

## Speech

by Hans Dieter Pötsch

Chairman of the board of management of Porsche Automobil Holding SE

Annual general meeting taking place as a virtual annual general meeting  
on 30 June 2023 in Stuttgart

Check against delivery

Ladies and gentlemen,  
dear shareholders!

I also would like to welcome you to the annual general meeting of Porsche Automobil Holding SE.

Today, we are looking back on an economically successful fiscal year 2022 for Porsche SE. The highlight was without doubt the acquisition of 25 percent plus one share of the ordinary shares of Porsche AG. With this investment, we added to our portfolio a company with a strong growth and dividend profile that is uniquely positioned in the sports and luxury segments of the automotive industry.

Despite a difficult market environment, the IPO of Porsche AG was the largest in terms of market capitalization that has ever taken place in Europe. Just a few weeks after the initial listing, Porsche AG was already included in the German Stock Index (DAX) in December 2022.

The IPO was also extremely successful for the Volkswagen Group, giving it the additional financial headroom to help accelerate the industrial and technological transformation of the group and support further growth. The IPO also made Porsche AG's valuation directly visible on the capital market. This also shows a valuation perspective for Volkswagen that, in the opinion of many analysts, is not yet reflected in Volkswagen's share price.

Finally, the IPO means that Porsche AG can now evolve with greater entrepreneurial freedom, while retaining synergies with the Volkswagen Group.

Porsche SE was able to add a second, strong core investment to its portfolio, granting a greater degree of diversification and allowing it to benefit from a second dividend stream. With the acquisition of the blocking minority in Porsche AG, Porsche SE will in the future have direct, significant influence over Porsche AG, while the voting majority at 75 percent minus one share of the ordinary shares remains with Volkswagen. In addition, Porsche SE made an important financial contribution for a successful transformation of the Volkswagen Group. As its anchor shareholder, we support this transformation and see it as an additional considerable value driver for both Volkswagen and Porsche AG.

The acquisition of Porsche AG ordinary shares for a total value of 10.1 billion euro is based on a sound financing plan. The purchase price for the first tranche of 17.5 percent plus one share, in the volume of 7.1 billion euro, was entirely debt-financed. By contrast, we were able to fully finance the acquisition of the second tranche of 7.5 percent of the ordinary shares for a purchase price of 3.0 billion euro from the special dividend that Volkswagen AG distributed to its shareholders in the context of the transaction.

Prior to the transaction, Porsche SE had concluded a financing agreement with an international syndicate of banks for an original volume of 8.9 billion euro, for which we were able to secure attractive conditions.

In a first step towards the long-term refinancing of the bridge financing raised to acquire the shares of Porsche AG, we placed a Schuldschein loan with a volume of around 2.7 billion euro in March 2023. The investors were offered maturities of three, five, seven and ten years. Thanks to the high demand, the original target volume was substantially oversubscribed, and the interest rate was set at the lower end of the price range. Roughly 120 institutional investors such as banks, pension

funds and insurance companies participated in the Schuldschein loan. The volume achieved marks an important step towards our refinancing. And we are proud to say that this was the largest Schuldschein loan ever issued by a company. The high level of interest shown by investors was an impressive demonstration of Porsche SE's attractiveness also for debt capital investors.

In a second step of the refinancing, Porsche SE issued a bond with a volume of 750 million euro at the end of April 2023. The bond, which matures in September 2028, was in high demand in the market and the order book was oversubscribed several times. In order to give private investors the opportunity to invest, we chose a small denomination of 1,000 euro per share for the bond. Following the very successful placement of our Schuldschein loan, we are thus enabling new investor groups to participate in Porsche SE on the debt capital side.

Following these two long-term financings, the bridge financing raised in connection with the acquisition of ordinary shares in Porsche AG was already repaid in full in May 2023. As a result, Porsche SE has no significant refinancing requirements until fiscal year 2026.

Porsche SE's financing situation is very comfortable. A few days ago we used the attractive market environment to place another bond. The bond, with a volume of 1.25 billion euro, is divided into two tranches with maturities until September 2027 and September 2030. This is one of world's largest unrated bond placements. The placement has enabled us to further reduce our existing bank debt and to optimize financing costs and maturities.

