

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 13 May 2022 in Filderstadt

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Ladies and gentlemen,
dear shareholders,

I too would like to warmly welcome you to the annual general meeting of Porsche Automobil Holding SE. I am speaking to you today in exceptional circumstances. The war in Ukraine has changed everything. A political and human tragedy is playing out before our very eyes, with consequences none of us can imagine. Our thoughts are with the many people in Ukraine caught up in this war of aggression. People who have lost family members and their homes, and who must now flee from violence and destruction. The suffering and the horrific images we are seeing day after day are hard to bear. That is why we are hoping for an end to the hostilities as soon as possible and a return to diplomacy. I think I speak on behalf of all our employees: Even though we are carrying on with our day-to-day business, we do so with a heavy heart during this time.

Our annual general meeting is again taking place in virtual form this year. We decided to hold the annual general meeting in virtual form due to the uncertainties of how the pandemic would develop. Our shareholders had the opportunity again this year to submit questions on the points on the agenda in advance via the shareholder portal. As with an in-person event, the board of management and supervisory board of Porsche SE will provide comprehensive answers to all of your questions.

In addition, we had also made it possible to electronically submit comments in text form with regard to the agenda before the annual general meeting. The comments have been accessible in the shareholder portal since 2 May. We also published the manuscript of my speech on our website seven days before the annual general

meeting, giving you, dear shareholders, the opportunity to submit questions on the content of my speech in advance.

Today sitting next to me for the first time is Dr. Johannes Lattwein, who has been responsible for finance and IT since 1 February. We are delighted that Dr. Lattwein is supporting us on the board of management with his experience and expertise.

I would like to start with the development of Porsche Automobil Holding SE for the past fiscal year. This was a very successful year for our company overall. Despite negative effects from the Covid-19 pandemic and the ongoing tense supply situation for semiconductors, we generated a group result after tax of 4.6 billion euro, up considerably on the prior-year result of 2.6 billion euro. Our group result after tax was significantly influenced by the result from our investment in Volkswagen AG accounted for at equity of 4.6 billion euro, compared to 2.7 billion euro in the prior year.

Net liquidity of the Porsche SE Group totaled 641 million euro as of 31 December 2021, up from 563 million euro a year before. The growth is primarily attributable to a dividend surplus of 80 million euro and a value realization in our investment portfolio of 51 million euro.

Ladies and gentlemen,

As already mentioned, our investment in Volkswagen AG has significant influence on the KPIs of Porsche SE. I would like therefore to give you a brief overview of the developments within the Volkswagen Group. In light of the second year of the pandemic, the company has demonstrated remarkable robustness. Although the

global semiconductor shortage had an increasingly negative impact on business figures in the second half of 2021, Volkswagen accelerated its transformation into a software-driven mobility provider. We at Porsche SE support this development and see considerable potential for increasing the value of the Volkswagen Group.

The Volkswagen Group increased its revenue by 12 percent to 250.2 billion euro. The operating result before special items virtually doubled compared to 2020, reaching 20.0 billion euro. The operating return on sales before special items also increased – from 4.8 percent in the prior year to 8.0 percent. The result after tax grew by 74.8 percent to 15.4 billion euro.

The e-offensive also continued to gain traction. With 452,900 units sold worldwide, almost twice as many battery electric vehicles were delivered as in the prior year. With a market share of 25 percent, the Volkswagen Group is the market leader in Europe. In the USA, it had the second-largest market share with around 7.5 percent. And in China, at around 92,700 vehicles, almost four times more battery electric vehicles were delivered than in 2020.

As things currently stand, an important step for the transformation of the Volkswagen Group is expected to follow in the fourth quarter in the form of a possible IPO of Porsche AG. To this end, Porsche SE and Volkswagen AG entered into a cornerstone agreement in February.

Under this agreement, the share capital of Porsche AG shall be divided into 50 percent ordinary shares and 50 percent preference shares. In the course of a possible IPO, a quarter of the preference shares shall be placed in the capital market. At the same time, Porsche SE shall acquire 25 percent plus one share of

the ordinary shares in Porsche AG. This would amount to 12.5 percent of total capital.

