



Audi e-tron S Sportback – market introduction in Europe planned for fourth quarter of 2020

Power consumption in kWh/100 km (combined): 27.6–27.5 (NEDC); CO₂ emissions in g/km (combined): 0.
Fuel/power consumption and CO₂ emissions given in ranges depend on the tires/wheels used.

Audi Group Quarterly Report

January 1 to September 30, 2020



1,187,190

DELIVERIES
AUDI BRAND



EUR 33.3 billion

REVENUE



0.3 %

OPERATING
RETURN ON SALES



EUR 3.8 billion

NET CASH FLOW

AUDI GROUP FROM JANUARY TO SEPTEMBER 2020 – CORE MESSAGES

// KPI'S CONTINUE TO BE IMPACTED BY THE CORONAVIRUS PANDEMIC DESPITE A PLEASING THIRD QUARTER

- Key performance indicators back at or above the prior-year level thanks to market recovery and good operating performance in Q3
- Global drop in demand and interruptions in the supply chain led to production stoppages and short-time working at Audi sites, especially in the first six months – significant impact on delivery volumes and financial performance
- Positive trend expected to continue in the fourth quarter – unless there are further restrictions due to the coronavirus pandemic

// DELIVERIES OF CARS OF THE AUDI BRAND

- Declined by **-13 percent** to **1,187,190** (1,357,102) **vehicles** as the car market fell by -20 percent
- On a cumulative basis, China was 4 percent above prior-year level thanks to strong market demand
- Deliveries to customers were up 6 percent year-on-year in the third quarter thanks to recovery in core markets

// REVENUE

- Year-on-year drop overall to **EUR 33.3** (41.3) **billion**, but already 2 percent above prior-year level in the third quarter

// OPERATING RESULT

- **Strong third quarter offset coronavirus-induced losses** from the first six months
- Cumulative: **EUR 0.1** (3.2) **billion** [before special items: **EUR 0.2** (3.2) **billion**]
- Special items of EUR -0.1 (-) billion in connection with the diesel issue

// OPERATING RETURN ON SALES

- At **0.3** (7.8) **percent** [before special items: **0.7** (7.8) **percent**]

// NET CASH FLOW

- **EUR 3.8** (3.3) **billion** due to crisis-related prioritization of investment, active inventory management and one-time effects from transactions relating to participations; **net liquidity** still high at **EUR 21.7** (21.8) **billion**

// OUTLOOK FOR 2020 AS A WHOLE

- Deliveries and revenue significantly lower than in prior year; operating result substantially lower, but expected to be clearly positive
- Net cash flow expected to be at prior-year level; return on investment (ROI) probably below prior year and below our minimum rate of return of 9 percent
- R&D ratio below prior-year level despite revenue loss due to coronavirus pandemic; ratio of capex significantly below prior year
- The Audi Group is now cautiously optimistic about the rest of the year, but it is hardly possible to estimate the impact of the second wave of the corona pandemic reliably.



Audi Q2

(Fuel/power consumption and CO₂ emission figures can be found on page 19.)

EXTRAORDINARY EVENTS

/ GLOBAL SPREAD OF CORONAVIRUS (SARS-COV-2)

At the end of December 2019, the first cases of a disease caused by a new type of virus from the coronavirus family (SARS-CoV-2) were reported in China. The number of people infected worldwide rose sharply in the first nine months of 2020 – although there were regional differences in the intensity of the outbreaks. To slow the spread of SARS-CoV-2 and contain the resulting pandemic, many governments around the world have introduced measures since the first quarter of 2020. These include lockdowns, for example, which have led to massive restrictions on public life and economic activity.

The pandemic has given rise to massive challenges, both for the economy as a whole and for Audi, especially as a result of the drop in consumer demand and supply bottlenecks. At the German sites in Ingolstadt and Neckarsulm, this led to production stoppages and, consequently, to the introduction of short-time working in the areas affected. There were also production stoppages at many foreign sites. Audi restarted automotive production stepwise at its sites from the end of April. By the end of the second quarter, all production sites had resumed operation. Customer demand recovered and the situation in our production network stabilized further in the third quarter of 2020.

To actively manage the crisis, a cross-divisional crisis management team has been set up to manage and coordinate all measures. The crisis management team is continuously monitoring the situation as regards the further spread of the pandemic. The health of our employees has top priority. At the same time, the focus since the further spread of coronavirus has been on keeping core processes stable and optimizing cash flows in order to protect Audi's ability to operate.

In addition to production stoppages caused by low demand and the supply chain situation, the turbulence on the raw

material and financial markets as a result of the coronavirus pandemic had a significant impact on the performance of the Audi Group in the first nine months of 2020.

Overall, the Audi Group was affected in many different fields in the reporting period. These are outlined in more detail in this quarterly report.

The Audi Group is now cautiously optimistic about the rest of the year, but it is hardly possible to estimate the impact of the second wave of the corona pandemic reliably.

/ VOLKSWAGEN AG INITIATES THE FULL TAKEOVER OF AUDI SHARES

As part of the realignment of competences and responsibilities in the Volkswagen Group, the company Volkswagen AG, Wolfsburg, has initiated a squeeze-out under German stock corporation law to increase its shareholding in AUDI AG, Ingolstadt, from 99.64 percent at present to 100 percent. In an ad hoc announcement issued on June 16, 2020, AUDI AG reported that Volkswagen AG had set the cash settlement for the transfer of the shares in AUDI AG held by minority shareholders at EUR 1,551.53 per share. On July 31, 2020, the 131st Annual General Meeting of AUDI AG passed a resolution to transfer the shares held by the minority shareholders to the majority shareholder, Volkswagen AG. This resolution will become effective when it is entered in the commercial register. The minority shareholders will then receive the aforementioned cash settlement as consideration for the transfer of their shares. Employee codetermination, the independence of the Audi brand within the Volkswagen Group and the legal form of AUDI AG as a German stock corporation (Aktiengesellschaft) will not be affected by the squeeze-out.



Lamborghini Huracán EVO RWD Spyder

Fuel consumption in l/100 km (combined): 14.5; CO₂ emissions in g/km (combined): 329

BUSINESS AND UNDERLYING SITUATION ¹⁾

Growth in the gross domestic product and car markets of selected countries/regions

	Gross domestic product [in %]		Car markets [in vehicles]		
	1-9/2020	1-9/2019	1-9/2020	1-9/2019	Δ in %
Europe	-8.0	1.5	9,809,393	13,568,406	-27.7
of which: Western Europe	-8.4	1.4	7,817,829	11,091,343	-29.5
of which: <i>Germany</i>	-6.3	0.7	2,041,831	2,740,158	-25.5
<i>United Kingdom</i>	-11.2	1.3	1,243,656	1,862,271	-33.2
<i>Italy</i>	-11.6	0.4	971,676	1,474,525	-34.1
<i>Spain</i>	-12.8	2.0	647,523	1,045,332	-38.1
<i>France</i>	-11.0	1.7	1,164,256	1,636,662	-28.9
of which: Central/Eastern Europe	-4.7	1.5	1,991,564	2,477,063	-19.6
of which: <i>Russia</i>	-4.6	1.0	1,025,614	1,182,386	-13.3
China ²⁾	0.8	6.2	13,374,216	15,241,927	-12.3
Japan	-6.2	1.1	2,835,742	3,463,341	-18.1
USA	-3.9	2.1	10,340,541	12,756,586	-18.9
Canada	-6.3	1.7	1,145,055	1,500,955	-23.7
Mexico	-10.3	-0.1	664,218	955,393	-30.5
Brazil	-6.2	1.0	1,301,658	1,940,166	-32.9
Worldwide	-4.5	2.6	47,273,314	59,276,068	-20.2

1) The prior-year figures may have changed as a result of updated data; provisional figures for the first nine months of 2020.

