
Ford and Volkswagen to **expand their global collaboration** to advance autonomous driving, electrification and better serve customers



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Statements included or incorporated by reference herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation:

- Ford’s long-term competitiveness depends on the successful execution of fitness actions;
- Industry sales volume, particularly in the United States, Europe, or China, can be volatile and could decline if there is a financial crisis, recession, or significant geopolitical event;
- Ford’s new and existing products and mobility services are subject to market acceptance;
- Ford’s results are dependent on sales of larger, more profitable vehicles, particularly in the United States;
- Ford may face increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- Fluctuations in commodity prices, foreign currency exchange rates, and interest rates can have a significant effect on results;
- With a global footprint, Ford’s results could be adversely affected by economic, geopolitical, protectionist trade policies, or other events, including Brexit;
- Ford’s production, as well as Ford’s suppliers’ production, could be disrupted by labor disputes, natural or man-made disasters, financial distress, production difficulties, or other factors;
- Ford’s ability to maintain a competitive cost structure could be affected by labor or other constraints;
- Pension and other postretirement liabilities could adversely affect Ford’s liquidity and financial condition;
- Economic and demographic experience for pension and other postretirement benefit plans (e.g., discount rates or investment returns) could be worse than Ford has assumed;
- Ford’s vehicles could be affected by defects that result in delays in new model launches, recall campaigns, or increased warranty costs;
- Ford may need to substantially modify its product plans to comply with safety, emissions, fuel economy, and other regulations that may change in the future;
- Ford could experience unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- Ford’s receipt of government incentives could be subject to reduction, termination, or clawback;
- Operational systems, security systems, and vehicles could be affected by cyber incidents;
- Ford Credit’s access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Ford Credit could experience higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Ford Credit could face increased competition from banks, financial institutions, or other third parties seeking to increase their share of financing Ford vehicles; and
- Ford Credit could be subject to new or increased credit regulations, consumer or data protection regulations, or other regulations.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018, as updated by subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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The following presentations contain forward-looking statements and information on the business development of the Volkswagen Group. These statements may be spoken or written and can be recognized by terms such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “will” or words with similar meaning.

These statements are based on assumptions, 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. These assumptions relate in particular to the development of the economies of individual countries and markets, the regulatory framework and the development of the automotive industry. Therefore the estimates given involve a degree of risk, and the actual developments may differ from those forecast. The Volkswagen Group currently faces additional risks and uncertainty related to pending claims and investigations of Volkswagen Group members in a number of jurisdictions in connection with findings of irregularities relating to exhaust emissions from diesel engines in certain Volkswagen Group vehicles. The degree to which the Volkswagen Group may be negatively affected by these ongoing claims and investigations remains uncertain.

Consequently, a negative impact relating to ongoing claims or investigations, any unexpected fall in demand or economic stagnation in our key sales markets, such as in Western Europe (and especially Germany) or in the USA, Brazil or China, and trade disputes among major trading partners will have a corresponding impact on the development of our business. The same applies in the event of a significant shift in current exchange rates in particular relative to the US dollar, sterling, yen, Brazilian real, Chinese renminbi and Czech koruna.

If any of these or other risks occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may significantly differ from those expressed or implied by such statements.

We do not update forward-looking statements retrospectively. Such statements are valid on the date of publication and can be superseded.

This information does not constitute an offer to exchange or sell or an offer to exchange or buy any securities.

Ford and Volkswagen extend global alliance, Volkswagen simultaneously invests in Argo AI



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EQUAL SHAREHOLDER WITH FORD;
TRANSACTION REPRESENTS
MORE THAN \$7B VALUATION
NEW COLLABORATION

ANNOUNCED 2019

VOLKSWAGEN TO SUPPLY
MEB PLATFORM TO FORD

COMMERCIAL
VAN
AND PICKUP

FULLY ELECTRIC
VEHICLES



VOLKSWAGEN
MAKES
AUTONOMOUS
DRIVING
INVESTMENT



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Alliance delivers significant strategic and economic benefits



