



ŠKODA
SIMPLY CLEVER

ŠKODA OCTAVIA Family Workshop

Mladá Boleslav

Speech Bernhard Maier

CEO ŠKODA AUTO

Ladies and gentlemen,
welcome to the ŠKODA OCTAVIA Family Workshop! Today it's all about the icon of our brand. We have brought you the entire model family, which has never been as wide-ranging as with this generation:

- Limousine.
- COMBI.
- SCOUT.
- With front or four-wheel drive.
- With petrol, diesel and CNG-drive.
- With mild hybrid technology.
- As a plug-in hybrid.
- Plus the sporty RS models, including the RS iV as the new top model.

You are getting the 'pure product' from us – not just a "virtual" experience as in the past weeks and months, but finally live and in full color again. Of course, we would have liked to show you our OCTAVIA already in March: The invitations had been sent to you, we had ordered the fine weather in Greece and the cars were ready. And then Covid-19 came and pretty mixed up all our plans. By the way, this is also the reason why I last met some of you at the ENYAQ iV Covered Drive in Ireland. And that was already 142 days ago!

That's why before we come to the OCTAVIA, I would like to take the opportunity to give you a quick update on ŠKODA: How have we dealt with this extraordinary situation so far, and how are we positioned for the coming months?

Admittedly, we had imagined the start of our anniversary year to be less nerve-racking. However, we are not going to let the coronavirus pandemic defeat us. Also, there are always great opportunities in situations like these. And perhaps it serves – especially in our anniversary – as a reminder that together in 125 years we have weathered many different storms and emerged stronger from each one.

Right from the beginning, we reacted quickly and at the same time calmly – taking due responsibility for our employees, partners and customers. That is exactly what defines the ŠKODA spirit. In such times, we move even closer together as a big ŠKODA family.

What did we do specifically?

- Set up a task force and crisis team very quickly.
- Shut down production in an orderly manner and then restart it.
- We have developed a comprehensive 'Safe Production' and 'Safe Office' concept to provide the best possible protection for our employees.
- And developed a package of digital media content such as the entirely virtual world premiere of the OCTAVIA RS iV to make it as easy as possible for you to stay connected to ŠKODA.

In short: Team ŠKODA is on its feet; the coronavirus has not brought us to our knees! On the contrary: physically, the virus has put more distance between us but, at the same time, has brought us even closer together.

Ladies and gentlemen,

One thing is clear: The world after coronavirus is a world with coronavirus – and we are now learning to deal with it. We must find a balance between humanity, morality and the economy as the foundation of life. Ahead of us as a global community lies a great test of strength:

How quickly things will pick up again, however, is anything but clear. On the one hand, we hear from the International Monetary Fund that the global economy could shrink by 4.9% this year. On the other hand, the German business climate index – an important indicator for the development of the German economy – rose stronger in June than ever before. We are facing a great deal of uncertainty throughout the economic system, and we can only resolve it if we restore people's confidence. And the best way to do it is boosting the consumption and with that the circle of economy. That is why I believe the stimulus programs launched by all the countries are exactly what we need right now. However, it is also clear that the trillion-euro debt will restrict states' and also companies' room to move for years to come. And I am personally convinced that the consequences of the pandemic will cause greater social upheavals in the future than we can see today. So the solidarity in dealing with the crisis must be even greater than during the pandemic.

At ŠKODA, we have set up extensive restart programs for our dealers in the markets. They are already making an impact and the figures of June are highly motivating. We are going to build on this momentum over the coming months. And of course, from a business point of view, our goal is to achieve a positive cash flow towards the end of the year. For us as a car manufacturer, this also raises the question of what general and wider implications the pandemic will have for our business. To figure this out, we have set up the 'Fast Forward Company' project group – a team of experienced managers and young talented individuals. The goal here is to position ŠKODA in such a way that we emerge from this situation even stronger.

How exactly are we going to do that? By reviewing our Strategy 2025+ and examining our actions: In which areas can we pick up the pace? What activities need to be reprioritised? How can we further improve our digital services? These are just some of the questions that we are already intensively discussing and then transforming into specific courses of action for our business. One very quick outcome was an even stronger focus on digitalization of all our processes and customer touchpoints.

Regardless of the results of the project group, the conditions are right for quickly tightening our grip again: In recent years, ŠKODA has been operating soundly; we are strategically well-positioned and above all have an attractive, modern model portfolio. And now, since all our dealerships have reopened, customers are returning, and interest in our models is growing. And this is truly important to us, because we are in the middle of the largest product campaign in the company's history. From the beginning of 2019 to the end of 2022, we will be launching a total of 30 new models, derivatives, product upgrades or variants. The lockdown will result in the one or other minor shifts, but we are clearly sticking to our medium and long-term plans. One of the highlights is our fully electric ENYAQ iV. We are already looking forward to the world premiere in September. It is our first all-electric car that was designed as such from scratch. We will be making it the flagship of a new era at ŠKODA.

Besides the ENYAQ iV, the new OCTAVIA generation is one of the most important new models for us. We have worked out the core virtues of our icon even better and taken another leap forward in terms of design, connectivity and safety. Some of you were able to

try out the OCTAVIA, but under – let's say – 'special' circumstances. That's why I am even more pleased that you are all our guests today and that we can give you the opportunity to get an impression of the entire model family. Before we head to the workshops, my colleague Christian Strube, the Board Member responsible for Technical Development, gives you a deeper insight into the development of the series and explains the highlights of the new OCTAVIA. And now, ladies and gentlemen: Raise the curtain on the OCTAVIA family!