The investment in Porsche AG, which has a strong dividend profile, was made with a clear financing strategy. We intend to systematically repay the debt over the

coming years and we will continue to align our long-term financing structure with investment grade requirements. However, we do not believe that an equity ratio close to 100 percent is necessarily the optimum ratio, even from an investor's point of view. Debt capital is therefore also an entirely conceivable part of our capital structure in the long term.

In the period from 29 March 2022 to 6 May 2022, preference shares in Volkswagen AG were acquired for around 400 million euro, increasing Porsche SE's stake in Volkswagen AG to 31.9 percent of subscribed capital. Porsche SE's shareholding in the ordinary shares in Volkswagen AG remains at 53.3 percent. Porsche SE is fully committed to its role as a long-term anchor shareholder in Volkswagen AG. We are convinced of Volkswagen Group's future prospects and therefore of its long-term value appreciation potential.

Let me now come to the earnings figures of Porsche SE. We raised our group result after tax to 4.8 billion euro in the fiscal year 2022 compared to 4.6 billion euro in the prior year. This group result after tax is significantly influenced by the result of our core investment in Volkswagen AG accounted for at equity of 4.5 billion euro. Overall, the Volkswagen Group performed robustly despite the sustained effects of the Covid-19 pandemic as well as Russia's ongoing war against Ukraine and the resulting problems with the supply chains and high inflation. Porsche AG also closed the fiscal year 2022 very successfully. Following the acquisition of ordinary shares of Porsche AG, the result of the Porsche SE Group will be more strongly influenced in the future by the earnings situation of the Porsche AG Group than before.

Net liquidity of the Porsche SE Group amounted to minus 6.7 billion euro as of 31 December 2022, compared to 641 million euro reported at the end of 2021. This

development primarily reflects the roughly 7.1 billion euro in debt capital we raised to purchase the ordinary shares of Porsche AG. I firmly believe: The acquisition of this second core investment is a very important step for our company towards creating sustainable value.

Ladies and gentlemen,

As already mentioned, our investment in Volkswagen AG has a significant influence on the key figures of Porsche SE. Therefore, I would like to give you a brief overview of the developments within the Volkswagen Group.

In 2022, the Volkswagen Group generated a sound result and improved its profitability. And all that in a challenging environment. Revenue increased by 12 percent to 279 billion euro. The trend towards higher quality and better equipped vehicles seen in the prior year continued.

The result after tax amounted to 15.8 billion euro, an increase of 2.6 percent versus the prior year. At year-end, net liquidity of the automotive division stood at 43 billion euro. This was driven, among other things, by the proceeds from the IPO of Porsche AG. After the net payout of the special dividend of 6.5 billion euro in January, net liquidity of 36.5 billion euro remains. On this basis, Volkswagen will continue to implement its strategy under the leadership of Oliver Blume. Just under a year ago, Mr. Blume started as the new CEO of Volkswagen AG with an ambitious ten-point plan, and since then has been focusing on its implementation. We support him in this and are convinced that he is setting the right course.

Porsche AG can also look back on a successful fiscal year 2022. Group revenue stood at almost 38 billion euro, an increase of some 14 percent on the prior year and a new record high.

The operating group result of Porsche AG came to 6.8 billion euro for the fiscal year 2022. This is 27.4 percent more than in the prior year. The operating return on sales of the group increased from 16 percent to 18 percent.

With its “Road to 20”, Porsche AG has announced an ambitious program. The number 20 stands for the strategic target of an operating return on sales for the group of more than 20 percent. Porsche AG is thus further developing its 2025 earnings program.

The course at Porsche AG therefore continues to be clearly set for growth and profitability. The luxury segment that is served by Porsche AG is a structural growth market with financially strong customers.

We at Porsche SE support the strategic direction of both Volkswagen AG and Porsche AG and are convinced that our two core investments are extremely valuable assets with high potential.

Let me now come to the other investment activities of Porsche SE. In the area of portfolio investments, we have expanded our activities and consistently developed our existing investments. We currently hold more than ten portfolio investments in growth and technology companies. In addition to providing growth capital, Porsche SE enables its portfolio companies to access a unique industrial network of technology partners and potential customers.

An example of the successful development of our portfolio is European Transport Solutions, in short ETS, in which we are invested together with our partner Bridgepoint. In the past year, we were able to strengthen the product portfolio by acquiring the California-based Econolite Group and the Belgian company Conundra.