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LEADING POSITIONS

Alliance will be a leader in Light Commercial Vehicles and Medium Pickup Trucks

Significant economies of scale



BROAD GEOGRAPHIC FOOTPRINT

Leading positions around the globe
Automakers can serve global markets seamlessly



COST BENEFITS

Shared investment and R&D spend, leading scale in areas of collaboration
Several hundred million dollars in joint synergies at peak cycle



TECH AND CAPABILITY ACCESS

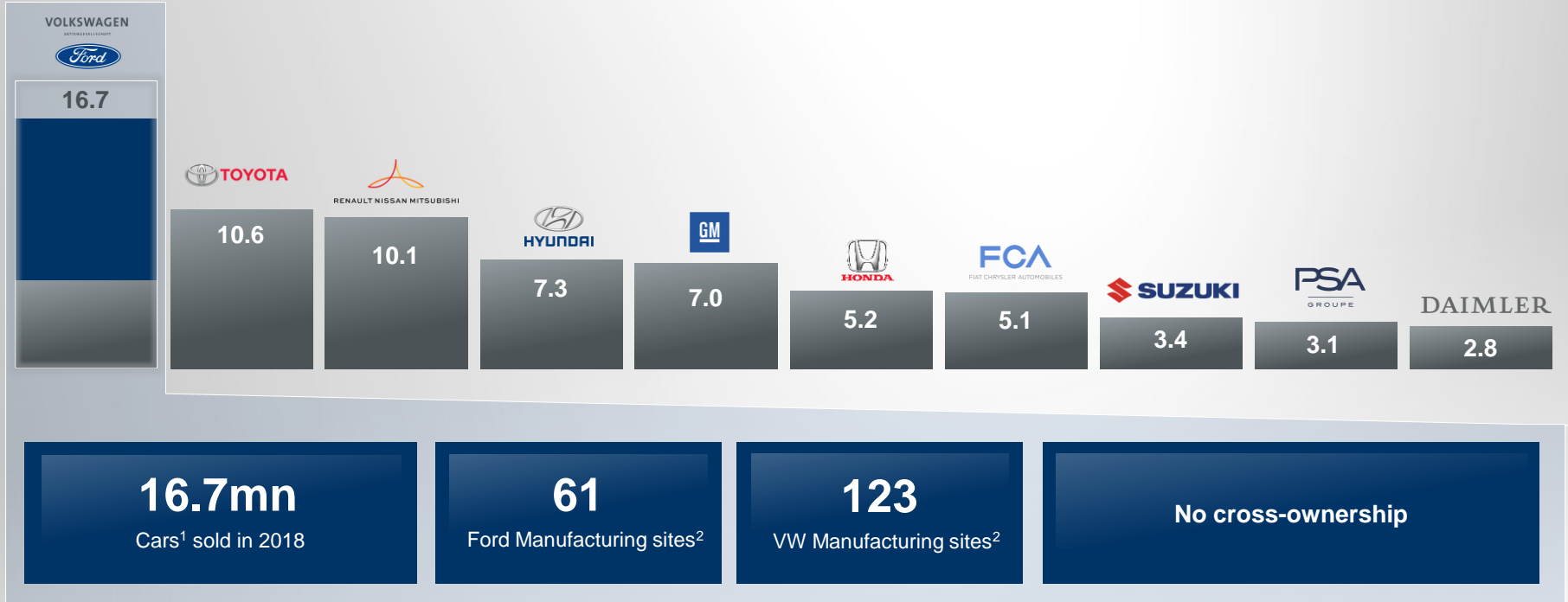
Joint programs increase funding for next-gen technology and product enhancements
Superior engineering power

Alliance strengthens complementary competitiveness for both OEMs



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Alliance of two key players | 2018 vehicle¹ sales (in mn units)



Source: IHS
Note: 1 Light vehicles; 2 As per FY2018;

Autonomous vehicle development challenges



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1 | Development costs

2 | Lack of global standards

3 | High-quality sensing

Collaboration positions OEMs to overcome autonomous vehicle development challenges