2) Chinese car market including Hong Kong

/ GLOBAL ECONOMIC SITUATION

As a consequence of the global spread of coronavirus, during 2020 many governments imposed restrictive measures – for example, the closure of borders and extensive contact restrictions – which led to a massive curtailment of public life and economic activity. At the same time, in some cases considerable fiscal and monetary policy measures were adopted to counter the anticipated economic crisis. Due to the resulting drop in demand and supply, global economic output fell significantly, by -4.5 (2.6) percent in the first nine months of 2020 compared with the same period of the previous year. The impact varied greatly from one country to another as there were time differences in the spread of the virus and the associated measures. The comparatively low interest rates worldwide dropped further in the reporting period. The currencies of some emerging markets depreciated considerably against the euro in the first nine months of 2020. On the financial markets, security prices were highly volatile in the reporting period.

Although the global economic growth rate was negative in the third quarter of 2020, it was considerably better than in the second quarter of the year. Measured by gross domestic product, the economic growth trend in Europe and the USA developed analogously in this period. By contrast, the Chinese economy already showed a positive trend in gross domestic product in the second and third quarters of 2020.

/ INTERNATIONAL CAR MARKET

Global demand for passenger cars dropped by -20.2 percent to 47.3 (59.3) million vehicles year-on-year between January and September 2020 due to the coronavirus pandemic. All regions were affected by this downturn. Above-average declines were reported, in particular, by the Western Europe region, where demand fell by -29.5 percent to 7.8 (11.1) million vehicles. Significant declines were also reported in Central and Eastern Europe, where demand dropped by -19.6 percent to 2.0 (2.5) million vehicles, in China including Hong Kong, with a drop of -12.3 percent to 13.4 (15.2) million vehicles, and the USA, where demand fell by -18.9 percent to 10.3 (12.8) million vehicles.

Overall, however, there were clear signs of an upturn in demand in all regions in the third quarter, and the passenger car markets in Russia and China reported growth compared with the prior-year quarter.

/ INTERNATIONAL MOTORCYCLE MARKET

From January to September 2020, the motorcycle markets in the displacement segment above 500 cc recorded a drop in demand of -4.9 percent due to the pandemic. The worldwide motorcycle markets developed at very different rates, with some markets already showing a recovery compared with the situation after the first six months.

PRODUCTION

In the first three quarters of 2020, the Audi Group produced a total of 1,131,660 (1,321,501) cars and 34,108 (44,392) motorcycles. The premium Audi brand accounted for 1,126,555 (1,315,009) cars. This figure includes 464,991 (418,140) Audi vehicles built locally by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China). Automobili Lamborghini S.p.A. built 5,105 (6,492) vehicles of the Lamborghini brand at its company headquarters in Sant'Agata Bolognese (Italy) in the reporting period.

The -14.4 percent decline in the Automotive segment compared with the prior-year period is principally attributable to the global economic situation in the context of the spread of coronavirus. During the first quarter of 2020, we therefore adjusted production, not simply because of the significant reduction in demand, but also in response to supply chain difficulties and factory shutdowns ordered by the authorities in some countries. The production stoppages at the Chinese facilities mainly had an impact in February 2020. The production volume in China stabilized gratifyingly as early as March, and by the end of September 2020 there was actually a cumulative year-on-year rise of 11.2 percent. In the reporting period, the Audi Q3 Sportback was produced locally in Tianjin (China) for the first time by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China). Moreover, following the start of production of the Audi Q2 L e-tron in Changchun (China) in 2019, local production of a second fully

electric vehicle – the Audi e-tron – started at this site in the third quarter of 2020. Following expansion of the factory in Qingdao (China), production of the Audi A3 Sportback in the fourth generation of the Audi A3 family commenced there. From mid-March 2020, there was a controlled production shutdown at the European sites owing to the coronavirus pandemic. Production was restarted stepwise from the end of April 2020. Our site in San José Chiapa (Mexico) was only able to restart production in June 2020 as the pandemic spread later in Mexico. The situation in our production network continued to stabilize in the third quarter of 2020, and between July and September 2020 we were able to increase output by 13.8 percent year-on-year as a follow-on effect of the previous pandemic-induced declines.

Production of the new Audi A3 Sportback and the new Audi A3 Sedan started in Ingolstadt in the reporting period. That was a major milestone in the introduction of the new generation of the A3 family.

Worldwide, the Audi Group produced 456,013 (400,824) vehicles and 9,951 (9,633) motorcycles in the third quarter of 2020. Of the total number of cars produced, the Audi brand accounted for 454,139 (398,925) units. 186,395 (151,036) Audi vehicles were manufactured by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China). The Lamborghini brand produced 1,874 (1,899) vehicles.

Production of Audi brand cars by site

	1-9/2020	1-9/2019
Germany	330,462	467,436
Ingolstadt	224,261	333,815
Neckarsulm	106,201	133,621
International	796,093	847,573
Changchun (China)	324,436	309,780
Győr (Hungary)	111,141	122,396
Foshan (China)	86,026	83,581
San José Chiapa (Mexico)	81,537	127,373
Bratislava (Slovakia)	69,296	86,791
Tianjin (China)	54,438	24,779
Martorell (Spain)	41,449	61,186
Brussels (Belgium)	25,782	27,768
São José dos Pinhais (Brazil)	1,361	1,794
Aurangabad (India)	536	2,125
Qingdao (China)	91	-
Audi brand	1,126,555	1,315,009

Car production by model ¹⁾

	1-9/2020	1-9/2019
Audi A1 Sportback	41,445	61,168
Audi Q2 ²⁾	86,748	93,254
Audi A3 Sportback	77,298	93,871
Audi A3 Sedan	65,121	76,838
Audi A3 Cabriolet	4,620	6,563
Audi Q3	113,428	133,421
Audi Q3 Sportback	41,036	3,600
Audi TT Coupé	4,919	9,996
Audi TT Roadster	1,576	2,605
Audi A4 Sedan	119,850	169,577
Audi A4 Avant	35,169	62,590
Audi A4 allroad quattro	4,387	6,876
Audi A5 Sportback	25,144	51,411
Audi A5 Coupé	3,176	9,585
Audi A5 Cabriolet	4,463	8,838
Audi Q5	185,794	212,336
Audi A6 Sedan	156,198	121,998
Audi A6 Avant	27,776	41,446
Audi A6 allroad quattro	6,519	3,209
Audi A7 Sportback	11,693	10,907
Audi e-tron	17,109	27,621
Audi e-tron Sportback	8,687	147
Audi Q7	43,980	52,514
Audi Q8	25,316	34,716
Audi A8	14,066	18,211
Audi R8 Coupé	644	1,143
Audi R8 Spyder	393	568
Audi brand	1,126,555	1,315,009
Lamborghini Urus	3,120	3,994
Lamborghini Huracán	1,395	1,751
Lamborghini Aventador	590	747
Lamborghini brand	5,105	6,492
Automotive segment	1,131,660	1,321,501

1) The table includes 464,991 (418,140) Audi models produced by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

2) This includes 1,764 (58) fully electric Audi Q2 L e-tron models built by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China), for the Chinese market.

Production of engines and electric powertrains

	1-9/2020	1-9/2019
Audi Hungaria Zrt.	1,166,113	1,526,621
Automobili Lamborghini S.p.A.	618	735
Engines and electric powertrains	1,166,731	1,527,356

The Audi Group produced a total of 1,166,731 (1,527,356) engines and electric powertrains in the first three quarters of 2020. Output declined by -23.6 percent compared with the prior-year period due to the effects of the coronavirus pandemic. Audi Hungaria Zrt. in Győr (Hungary) responded with a controlled production stoppage in mid-March. However, production of engines and electric powertrains resumed in stages from mid-April 2020. Due to the rising demand for cars, from August 2020 production of engines and electric powertrains was higher than in the respective months of the previous year. As a result, in the third quarter of 2020 production was only -3.6 percent lower than in the prior-year period.