In this way, Porsche SE thereby supports the plans of Volkswagen AG to expand its financial flexibility and accelerate the technological transformation of the group. Porsche AG for its part would gain greater entrepreneurial freedom while still being able to benefit from valuable synergies of the Volkswagen Group.

In addition, the IPO would also make Porsche AG's valuation visible in the capital market and create an attractive valuation prospect for Volkswagen AG. Porsche SE will also benefit from both aspects.

With the stake in Porsche AG, Porsche SE would also acquire a second core investment, thereby consistently developing its investment strategy. This second investment would strengthen the exposure in the area of sport and luxury and also diversify our dividend inflow. As shareholders of Porsche SE, you would also benefit from this.

The acquisition of ordinary shares of Porsche AG requires a sound financing plan. Today, Porsche SE is largely equity-financed with an equity ratio of 99.4 percent and positive net liquidity. We therefore have great financing potential. We are working on financing plans to be in a robust position in various valuation scenarios for the IPO.

The actual execution of an IPO depends on a number of different factors such as the general market conditions. No final decisions have been made yet.

Ladies and gentlemen,

Being admitted to the German stock exchange index, the DAX, in September 2021 was an important step for Porsche SE. The admission to the index has naturally increased the demand of index-oriented investors and funds for shares in our company and will also strengthen the public perception of the company. We are convinced that the DAX listing will further improve our market positioning as an investment holding company, which will in turn make us even more attractive as an investor.

This brings me to our investment activities. In June 2020, the supervisory board of Porsche SE appointed Lutz Meschke as member of the board of management responsible for investment management. Since then, we have further sharpened our strategy and expanded our activities in this area. Thematically, we focus on the areas of mobility and industrial technology. Here, we generally distinguish between two categories:

The first category today consists of our long-term core investment in Volkswagen AG and, in the future, possibly also the direct investment in Porsche AG. The second category comprises portfolio investments that Porsche SE generally holds temporarily and that are characterized by a high growth and value appreciation potential.

I would like to briefly showcase some of our portfolio investments. First, software company PTV: For the further development of PTV, we were able to attract a strong partner in the private equity company Bridgepoint Advisers, which has acquired a majority shareholding in PTV. In total, we generate proceeds of around 240 million

euro from this transaction. We aim to use these funds for further investments in the mobility and industrial technology sector as part of our investment strategy.

PTV developed very positively this past year. Revenue increased by 8 percent compared to the prior fiscal year, with PTV's operating result of 14 million euro before consolidation entries at the level of the Porsche SE Group up significantly versus prior years. These figures prove that our strategic realignment of PTV is showing results. Our partner Bridgepoint now also contributes a wealth of experience in the further development of software companies. Together, we want to accelerate the positive development at PTV.

The acquisition of Econolite Group, which we were able to implement together with Bridgepoint, will also contribute to the positive development of PTV. The California-based company specializes in the development and sale of hardware and software solutions in the area of traffic management. In combination with the software products of PTV, this creates a global and technologically leading provider of future-oriented mobility solutions, the growth of which we also want to support in the future through further acquisitions.

The further development of PTV and the acquisition of Econolite represent a major component of our strategy in the segment of portfolio investments: the cooperation with strong partners and co-investors, in this case Bridgeport Advisers. We will continue to expand this element of our investment strategy further.

There was also positive news in the past year from our smaller investments, with AEVA and Markforged completing successful IPOs. In the process, Porsche SE was able to realize a large part of the increase in value achieved over the holding period.

In the fiscal year 2021, we also expanded our portfolio by adding two promising investments.

- In July, we acquired shares in Isar Aerospace, a start-up from Munich that develops and produces launch vehicles to address the rising demand for the transport of satellites.
- In September of the reporting year, we also acquired a stake in the Israeli company proteanTecs. The technology of proteanTecs allows for the health and performance monitoring of semiconductors and electronic systems. For new semi-conductor generations in particular, this can increase the reliability and expand the lifespan of the chips.