Fleet management

4

Customer demand

5

Talent pool and intellectual capital

6

Collaboration with Argo AI aims for industry-leading Self-Driving System platform



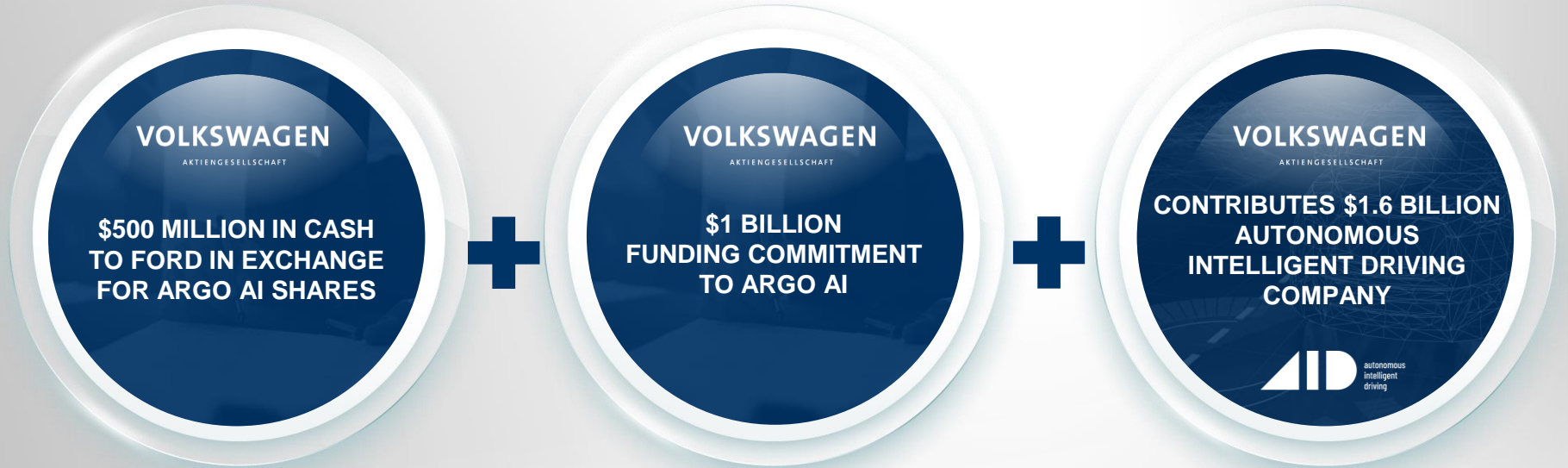
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Argo AI investment



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Volkswagen will contribute its Autonomous Intelligent Driving company, funding to Argo AI and cash to Ford in exchange for an ownership stake in Argo AI equal to Ford's position

New collaboration to deliver significant global scale across the mobility industry



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SDS platform



OEMs

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Leading SDS technology

Best global talent pool: strengthening with
200+ AID employees

Region-specific market solutions

Largest OEM customers + technology validation

OEM access and support for vehicle integration

Incremental funding commitments

Global scale and reach: leading presence in Europe

AV vehicles, hardware and infrastructure

Regulatory expertise and social acceptance

Financial strength

Commitment to electrification

Extensive dealer network

Focus and track-record on safety

Investment reduces the time to market and significantly expands the market potential of Argo AI