Motorcycle production

	1-9/2020	1-9/2019
Scrambler	6,185	8,074
Naked/Sport Cruiser (Diavel, Monster, Streetfighter)	13,029	13,056
Dual/Hyper (Hypermotard, Multistrada)	7,643	15,269
Sport (SuperSport, Panigale)	7,251	7,993
Motorcycles segment - Ducati brand	34,108	44,392

Worldwide, the Ducati brand produced a total of 34,108 (44,392) motorcycles in the first nine months of 2020. The -23.2 percent decrease is likewise attributable to the effects of the coronavirus pandemic. 26,999 (36,999) units were built at the company headquarters in Bologna (Italy). In the same period, Ducati also produced 6,196 (6,789) motorcycles at the Amphur Pluakdaeng site in Thailand. In addition, 913 (604) motorcycles were built in Manaus (Brazil) on a contract manufacturing basis.



Read more about the **production sites** of the individual models on **page 10** of the **Audi 2019 Financial Report**.

DELIVERIES AND DISTRIBUTION ¹⁾

The Audi Group delivered 1,192,858 (1,363,659) cars to customers worldwide between January and September 2020. 1,187,190 (1,357,102) vehicles of the Audi brand were delivered to customers. With a pandemic-induced decline of -12.5 percent, deliveries of Audi brand vehicles developed less negatively than overall market demand, which recorded a considerable drop of -20.2 percent. While the Chinese market was most severely affected by the impact of coronavirus in February 2020, the pandemic spread to other major markets in March. In particular, statutory measures such as the closure of dealerships and lockdowns led to a significant drop in deliveries. In China, however, the number of deliveries has picked up considerably since March 2020. Cumulatively, deliveries to customers in China increased by 4.4 percent year-on-year in the first nine months of 2020.

In Europe too, dealerships gradually reopened from April 2020 as the authorities eased restrictions. Dealerships in the USA have also been open again since April 2020, depending on the regulations in place in individual states. Since then, there have been signs of an upturn in demand from customers and thus in order intake in Europe and North America, although with considerable regional differences. This upward trend is also reflected in deliveries in the third quarter of 2020; in this quarter, worldwide deliveries of the Audi brand increased by 6.4 percent year-on-year. Despite the overall decline in deliveries to customers in the first nine months, the Audi e-tron, Audi Q3, Audi A6 and Audi A8 car lines posted a positive trend compared with the prior-year period.

Deliveries of Audi brand cars to customers by region

	1-9/2020	1-9/2019
Europe	440,832	595,132
of which: Western Europe	410,463	559,994
of which: Germany	153,196	215,515
United Kingdom	80,477	113,336
Italy	35,053	47,811
France	30,478	42,346
Spain	27,032	39,589
Belgium	18,598	23,892
of which: Central/Eastern Europe	30,369	35,138
of which: Russia	10,131	11,346
China incl. Hong Kong	512,891	491,040
Japan	15,518	17,792
USA	124,103	158,471
Canada	18,730	25,071
Mexico	6,451	8,895
Brazil	4,482	5,796
Other markets	64,183	54,905
Worldwide	1,187,190	1,357,102

In April 2020, the new generation of the Audi A3 family was presented to dealers exclusively digitally for the first time, starting with the Audi A3 Sportback, and successively launched on markets. The Audi A3 Sedan was introduced in July 2020; a version with natural gas drive and a plug-in hybrid model will be added to the portfolio by the end of the year. The second model in the successful Audi e-tron line, the fully electric Audi e-tron Sportback, was successfully launched in Europe in May 2020, followed by the stepwise introduction on further markets. Following on from the Sedan as a plug-in hybrid model, for which orders have been accepted since the first quarter of 2020, the Avant was introduced in summer 2020 as a further electric model in the A6 car line.

¹⁾ The figures for the prior-year period have been marginally adjusted.

Fuel/power consumption and CO₂ emission figures can be found on page 19.



Audi Q3 Sportback

The Lamborghini brand delivered a total of 5,631 (6,517) vehicles to customers in the first nine months of 2020. As a result of the global spread of the coronavirus pandemic and the production stoppage at Sant'Agata Bolognese in Italy, deliveries fell by -13.6 percent compared with the prior-year period, although orders on hand were stable.

Car deliveries to customers by model ²⁾

	1-9/2020	1-9/2019
Audi A1	-	153
Audi A1 Sportback	45,956	62,616
Audi Q2 ³⁾	90,702	98,043
Audi A3	-	15
Audi A3 Sportback	84,028	113,274
Audi A3 Sedan	69,160	82,267
Audi A3 Cabriolet	4,998	7,342
Audi Q3	116,733	129,869
Audi Q3 Sportback	35,642	346
Audi TT Coupé	5,804	9,143
Audi TT Roadster	1,876	3,201
Audi A4 Sedan	126,466	178,116
Audi A4 Avant	44,141	64,654
Audi A4 allroad quattro	5,687	5,383
Audi A5 Sportback	36,272	57,544
Audi A5 Coupé	5,714	10,545
Audi A5 Cabriolet	6,139	9,030
Audi Q5	182,916	219,365
Audi A6 Sedan	160,196	119,455
Audi A6 Avant	27,247	46,110
Audi A6 allroad quattro	6,143	2,028
Audi A7 Sportback	12,583	13,574
Audi e-tron	27,475	16,159
Audi e-tron Sportback	4,307	18
Audi Q7	43,648	61,949
Audi Q8	26,550	31,299
Audi A8	15,626	14,216
Audi R8 Coupé	669	951
Audi R8 Spyder	433	437
Internal vehicles before market introduction	79	-
Audi brand	1,187,190	1,357,102
Lamborghini Urus	3,278	3,896
Lamborghini Huracán	1,672	1,751
Lamborghini Aventador	681	870
Lamborghini brand	5,631	6,517
Other Volkswagen Group brands	37	40
Automotive segment	1,192,858	1,363,659

2) The table includes deliveries of 477,497 (446,330) vehicles built locally by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

3) This includes 3,036 (-) fully electric Audi Q2 L e-tron models for the Chinese market.

Motorcycle deliveries to customers

	1-9/2020	1-9/2019
Scrambler	7,535	9,655
Naked/Sport Cruiser (Diavel, Monster, Streetfighter)	13,035	11,297
Dual/Hyper (Hypermotard, Multistrada)	9,889	14,078
Sport (SuperSport, Panigale)	8,330	8,796
Motorcycles segment - Ducati brand	38,789	43,826

The Ducati brand delivered 38,789 (43,826) motorcycles to customers worldwide between January and September 2020. Here too, the decline of -11.5 percent compared with the previous year was due to the worldwide spread of coronavirus. Delivery figures in the Motorcycles segment have also recovered noticeably since the restrictions started to be relaxed. In the third quarter of 2020, deliveries were 21.4 percent higher than in the same period of 2019.

In the third quarter of 2020, deliveries of the Audi Group increased to 482,066 (452,899) vehicles worldwide. The Audi brand delivered a total of 479,965 (450,922) models, including 193,676 (167,054) built locally by FAW-Volkswagen Automotive Company Ltd., Changchun (China). Between July and September 2020, the Lamborghini brand delivered a total of 2,083 (1,964) vehicles worldwide, while the Ducati brand's delivery volume was 14,694 (12,104) motorcycles in the same period.