Econolite's product portfolio primarily comprises hardware and software solutions in the area of traffic management. In the US, more than 150,000 Econolite signal controllers are used on over 57,000 intersections. This makes Econolite the leading provider of traffic management solutions in North America.

The combination of ETS's software products and Econolite's traffic management solutions makes the group a global and technologically leading provider of forward-looking end-to-end solutions in the mobility sector. In the logistics segment, Conundra supplements ETS's product portfolio with software-as-a-service applications for the planning of complex logistics and supply chain processes.

Our investment in Isar Aerospace has also developed very positively and is making good progress towards launching its first Spectrum vehicle. We therefore invested another double-digit million-euro amount in Isar Aerospace in the context of a recently concluded financing round. Beyond our financial commitment, we are also supporting Isar Aerospace with our network of experts in the areas of production, 3D printing and plant engineering.

We were also able to strengthen our portfolio with several new investments in growth companies.



For instance, we invested a double-digit million amount in the Swiss company ABB E-mobility, a leading provider of charging solutions for electric vehicles. In the field of young technology companies, we invested in Xanadu and Quantum Motion Technologies, two companies that are both pursuing very promising approaches in the development of quantum computers.

Furthermore, we invested in Ethernovia, a company that develops Ethernet technology for in-vehicle data transmission. Using advanced semiconductor processes, its systems offer significantly higher transfer rates, improved energy efficiency and additional security features compared to other solutions currently available. In addition, Ethernovia's chips can be used in both existing as well as new vehicle architectures.

We also recently invested in Celestial AI. Celestial AI is developing a technology that is specifically designed to accelerate computing processes in the field of artificial intelligence. The company relies on a hybrid approach in which classic semiconductor technology is combined with photonics. Celestial AI technology enables high-bandwidth, low-power, and low-latency data transmission to significantly increase computing power compared to conventional traditional chip architectures.

A central component of our investment strategy is the collaboration with strong partners and co-investors. We are therefore delighted to have DTCP as another partner to further expand our investment activities. DTCP is a globally active and successful investment company that currently manages assets in excess of 2 billion euro. As part of the planned strategic collaboration, we invested a double-digit million amount in DTCP's Growth Equity III Fund, which focuses on companies in the area of cloud-based enterprise software.

To date, we have invested around 500 million euro in portfolio investments. We have already been able to realize a significant portion of this at a profit through the sale of shares. This shows that our investment strategy is working and is creating value for our shareholders.

We will continue our investing activities over the course of the current fiscal year. Our goal is to position Porsche SE as a globally renowned investment company and valued investment partner, thus consistently and sustainably creating value for our shareholders across macroeconomic cycles.

Ladies and gentlemen,

I would now like to turn to the legal developments. In the proceeding according to the Capital Markets Model Case Act (KapMuG) in connection with the increase of our investment in Volkswagen AG, at the end of September 2022 the Higher Regional Court of Celle dismissed or declared groundless all of the establishment objectives requested by the plaintiffs against our company. In the underlying initial proceedings, 40 plaintiffs are asserting alleged claims for damages totaling around 5.4 billion euro plus interest.

The decision reached by the Higher Regional Court of Celle is an important stage victory for us. The plaintiffs filed an appeal against the decision to the Federal Court of Justice. However, and I am convinced of this: Ultimately, we will assert ourselves with our arguments and the actions will be dismissed in their entirety in all initial proceedings.

Porsche SE also continues to be directly confronted with investor lawsuits in connection with the diesel issue of Volkswagen AG. Claims are being made for damages of around 929 million euro plus interest. The plaintiffs accuse Porsche SE of alleged nonfeasance of capital market information or alleged incorrect capital market information in connection with the diesel issue.

In this complex of proceedings, there was also a very positive decision for us in the past fiscal year. The Higher Regional Court of Stuttgart granted Porsche SE's appeal against a judgment of the Regional Court of Stuttgart and fully rejected the appeal of two US hedge funds. The reasoning: The plaintiffs claiming compensation of 158 million euro plus interest against Porsche SE had not suffered any damage. This decision has since become legally binding.