EV collaboration positions companies to capitalize on technology paradigm shift



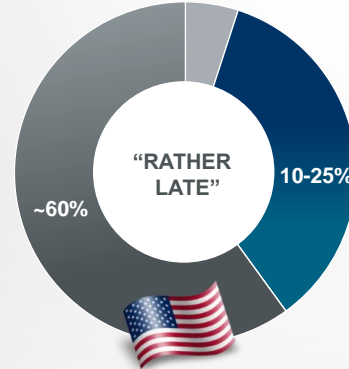
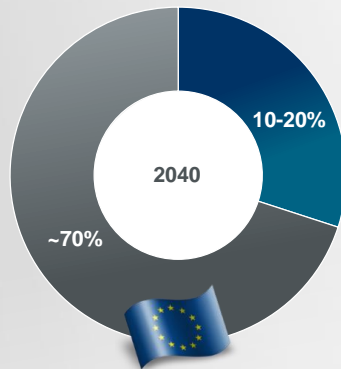
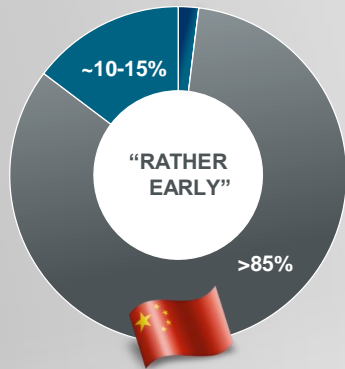
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COP21- CMP11
PARIS 2015
UN CLIMATE CHANGE CONFERENCE



- Targets of Paris Climate Agreement set regulatory framework for regions / countries
- Existing fleet CO₂ neutrality by 2050
- From Tank-to-Wheel to Lifecycle



BEV

FCEV

PHEV

CONVENTIONAL ICE

Product portfolio shift to electrified vehicles



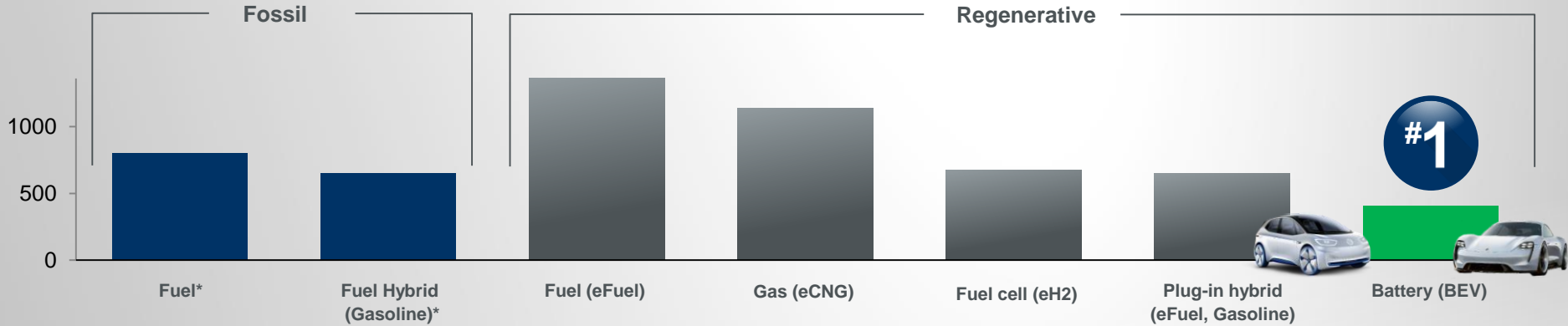
- Achieve significant share for “future technologies” (BEV, FCEV, PHEV)
- Align platform strategy to the future’s technology portfolio
- Assess further measures to achieve CO₂ neutrality

BEV drive technology demands the least primary energy



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Primary energy demand in Wh/km for lifecycle