Audi and Lamborghini models introduced in the period under review

Q1/2020

Electric models



Audi A6 Sedan TFSI e

Models with conventional drive system



Audi R8 V10 RWD Coupé/Spyder



Audi A5/S5 family



Lamborghini Huracán EVO RWD

Q2/2020

Electric models



Audi e-tron Sportback

Models with conventional drive system



Audi RS 5 Sportback/Coupé



Audi A3 Sportback



Lamborghini Huracán EVO RWD Spyder

Q3/2020

Electric models



Audi A6 Avant TFSI e

Models with conventional drive system



Audi A3 Sedan

New model, no predecessor // New model // Product improvement

Fuel/power consumption and CO₂ emission figures can be found on page 19.

Ducati models introduced in the period under review

The Panigale V2 with numerous improvements in terms of design and performance was the first new model to be available at dealers in 2020. The new Panigale V4 with a range of optimizations is already available from dealers, too.

In March 2020, the new Streetfighter V4 came onto the market and the S version has also become available since then. Another new motorcycle introduced in the 2020 model year is the Multistrada 1260 S Grand Tour, a special version of the 1260 S.

Two new Icon Dark models in the Scrambler series – the Scrambler 1100 PRO and Scrambler 1100 Sport PRO – have been at dealers since the end of March.

In June 2020, production and deliveries started of the Superleggera V4, which is limited to an edition of 500 units. Also in June, Ducati presented the new Hypermotard 950 RVE. This has been available from dealers since June and has a special “graffiti” paint finish. The new Multistrada 950 GP White has been introduced since July and is available from Ducati dealers, as is the new White Rosso paint finish of the Panigale V2. The new Scrambler 1100 PRO and the Scrambler 1100 Sport PRO have now arrived in Japan and India, while the Streetfighter V4 and the Panigale V2 are now available on the Chinese market.

10

FINANCIAL PERFORMANCE INDICATORS

/ CHANGES TO THE GROUP OF CONSOLIDATED COMPANIES

Since January 1, 2020, the Volkswagen Group has consolidated participations and subsidiaries that develop software in the vehicle and for further digital applications in the Car.Software organization. In this connection, in January 2020, Audi sold Audi Electronics Venture GmbH, Gaimersheim, which had been included in the consolidated financial statements as a fully consolidated holding company without its own business operations until December 31, 2019.

In addition, Audi Japan Sales K.K., Tokyo (Japan), was sold within the Volkswagen Group effective March 30, 2020.

On July 12, 2019, Volkswagen AG, Wolfsburg, announced that, together with Ford Motors Corporation, Dearborn (USA), it would invest in Argo AI, Pittsburgh (USA), a company that

specializes in software platforms for autonomous driving, and that this would be effected, among other things, by the contribution of Autonomous Intelligent Driving GmbH, Munich, a fully consolidated subsidiary of AUDI AG. The contribution of Autonomous Intelligent Driving GmbH was made as of June 1, 2020. Prior to that, AUDI AG had sold the company within the Volkswagen Group.

There were no other changes to the group of consolidated companies.

/ INVESTMENTS IN ASSOCIATES

At the start of 2020, AUDI AG held 5 percent of the shares in FAW-Volkswagen Automotive Co., Ltd., Changchun (China), which, among other activities, produces and distributes Audi brand vehicles for the Chinese market. On May 15, 2020, AUDI AG entered into a trust agreement under which it



Ducati Scrambler 1100 Sport PRO

transferred the beneficial ownership of 4 percent of the shares of FAW-Volkswagen Automotive Co., Ltd., to Volkswagen AG. This means that the share of the investment accounted for using the equity method is now measured on the basis of an interest of 1 percent. Through its representation in this company's management and supervisory board, AUDI AG remains in a position to exercise significant influence.

In January 2020, a capital increase was implemented at THERE Holding B.V., Rijswijk (Netherlands), in which Audi participated. In December 2019, it was announced that additional investors would acquire shares in HERE International B.V., Eindhoven (Netherlands). Following the signing in December 2019, and approval by all antitrust authorities, Mitsubishi Corporation (MC), Tokyo (Japan), and Nippon Telegraph and Telephone Corporation of Japan (NTT), Tokyo (Japan), jointly acquired 30 percent of the shares in HERE International B.V. as of May 29, 2020. The interest held by THERE Holding B.V. in HERE International B.V. was consequently reduced from approximately 85 percent to approximately 60 percent. In connection with the sale of the shares, a capital decrease was implemented at the level of THERE Holding B.V. in June 2020 and September 2020. Audi's interest in THERE Holding B.V. continues to amount to around 29.7 percent.

/ FINANCIAL PERFORMANCE

The Audi Group generated revenue of EUR 33,264 (41,332) million in the first nine months of 2020. The year-on-year decline was mainly due to lower demand in the first six months in connection with the coronavirus pandemic. In the Automotive segment, revenue came to a total of EUR 32,754 (40,765) million. Revenue from the sale of vehicles of the Audi brand fell to EUR 21,991 (29,577) million as a result of the market situation. Year-on-year, a positive revenue trend was reported, among others, by our fully electric Audi e-tron. Revenue from engines, electric motors, powertrains and parts deliveries was above the prior-year level at EUR 6,468 (6,053) million. Parts deliveries for local production in China had a particularly positive impact here. Due to the coronavirus pandemic, the Lamborghini brand also reported a year-on-year drop in revenue from vehicles to EUR 1,182 (1,343) million.

In the Motorcycles segment, the Ducati brand generated revenue of EUR 509 (567) million. The decrease is also attributable to the effects of the coronavirus pandemic.

Key operating performance figures, Audi Group

EUR million	1-9/2020	1-9/2019
Operating result before special items	221	3,239
Special items	-108	-
Operating result	114	3,239
Automotive segment	98	3,200
Motorcycles segment	16	39
<i>adjusted for effects of PPA ¹⁾</i>	29	56
Profit before tax	1,202	3,668

in %	1-9/2020	1-9/2019
Operating return on sales before special items	0.7	7.8
Operating return on sales	0.3	7.8
Automotive segment	0.3	7.8
Motorcycles segment	3.1	6.9
<i>adjusted for effects of PPA ¹⁾</i>	5.6	9.9
Return on sales before tax	3.6	8.9

1) Effects of purchase price allocation

The development of operating activities is reflected in the operating result before special items of EUR 221 (3,239) million. The operating return on sales before special items was 0.7 (7.8) percent in the first nine months of 2020. As a result of special items of EUR -108 (-) million in the second quarter of 2020 in connection with the diesel issue, the operating result of the Audi Group was EUR 114 (3,239) million, giving an operating return on sales of 0.3 (7.8) percent. Special items are certain items that are reflected in the financial statements whose separate disclosure we believe allows a better assessment of the economic performance of the Audi Group. In addition to the negative market development, the principal factors here were the turbulent raw material and financial markets which led to significant negative fair value impacts from commodity derivatives and negative currency effects, which burdened the operating result in the first six months in particular. A counter-effect came from reduced personnel costs as well as lower research and development expenses than in the prior-year period. This reduction was principally attributable to efficiency improvements. In addition, development costs in the Audi Group were reduced by pooling software development in the Car Software organization within the Volkswagen Group. At the same time, the Audi Transformation Plan (ATP) made a positive contribution to the operating result through measures impacting costs and revenue.

In the Automotive segment, we generated an operating result of EUR 98 (3,200) million and an operating return on sales of 0.3 (7.8) percent.

In the Motorcycles segment, the operating result was EUR 16 (39) million in the first nine months of 2020 due to the pandemic. This represents an operating return on sales of 3.1 (6.9) percent. After elimination of the effects of purchase price allocation, our operating profit came to EUR 29 (56) million and the operating return on sales was 5.6 (9.9) percent.