The year 2023 got off to a good start for us. On 29 March 2023, the Higher Regional Court of Stuttgart issued a model case decision in the KapMuG proceedings in connection with the diesel issue. Although the Higher Regional Court did not follow all of our establishment objectives, on the basis of the establishment objectives made in this model case ruling and the current status of the matter in dispute in the initial proceedings, all investor claims against Porsche SE in the suspended initial proceedings would, as a result, have to be dismissed. The model case plaintiff and several co-plaintiffs have filed an appeal on points of law against the model case ruling. In response, Porsche SE, as a precaution, also filed an appeal on point of law with regard to the establishment objectives not made by the Higher Regional Court.

I would like to reiterate that we regard all lawsuits brought against Porsche SE to be without merit and in some cases also to be inadmissible. Therefore, we are convinced that we will prevail in all proceedings that are still pending.

Ladies and gentlemen,

Please allow me to briefly summarize:

- This past fiscal year was very successful for Porsche SE. Despite difficult conditions, our group result after tax increased to 4.8 billion euro.
- With the acquisition of 25 percent plus one share of the ordinary shares of Porsche AG, we were able to add to our core portfolio a company with a strong growth and dividend profile that is uniquely positioned in the sport and luxury segments of the automotive industry.
- We have strengthened our investment portfolio with additional promising investments. We also aim to further expand our investment activities.
- On the legal side, we were able to achieve two major successes in the fiscal year 2022 with the decisions of the Higher Regional Court of Celle on the increase of our investment in Volkswagen AG and the Higher Regional Court of Stuttgart on the diesel issue.

We are again optimistic about the current fiscal year. In the first three months of the fiscal year 2023, Porsche SE generated a group result after tax of 1.3 billion euro, compared to 2.1 billion in the prior year. The group result after tax was significantly influenced by the result from the investment in Volkswagen AG accounted for at equity of 1.3 billion euro, up from 2.1 billion euro in the prior year. It must be noted that at the level of the Volkswagen Group, the prior-year period was also affected in

particular by effects from the fair value measurement of derivatives to which hedge accounting is not applied.

Net liquidity of the Porsche SE Group amounted to minus 6.7 billion euro as of 31 March 2023, thus remaining largely unchanged compared to the end of the fiscal year 2022.

For the year as a whole, we expect to record a group result after tax of between 4.5 billion euro and 6.5 billion euro. As always, this forecast is subject to any risks that may arise. We also aim to achieve group net liquidity as of 31 December 2023 that is expected to be between minus 6.1 billion euro and minus 5.6 billion euro, not taking future investments and divestments into account.

The dividends for the ordinary shares of Volkswagen AG of 8.70 euro and the ordinary shares of Porsche AG of 1.00 euro result in dividend income of around 1.5 billion euro for Porsche SE this year. Porsche SE expects to receive this dividend amount without deduction of capital gains tax.

The dividend inflows put us in a position to pursue a stable dividend policy as well as to consistently reduce the debt incurred in connection with the acquisition of shares of Porsche AG. We will also continue to work on strengthening Porsche SE as an investment company and make additional portfolio investments in a systematic and targeted manner.

As in the past, we will allow our shareholders to participate appropriately in Porsche SE's success. For the fiscal year 2022, we propose an unchanged dividend compared to the prior year of 2.56 euro per share to be distributed to the holders of preference shares and of 2.554 euro per share to the holders of ordinary

shares. This is equivalent to a total distribution of around 783 million euro. It is important to us that this proposed dividend finds a balance between a stable dividend and the steady reduction of our debt.

And that is all from me on the fiscal year 2022 and the current developments.

Ladies and gentlemen,

Our annual general meeting will again be held virtually this year. We are convinced that the benefits of a virtual annual general meeting clearly outweigh those of an in-person event. For one thing, the virtual format gives our shareholders the flexibility to participate regardless of their location. For another, the virtual format is also the preferred solution compared to an in-person event in terms of sustainable corporate governance. The lower costs also played a role in our decision in favor of the virtual format. According to the provisions of German stock corporation law on virtual annual general meetings, such a meeting can be structured as closely as possible to an in-person meeting in terms of the shareholder rights. This is what we have done. Today, our shareholders will therefore decide on the addition of a ruling to the articles of association to authorize the board of management to provide for the conduct of virtual general meetings in the future. As required by law, this authorization is to be limited to a period of five years.

Thank you for listening and I hope you enjoy the rest of the annual general meeting.