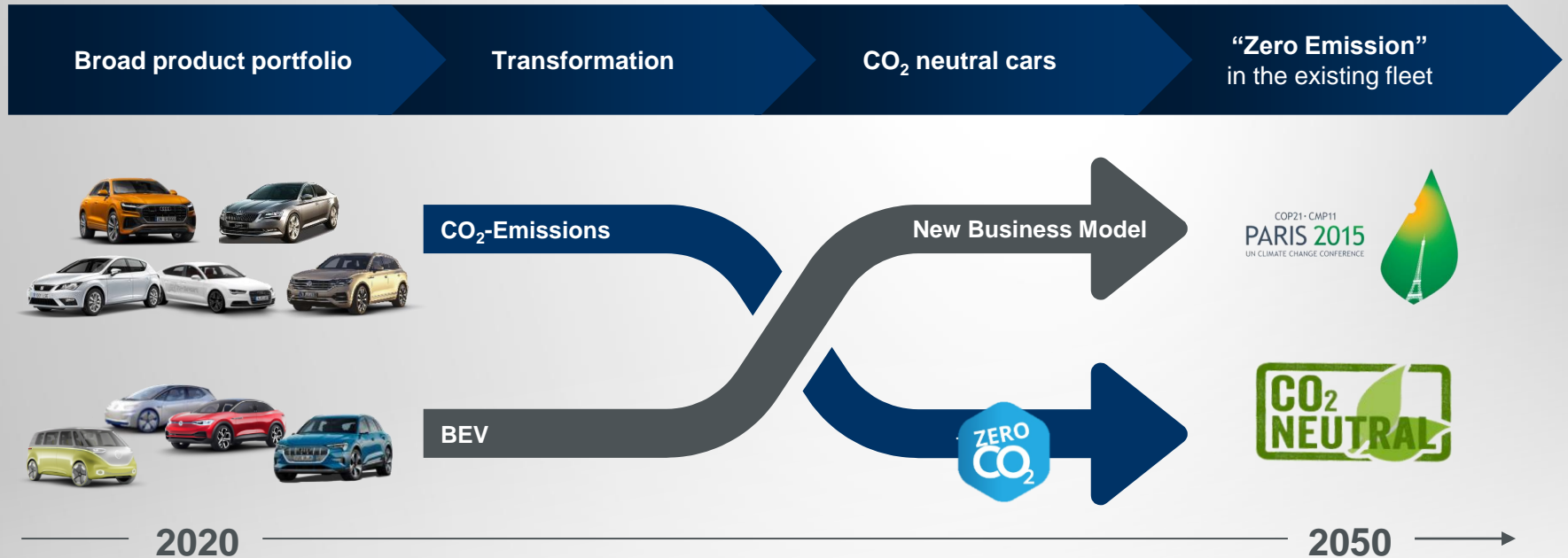
Example: A-Segment 200,000 km, CO₂ and energy balance over lifecycle of vehicle and fuel/alternative

* Not comparable on an energy use basis, not CO₂ neutral

E-Mobility will become the new business model of Volkswagen



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Superior
customer experience