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Financial result, Audi Group

EUR million	1-9/2020	1-9/2019
Result from investments accounted for using the equity method	332	130
<i>of which FAW-Volkswagen Automotive Company, Ltd.</i>	97	138
<i>of which Volkswagen Automatic Transmission (Tianjin) Company Ltd.</i>	168	134
<i>of which SAIC Volkswagen Automotive Company Ltd.</i>	15	19
<i>of which There Holding B.V.</i>	62	-84
Net interest result	30	-48
Other financial result	726	347
<i>of which brand settlement, China business¹⁾</i>	389	243
Financial result	1,089	429
<i>of which China business²⁾</i>	669	535

1) Financial brand settlement agreed between AUDI AG and Volkswagen AG, Wolfsburg, for China business in connection with associates.

2) Includes the items FAW-Volkswagen Automotive Company, Ltd., Volkswagen Automatic Transmission (Tianjin) Company Limited, SAIC Volkswagen Automotive Company Ltd., and brand settlement for China business.

The financial result of the Audi Group was EUR 1,089 (429) million in the first nine months of 2020.

The result from investments accounted for using the equity method increased, principally at THERE Holding B.V., Rijswijk (Netherlands), at the level of HERE International B.V., Eindhoven (Netherlands), due to the sale of shares to Mitsubishi Corporation (MC), Tokyo (Japan), and Nippon Telegraph and Telephone Corporation of Japan (NTT), Tokyo (Japan). The net interest result improved due to lower expenses for the compounding of interest on liabilities. The increase in the other financial result was mainly due to the higher result from participations due to the sale of Audi Electronics Venture GmbH, Gaimersheim. In addition, the year-on-year increase in the brand settlement from Volkswagen AG, Wolfsburg, for the China business had a positive impact on the development of the other financial result.

In the reporting period, the profit before tax of the Audi Group decreased to EUR 1,202 (3,668) million and the return on sales before tax fell to 3.6 (8.9) percent. Profit after tax came to EUR 1,166 (2,842) million.

The Audi Group generated revenue of EUR 12,788 (12,571) million in the third quarter of 2020.

EUR 12,610 (12,440) million of this amount came from the Automotive segment. In the Motorcycles segment, revenue amounted to EUR 178 (131) million. Revenue from engines, electric motors, powertrains and parts deliveries was significantly above the prior-year level at EUR 2,487 (1,900) million. Parts deliveries for local production in China had a positive impact here.

The Audi Group's operating result came to a total of EUR 864 (938) million between July and September 2020.

The operating return on sales was 6.8 (7.5) percent.

The financial result of the Audi Group was above the prior-year level at EUR 253 (149) million in the third quarter of 2020.

In this period, the Audi Group reported a profit before tax of EUR 1,117 (1,088) million and the operating return on sales before tax was 8.7 (8.7) percent.

Profit after tax came to EUR 1,078 (850) million.

/ NET WORTH

As of September 30, 2020, the balance sheet total of the Audi Group decreased to EUR 65,122 (66,878) million compared with the position as of December 31, 2019.

Condensed balance sheet, Audi Group

EUR million	Sept. 30, 2020	Dec. 31, 2019
Non-current assets	32,668	34,211
Current assets	32,454	32,422
Assets classified as held for sale	-	246
Total assets	65,122	66,878
Equity	29,647	28,395
Liabilities	35,475	38,431
<i>of which non-current liabilities</i>	17,088	16,212
<i>of which current liabilities</i>	18,387	22,219
Liabilities classified as held for sale	-	52
Total equity and liabilities	65,122	66,878

The non-current assets of the Audi Group amounted to EUR 32,668 (34,211) million. The development was driven principally by the decline in property, plant and equipment resulting from crisis-induced investment prioritization as an active measure to manage liquidity.

Current assets totaled EUR 32,454 million as of September 30, 2020, compared with EUR 32,422 million as of December 31, 2019.

The equity of the Audi Group rose to EUR 29,647 (28,395) million as of September 30, 2020. This represents an equity ratio of 45.5 percent, compared with 42.5 percent as of December 31, 2019. The increase in equity was mainly due to higher reserves.

At the end of the first three quarters of 2020, non-current liabilities changed to EUR 17,088 million compared with EUR 16,212 million at the end of 2019.

The current liabilities of the Audi Group declined to EUR 18,387 million compared with EUR 22,219 million as of December 31, 2019. The decline was attributable primarily to the transfer of the profit for 2019 to Volkswagen AG, Wolfsburg, in the first quarter of 2020.

/ FINANCIAL POSITION

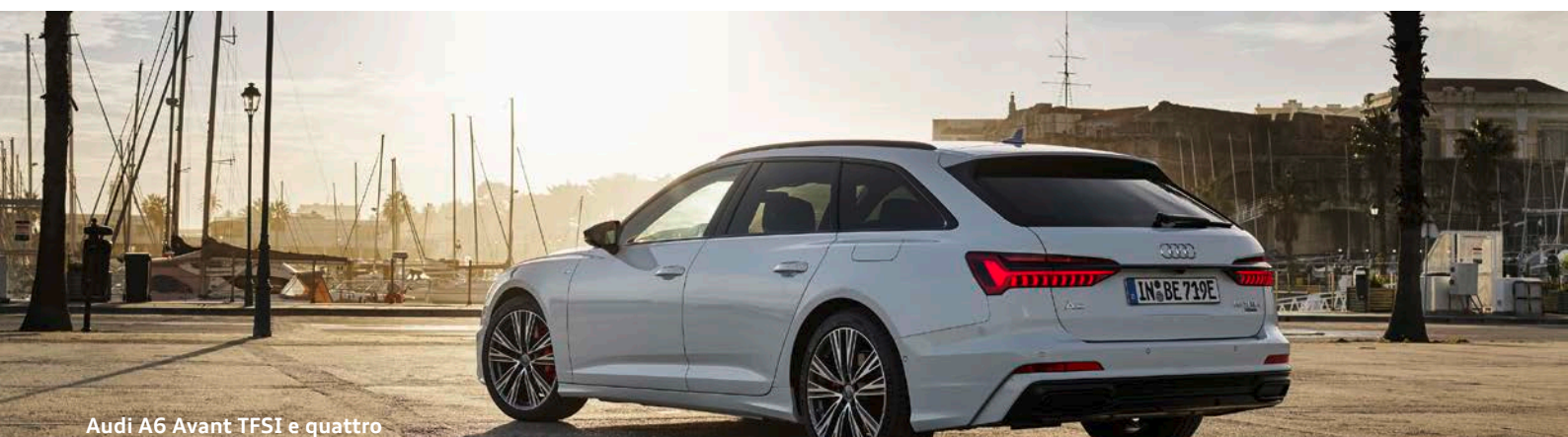
The Audi Group generated a cash flow from operating activities of EUR 3,996 (5,791) million in the first nine months of 2020. The decline was principally due to lower earnings as a result of the pandemic. One positive effect came from working capital management – also due to the change in inventories.

Overall, the net cash flow of the Audi Group was EUR 3,783 (3,271) million in the period from January to September 2020. The decline in the cash flow from operating activities year-on-year was more than offset, principally by the divestment of participations and greater investment discipline (capex).

As of September 30, 2020, the net liquidity of the Audi Group was EUR 21,680 million, compared with EUR 21,754 million as of December 31, 2019.

