Interest revenue calculated using the effective interest method	475.696	478.079
Other interest and similar income	30.046	31.501
Interest expense calculated using the effective interest method	(457.343)	(458.135)
Other interest and similar expense	(32.068)	(35.215)
Net interest income	16.331	16.230
Fees and commission income	680	721
Fee and commission expense	-	-
Net fee and commission income	680	721
Change in allowance for expected credit losses on financial assets and loan commitments	(173.491)	28.719
Net gains/(losses) on investments in equity instruments	162.387	24.182
Net gains/(losses) on derivatives	79.263	(34.876)
Net gains/(losses) on financial assets measured at amortized cost	(18.274)	82.868
Net gains/(losses) on financial liabilities measured at amortized cost	14.079	(50.195)
Other operating income	66	35
Net operating income/(loss)	81.041	67.684
Personnel expenses	(985)	(1.071)
Depreciation of property, plant and equipment and right-of-use assets	(153)	(190)
Other operating expenses	(894)	(417)
Total operating expenses	(2.032)	(1.678)
Operating profit/(loss)	79.009	66.006
Share of profit of associates and joint ventures	-	-
Profit/(loss) before tax from continuing operations	79.009	66.006
Income tax expense	28.135	(10.429)
Profit/(loss) after taxation from continuing operations	107.144	55.577
Profit from discontinued operations net of tax	-	-
Profit/(loss) for the year	107.144	55.577
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income/(loss) for the year	107.144	55.577
Profit attributable to:		
Equity holders of the parent	107.144	55.577
Non-controlling interest	-	-
Profit for the year	107.144	55.577
Total comprehensive income attributable to:		
Equity holders of the parent	107.144	55.577
Non-controlling interest	-	-
Total comprehensive income for the year	107.144	55.577