Exceptional
versatility

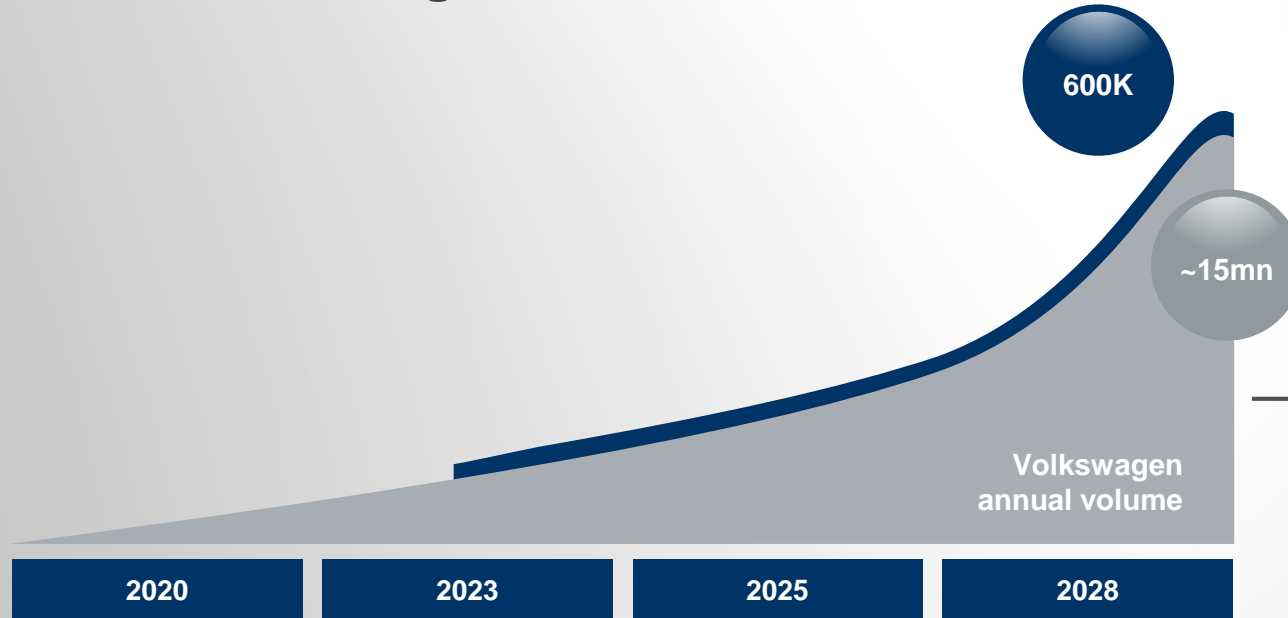
Strong
cost competitiveness

Enables **high-volume**
zero-emission vehicles

MEB platform provides significant scale and cost advantages



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600,000

platforms and associated components delivered by Volkswagen

Represents

\$10-20bn

of future sales over six years

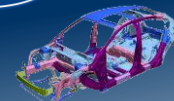
MEB platform contract

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Platform
("Skateboard")



Top Hat
Development



Manufacturing
and sale

The Argo AI difference



Self-Driving Platform Designed for Scale

Development of production-quality code from outset
Collaboration with automaker partners for fully-integrated, safe vehicles

Multi-city development approach

Collection of a wide range of local road infrastructure, driving behavior and traffic law data
Accelerates time of learning for self-driving system

Naturalistic driving

Human-like driving characteristics for comfortable ride experience
Safer performance due to blending in more naturally with local traffic behavior

Expertise and experience matters

Engineering team consists of 70% advanced degrees and 10 years field experience average
Leadership and management comprised of industry veterans with commercialization experience

Investing for the future

Creation of Carnegie Mellon Argo AI Center for Autonomous Vehicle Research
In-house LiDAR development to push envelope of sensing capabilities

Multi-city development approach



Currently testing in five cities; expanding to one more this year



Miami



Washington D.C.



Pittsburgh



Detroit



Palo Alto

Expanding to Europe next year

The Advantages:

Mapping: Diverse library of experiences allows for accelerated expansion into new cities

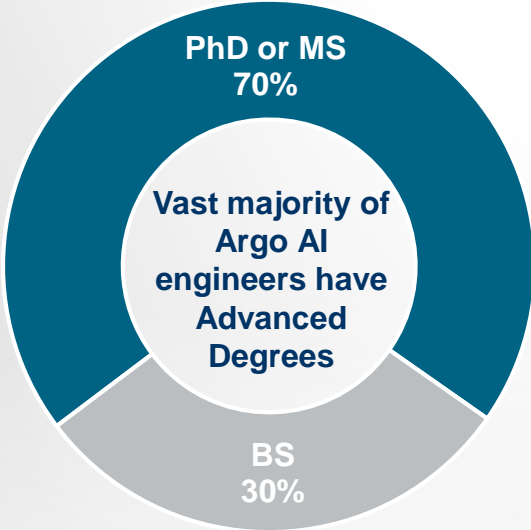
Driving style: Ability to handle varied road actors and local driving behavior

Safety: Diversity accelerates training of detection systems, prediction models and motion planning

Expertise and experience matters



High quality, global workforce that promotes a culture of safety and transparency



Q&A Session



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Ford and Volkswagen collaboration creates global strategy to win in AVs, EVs and select vehicles



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1 | Global collaboration to **expand to AV and EV**, no cross-ownership

2 | **Working toward AV leadership** by strengthening Argo AI at more than \$7bn valuation

3 | **MEB platform** aims to establish itself as an **industry leader**, win-win contract

4 | Collaboration to produce AVs, EVs, LCVs and pickups yielding synergies of **several hundred million dollars / euros for each company** at peak cycle

5 | **Shared investment costs** while maintaining independent companies and unique competitive advantages

**Better addresses
customer needs**

**Creates
new revenue
opportunities**