Condensed cash flow statement, Audi Group

EUR million	1-9/2020	1-9/2019
Cash flow from operating activities	3,996	5,791
Investing activities attributable to operating activities	-213	-2,521
Net cash flow	3,783	3,271
Cash flow from investing activities	-1,517	-1,402
Cash flow from financing activities	-3,909	-1,222
EUR million	Sept. 30, 2020	Dec. 31, 2019
Net liquidity	21,680	21,754



Audi A6 Avant TFSI e quattro

Fuel consumption in l/100 km (combined): 2.1–1.9; power consumption in kWh/100 km (combined): 18.1–17.6; CO₂ emissions in g/km (combined): 48–44; fuel/power consumption and CO₂ emission figures given in ranges depend on the tires/wheels used.

EMPLOYEES

In view of the difficult economic conditions caused by the coronavirus pandemic, AUDI AG and employee representatives agreed to introduce short-time working at the Ingolstadt and Neckarsulm sites from March 2020. In particular, a drop in demand and supply chain bottlenecks due to the coronavirus pandemic resulted in work stoppages in various direct and indirect areas of the Company. Between the end of March and the end of August 2020, an average of around 18,000 employees were working short-time. There was no short-time working at the German sites in September. To reduce contact between employees to an absolute minimum, stringent safety precautions have been introduced at the sites. In those areas where employees' personal presence is not absolutely necessary to maintain business operations, employees make use of the increased possibility of working from home. The controlled, stepwise restart of production was driven forward

in the second quarter of 2020, while respecting all health and safety aspects. By the end of the second quarter, all production sites had resumed operation. The situation in our production network stabilized further in the third quarter of 2020. The Company's duty to protect its employees and their health continues to have top priority.

In September 2020, around 680 young people embarked on vocational training or a combined vocational and university training course at AUDI AG in Ingolstadt and Neckarsulm.

Furthermore, in the first half of 2020, more than 1,300 employees took up the early-retirement program offered in connection with the "Audi.Zukunft" agreement. These employees left the company effective July 1, 2020.

REPORT ON EXPECTED DEVELOPMENTS, RISKS AND OPPORTUNITIES

/ REPORT ON EXPECTED DEVELOPMENTS

The Board of Management of AUDI AG anticipates that growth in the world economy will be negative in 2020 as a consequence of the spread of the coronavirus SARS-CoV-2. In addition, we still see risks resulting from protectionist tendencies, turbulence on the financial markets and structural deficits in individual countries. Moreover, growth prospects will be negatively affected by continuing geopolitical tension and conflicts. We assume that the economic development of both advanced economies and emerging markets will decline markedly this year. Nevertheless, we currently expect the present economic recovery to continue in the remainder of 2020.

In light of the coronavirus pandemic, we have drawn up scenarios for the development of the passenger car markets in individual regions in 2020. These take into account current experience from the development in China, for example. The scenarios reflect geographical differences in the spread of the coronavirus pandemic. Overall, we predict a year-on-year reduction of between 15 and 20 percent in global demand for new vehicles.

In Western Europe, we expect that new registrations of passenger cars in 2020 could be around 25 percent below the prior-year level. After the massive drop at the beginning of the second quarter, there was a recovery in the following months

and the previous year's levels were actually matched in some months up to the end of the reporting period. We assume that the market will trend sideways in the fourth quarter of 2020 and will be well below the prior-year level.

Our scenario for the passenger car markets in Central and Eastern Europe also assumes that – following the downturn in the second quarter and the recovery in the third quarter – the market will shift sideways in the final three months and that there will be a significant shortfall compared with the prior-year period. We expect that the number of vehicles sold in this region in 2020 will be around 20 percent lower than in the previous year.

In North America, we anticipate that demand for passenger cars and light commercial vehicles will be down 20 to 25 percent year-on-year. Following the dramatic decline at the beginning of the second quarter and the steady recovery in the following months, including returning to the prior-year level in September, we assume that the market will weaken substantially in the fourth quarter of 2020.

In South America, we expect to see an overall drop in new registrations of passenger cars and light commercial vehicles of up to 35 percent year-on-year in 2020. After the massive decline in the second quarter and a strong recovery in the third quarter, the market will probably move sideways at the present level in the fourth quarter, but will still not reach the prior-year level.

The passenger car markets in the Asia-Pacific region will probably contract by between 10 and 15 percent year-on-year in 2020. Following the very sharp decline in the first quarter, the rapid recovery in the second quarter, and the return to the prior-year level in the third quarter, we anticipate that the development in the fourth quarter will be moderately below the previous year's level.

In the motorcycle markets that are relevant for the Ducati brand in the displacement segment above 500 cc, we anticipate an overall decline in the worldwide market in 2020 due to the coronavirus pandemic.

The Audi Group is now cautiously optimistic about the rest of the year, but it is hardly possible to estimate the impact of the second wave of the corona pandemic reliably. Subject to this development, Audi is currently anticipating the following key performance indicators for the 2020 fiscal year:

In view of the effects of the coronavirus pandemic, we currently expect that deliveries of Audi brand cars to customers and the revenue of the Audi Group will be significantly lower than last year.

At present, we also expect the Audi Group's operating result to be substantially lower than the prior-year level, but still clearly positive. In addition to the negative market trend, we continue to assume negative currency and raw material valuation effects for Audi in 2020 as a whole, mainly because of the coronavirus pandemic.

For the 2020 fiscal year, we forecast that the Audi Group's return on investment (ROI) will decline year-on-year and that it will also be below our minimum rate of return of 9 percent. The reduction is principally attributable to the forecast drop in the operating result.

At present, we expect the net cash flow for the 2020 fiscal year to be at the prior-year level, despite the coronavirus pandemic.

Although revenue will be considerably lower than in the prior year, we currently assume that in the 2020 fiscal year the research and development ratio will be below the prior-year level. This is mainly due to lower development costs resulting from pooling software development within the Volkswagen Group in the Car.Software organization.

In connection with the coronavirus pandemic, since March 2020 we have been reviewing investments in particular. Although revenue development is currently expected to be

negative, we forecast that the ratio of capex will be significantly below the prior-year level.

/ REPORT ON RISKS AND OPPORTUNITIES

The central task of risk and opportunity management is to systematically render risks transparent and improve their controllability, while also providing the impetus to generate or exploit opportunities. The priority is to increase the value of the company.

The function of the risk and opportunity management system as well as the opportunities and risks that influence the Audi Group are presented in detail on pages 89 to 108 of the Audi 2019 Financial Report. The statements made there on the risk situation for the 2020 fiscal year are still fundamentally valid. There have been some changes in individual risks within the reported risk categories. These are explained below. The operational risks (quarterly risk process) were updated in the third quarter of 2020 and the update was presented in detail to the top management at Audi. It was also reported to the Volkswagen Group.

// RISKS FROM GENERAL ECONOMY, INDUSTRY AND MARKETS

The risk situation in connection with the coronavirus pandemic increased after publication of the Audi 2019 Financial Report, especially in the first half of 2020, but decreased again in the third quarter. In particular, the measures taken by many governments around the world had a major impact on sales and production volumes, especially in the first six months of 2020. The altered risk situation was outlined in the report on risks and opportunities in the Audi Group's interim report on the first quarter of 2020.

As a matter of principle, our risk identification process involves assessing risks that have not yet been included in the financial planning. Compared with the 2019 Financial Report, the pandemic-related volume risk has decreased because it is already included in the current planning scenario for the 2020 fiscal year. However, there is still the risk of a second wave of the pandemic. A significant rise in coronavirus infections in fall 2020 could result again in far-reaching restrictions on public life and economic activity. That could possibly have significant negative implications for our supply chain, production and key performance indicators for the whole of the 2020 fiscal year. There is currently complex CO₂ legislation in China. Alongside fleet emission stipulations (CAFC), it includes a quota arrangement for electric vehicles (NEV share) and various incentives such as tax relief and NEV super-credits. To qualify for these, it is necessary to meet constantly rising requirements. Here, there is an increased risk that Audi might not be able to benefit from incentive rules for its imported and

locally produced vehicles. This, together with possible delays in the localized portfolio of electric vehicles, could result in Audi temporarily falling short of the CO₂ targets. This could affect our delivery and profit figures. The risk already outlined in the 2019 Financial Report has been reduced as things stand. As part of the ongoing global development of cellular networks, older mobile communications standards may no longer be supported in some regions. This could affect the availability of vehicle-related services in some older vehicle models.

We continuously analyze and evaluate the situation. Technical countermeasures have been identified this year. The risk is consequently lower than anticipated in the 2019 Financial Report.

// OPERATIONAL RISKS

For procurement, the Audi Group uses a worldwide network of suppliers. In principle, contractual agreements may result in compensation claims from suppliers in the event of significant deviations in call-off volumes, and these could be utilized in individual cases. This risk is countered by active management of demand capacity as well as continuing negotiations with our suppliers.

The risk relating to delays in the negotiations with our Chinese partner on a location for local production of electric vehicles has declined compared with the Half-Year Financial Report 2020.

The steadily increasing percentage of fully electric vehicles and the associated use of lithium-ion batteries is also altering the technical risks in the vehicles. Among other things, we are looking closely at the issue of thermal management in the batteries in order to exclude potential risks from the start. Numerous test and simulation processes are used to generate hazard and risk analyses in order to derive suitable measures. The risk outlined in the 2019 fiscal year that field measures for certain engines and the resulting change in their characteristics could potentially lead to interactions with other components no longer exists.

Moreover, the risk relating to the supply of battery cells for our fully electric vehicles outlined in the 2019 Financial Report has since been eliminated as a result of technical changes implemented.

// SALES RISKS

There is a fundamental risk to market supply through our global dealer network in connection with possible changes in the Company's strategic direction, in China for example. Volume and profit risks could result from this. Overall, this risk has increased since the 2019 Financial Report. Risk management is conducted by means of an ongoing exchange with our partners on the specific structure of our collaboration, optimization of the distribution system and customer studies. It also includes regular reporting to top management.

Furthermore, there is a risk that the planned deliveries of our fully electric models may not be attained as intended due to various reasons such as strong competition or the charging infrastructure. If other models cannot compensate for these potential volume losses, there are risks to the attainment of our volume and financial goals in the current fiscal year. This risk is being managed to the best possible extent via various production and sales control measures as well as regular reporting to the Board of Management.

The risk associated with the timely assurance of a complete range of all engine/transmission versions in all regions, including the possibility that individual model versions are temporarily unavailable, has declined compared with the 2019 Financial Report.

// LEGAL RISKS

In June 2020, the Munich II Regional Court accepted the substantially unchanged indictment of the Munich II Office of the Public Prosecutor, which also names the former Chairman of the Board of Management of AUDI AG, and opened the main trial proceedings on charges of, among other things, fraud in connection with the diesel issue involving 3.0-liter and 4.2-liter TDI engines. Trial proceedings commenced in September 2020.

Fuel/power consumption and CO₂ emission figures can be found on page 19.



Audi A3 Sportback 30 g-tron

CNG consumption in kg/100 km (combined): 3.6–3.5; CO₂ emissions (CNG) in g/km (combined): 99–96; fuel/power consumption and CO₂ emission figures given in ranges depend on the tires/wheels used.

In August 2020, the Munich II Office of the Public Prosecutor issued a further indictment charging three former Members of the Board of Management of AUDI AG and others with, among other things, fraud in connection with the diesel issue involving 3.0-liter and 4.2-liter TDI engines.

In April 2020, the court in Australia approved the class action settlement that the parties, including AUDI AG, had agreed to.

In April 2020, the High Court in England and Wales ruled in the group litigation that the switch logic in the EA 189 engine constituted an unlawful defeat device; the court believed that it was also bound by the findings of the Kraftfahrtbundesamt (German Federal Motor Transport Authority) in this respect. In August 2020, the Court of Appeal rejected Volkswagen's appeal against the High Court's ruling on these preliminary questions; this decision is final and unappealable. The question of liability on the part of Volkswagen was not a matter addressed by the High Court's ruling and will be dealt with at a later stage of the proceedings.

In April 2020, several European countries, including the Netherlands and France, filed class actions against Volkswagen AG and other Group companies, including AUDI AG. The class actions involve several diesel engines, including the EA189 and V-TDI among others.

In February 2020, the Montana State Court dismissed certain of the environmental claims asserted by the Montana Attorney General, but allowed other claims to proceed. In August 2020, the Montana Supreme Court declined on procedural grounds to grant Volkswagen's petition to review that decision. In March 2020, the Ohio Supreme Court, at Volkswagen's request, agreed to hear an appeal of a lower court's decision concerning Ohio's remaining claims. In June 2020, the U.S. Court of Appeals for the Ninth Circuit partially reversed the trial court's decision and held that Hillsborough County, Florida and Salt Lake County, Utah can proceed with a subset of their claims. In September 2020, the U.S. Court of Appeals for the Ninth Circuit stayed proceedings in the litigation pending Volkswagen's anticipated petition for review by the US Supreme Court.

In May 2020, the settlement program in the United States for Generation 2 3.0-liter TDI vehicles ended.

In the environmental class action lawsuit seeking damages on behalf of the residents of the Province of Quebec, after authorizing the case to proceed as a class, a Quebec court ruled in June 2020 that a motion to dismiss by Volkswagen is permissible at the present stage of the proceedings. Volkswagen noticed its motion in July 2020.

In connection with the factual matters that in principle also underlie the antitrust proceedings instituted by the European Commission against Volkswagen AG, AUDI AG, and Dr. Ing. h.c. F. Porsche AG in April 2019 as well as the proceedings pending with the Chinese competition authority, the South Korean competition authority searched the premises of Audi Volkswagen South Korea and Porsche South Korea in May 2020 and issued requests for information to Volkswagen AG, AUDI AG, and Dr. Ing. h.c. F. Porsche AG. Furthermore, the Turkish competition authority commenced proceedings in the same matter in July 2020.

In March 2020, the U.S. District Court for the Northern District of California dismissed two amended class action complaints brought by purchasers of German luxury vehicles alleging that several automobile manufacturers, including Volkswagen AG and other Group companies, conspired to unlawfully increase the prices of German luxury vehicles in violation of U.S. antitrust and consumer protection law. The court held that the plaintiffs have not stated a claim for relief because the allegations in the complaints do not plausibly support that the alleged agreements unreasonably restrained competition in violation of U.S. law. The court granted plaintiffs leave to file amended complaints with respect to a limited subset of plaintiffs' original claims. Plaintiffs filed a second set of amended complaints in June 2020, which the Defendants moved to dismiss in August 2020. In October 2020, the court granted Defendants' motion and dismissed with prejudice the amended complaints in their entirety. Plaintiffs may appeal this ruling.

In February 2020, the U.S. District Court for the Northern District of California granted final approval of a class action settlement resolving civil claims relating to approximately 98 thousand Volkswagen, Audi, Porsche and Bentley vehicles with automatic transmissions.

In October 2020, plaintiffs filed three complaints in the US District Court for the Northern District of California, seeking to represent a putative class of US purchasers and lessees of certain Porsche gasoline-powered vehicles. One complaint names as defendants AUDI AG among others.

The term of the Independent Compliance Monitor retained pursuant to the Plea Agreement expired in September 2020, whereas that of the Independent Compliance Auditor under the Third Partial Consent Decree and the Third California Partial Consent Decree ended earlier, in June 2020.

// FINANCIAL RISKS

The automotive industry's transformation led to increased uncertainty on the capital market regarding the future value of the Company. There was a risk that analysts and investors might place Audi and the Volkswagen Group in a much higher risk category, in the absence of established measurement models. This risk was reviewed in the second quarter of 2020, leading to the conclusion that the operationalization of the strategic realignment underpins the future viability of AUDI AG and counters this risk, so this risk is no longer reportable as part of the standardized risk process.

There were no other material changes in the reporting period compared with the statements made on the expected development of the Audi Group in the 2020 fiscal year in the sections "Report on Expected Developments" and the "Report on Risks and Opportunities" – including the section on legal risks – of the combined management report in the 2019 Financial Report. In particular, based on existing and acquired information, there continue to be no conclusive findings or assessments available to the Board of Management of AUDI AG regarding the described facts that would result in a different assessment of the associated risks.

EVENTS OCCURRING SUBSEQUENT TO THE REPORTING DATE

There were no reportable events of material significance after September 30, 2020.

FUEL/POWER CONSUMPTION AND EMISSION FIGURES

	Fuel/power consumption combined	CO ₂ emissions combined [g/km]
Vehicles with combustion engine	[l/100 km]	
Audi A1 Sportback	4.6 - 5.0	106 - 115
Audi A1 citycarver	4.9 - 5.1	112 - 118
Audi Q2	4.6 - 5.4	116 - 128
Audi A3 Sportback	3.9 - 8.5	102 - 194
Audi A3 Sedan	3.8 - 7.3	97 - 166
Audi A3 Cabriolet	5.2 - 7.3	119 - 165
Audi Q3	4.5 - 9.0	118 - 205
Audi Q3 Sportback	4.5 - 9.0	119 - 206
Audi TT Coupé	6.0 - 8.5	137 - 194
Audi TT Roadster	6.4 - 8.7	147 - 200
Audi A4 Sedan	4.0 - 7.1	104 - 163
Audi A4 Avant	4.0 - 9.2	109 - 211
Audi A4 allroad quattro	4.8 - 7.3	126 - 168
Audi A5 Sportback	4.0 - 9.2	105 - 209
Audi A5 Coupé	4.0 - 9.1	104 - 208
Audi A5 Cabriolet	4.2 - 8.2	112 - 188
Audi Q5	4.7 - 7.5	123 - 181
Audi A6 Sedan	4.3 - 7.6	114 - 173
Audi A6 Avant	4.5 - 11.7	118 - 268
Audi A6 allroad quattro	5.0 - 7.8	132 - 178
Audi A7 Sportback	4.4 - 11.6	117 - 265
Audi Q7	6.9 - 12.1	181 - 278
Audi Q8	6.9 - 12.3	182 - 281
Audi A8	5.7 - 11.4	151 - 260
Audi A8 L	5.8 - 11.1	152 - 254
Audi R8 Coupé	13.0 - 13.5	297 - 310
Audi R8 Spyder	13.2 - 13.6	303 - 311
Lamborghini Urus	12.6	292
Lamborghini Huracán	14.0 - 14.5	324 - 355
Lamborghini Aventador	19.6 - 20.1	452 - 464
Vehicles with natural gas drive	[kg/100 km]	
Audi A3 Sportback g-tron	3.5 - 3.6	96 - 99
Audi A4 Avant g-tron	3.9 - 4.1	105 - 111
Audi A5 Sportback g-tron	3.8 - 4.1	104 - 111
Plug-in hybrid vehicles	[l/100 km] and [kWh/100 km]	
Audi A3 Sportback TFSI e	1.4/13.0 - 1.5/13.8	30 - 34
Audi Q5 TFSI e	2.0/17.8 - 2.4/18.1	46 - 53
Audi A6 Sedan TFSI e	1.7/16.6 - 2.1/17.9	39 - 47
Audi A6 Avant TFSI e	1.9/17.6 - 2.1/18.1	44 - 48
Audi A7 Sportback TFSI e	1.8/16.6 - 2.1/18.1	40 - 48
Audi Q7 TFSI e	2.6/21.7 - 3.0/22.6	59 - 69
Audi Q8 TFSI e	2.6/21.9 - 2.8/22.9	59 - 63
Audi A8 TFSI e	2.5/20.8 - 2.6/21.2	57 - 60
Audi A8 L TFSI e	2.5/20.9 - 2.7/21.2	57 - 61
Fully electric vehicles	[kWh/100 km]	
Audi e-tron	20.9 - 28.2	0
Audi e-tron Sportback	20.9 - 27.6	0

The table shows the fuel/power consumption and emission figures for the passenger cars mentioned in the document. The specified fuel/power consumption and emission data have been determined according to the measurement procedures prescribed by law. Since September 1, 2017, certain new vehicles are already being type-approved according to the Worldwide Harmonized Light Vehicles Test Procedure (WLTP), a more realistic test procedure for measuring fuel consumption and CO₂ emissions. Since September 1, 2018, the New European Driving Cycle (NEDC) has been replaced by the WLTP in stages. Owing to the more realistic test conditions, the fuel consumption and CO₂ emissions measured according to the WLTP are, in many cases, higher than those measured according to the NEDC. Vehicle taxation could change accordingly as of September 1, 2018. For further information on the differences between the WLTP and NEDC, please visit www.audi.de/wltp.

We are currently still required by law to state the NEDC figures. In the case of new vehicles which have been type-approved according to the WLTP, the NEDC figures are derived from the WLTP data. It is possible to specify the WLTP figures voluntarily in addition until such time as this is required by law. In cases where the NEDC figures are specified as value ranges, these do not refer to a particular individual vehicle and do not constitute part of the sales offering. They are intended exclusively as a means of comparison between different vehicle types. Additional equipment and accessories (e.g. add-on parts, different tire formats, etc.) may change the relevant vehicle parameters, such as weight, rolling resistance and aerodynamics, and, in conjunction with weather and traffic conditions and individual driving style, may affect fuel consumption, electrical power consumption, CO₂ emissions and the performance figures for the vehicle.

Further information on official fuel and power consumption figures and the official specific CO₂ emissions of new passenger cars can be found in the "Guide on the fuel economy, CO₂ emissions and power consumption of all new passenger car models," which is available free of charge at all sales dealerships and from DAT Deutsche Automobil Treuhand GmbH, Hellmuth-Hirth-Str. 1, 73760 Ostfildern, Germany or at www.dat.de.

DISCLAIMER

This report contains forward-looking statements on the future business development of the Audi Group. These statements are based on assumptions relating to the development of the economic, political and legal environment in individual countries and economic regions, and in particular for the automotive industry, which we have made on the basis of the information available to us and which we consider to be realistic at the time of going to press. The estimates given entail a degree of risk, and actual developments may differ from those forecast. If there are any changes in significant parameters relating to our key sales markets or any significant shifts in exchange rates or commodity prices relevant to the Audi Group or if the actual effects of the coronavirus pandemic

differ from the scenario assumed in this report, this will have a corresponding effect on the development of our business. In addition, there may be departures from our expected business development if the assessments of the factors affecting long-term value creation as well as of the risks and opportunities presented in the 2019 Financial Report develop in a way other than we are currently expecting, or if additional risks and opportunities or other factors emerge that affect the development of our business.

The figures in brackets represent those for the corresponding prior-year period. All figures are rounded off, which may lead to minor deviations when added up.

Fuel/power consumption and CO₂ emission figures can be found on page 19.



Audi Q8 TFSI e quattro

Fuel consumption in l/100 km (combined): 2.8–2.6; power consumption in kWh/100 km (combined): 22.9–21.9; CO₂ emissions in g/km (combined): 63–59; fuel/power consumption and CO₂ emission figures given in ranges depend on the tire/wheel sets used.

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