Ladies and gentlemen,

I would now like to turn to developments on the legal side. There was little movement here in the fiscal year 2021. Very few hearings were held due to the Covid-19 pandemic, among other things.

A case according to the Capital Markets Model Case Act (KapMuG) in connection with the increase of our investment in Volkswagen AG is still pending before the Higher Regional Court of Celle. In the underlying initial proceedings, 40 plaintiffs are asserting alleged claims for damages totaling around 5.4 billion euro plus interest. According to the preliminary opinion of the Higher Regional Court of Celle, the claims are legally without merit. Porsche SE also shares this opinion. We consider our legal position endorsed by the course of the proceedings to date. The next dates for continuing the oral hearing are planned for 23 and 24 May.

Porsche SE is also facing investor lawsuits in connection with the diesel issue of Volkswagen AG. A total of 205 proceedings are pending before the Regional Court of Stuttgart, two before the Higher Regional Court of Stuttgart and 23 before the Regional Court of Braunschweig. Claims are being made for damages of around 1.1 billion 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.

With regard to the individual proceedings pending, I would like to point out a ruling by the Regional Court of Stuttgart in August 2021, in which the court dismissed an action in the amount of 124 million euro as inadmissible. The ruling is not yet legally binding.

Furthermore, in April 2022 the Higher Regional Court of Stuttgart granted Porsche SE's appeal against a judgment of the Regional Court of Stuttgart and rejected the appeal of two US hedge funds. The Higher Regional Court has thus fully rejected the lawsuits of the two hedge funds. The ruling is not yet legally binding. The plaintiffs had made claims for compensation of 158 million euro against Porsche SE due to alleged nonfeasance of capital market information in connection with the diesel issue. The Higher Regional Court declared that there had been no price difference losses, for the hedge funds filing the lawsuit did not just hold shares in Porsche SE, but were also at the same time short selling Volkswagen AG shares to cover the risks regarding Porsche SE shares. According to the court, the profit this generated certainly compensated for the claimed price difference losses regarding Porsche SE shares. Porsche SE welcomes the court ruling.

A large number of the individual proceedings are currently suspended with reference to the Capital Markets Model Case Act proceedings pending in Stuttgart and Braunschweig. Oral hearings in these proceedings are still ongoing.

To conclude, 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 the proceedings that are still pending.

Despite difficult conditions generally, Porsche SE generated a group result after tax of 2.1 billion euro in the first quarter of 2022. This is a significant increase compared to the prior-year period, when the group result after tax came to 995 million euro. The increase is attributable to the positive development in the result at the level of the Volkswagen Group, which is also related to effects from the fair value measurement of derivatives to which hedge accounting is not applied.

Net liquidity of the Porsche SE Group increased to 847 million euro as of 31 March 2022 compared to 641 million euro as of 31 December 2021. The growth is largely attributable to cash inflows of around 221 million euro from the sale of shares in the PTV Group.

Porsche SE further increased its share in the capital of Volkswagen AG. Between 29 March 2022 and 6 May 2022, Porsche SE acquired preference shares in Volkswagen AG with a volume of around 400 million euro on the capital market, increasing Porsche SE's shareholding in Volkswagen AG to 31.9 percent of subscribed capital. Porsche SE's stake in the ordinary shares in Volkswagen AG remains unchanged at 53.3 percent. This additional purchase of preference shares highlights Porsche SE's strong commitment to the Volkswagen Group.

Ladies and gentlemen,

To conclude, I would like to give you an outlook for the current fiscal year.

Porsche SE continues to expect a group result after tax of between 4.1 billion euro and 6.1 billion euro. In light of the acquisition of Volkswagen preference shares, Porsche SE is adjusting its forecast for net liquidity as of the end of the fiscal year 2022 accordingly. Net liquidity is now expected to range between 0.2 billion euro and 0.7 billion euro as of 31 December 2022.

The forecast for the group result after tax does not take into account the effects of the acquisition of Volkswagen preference shares. Nor does the forecast for the result and net liquidity contain any effects from a possible IPO of Porsche AG and any acquisition of ordinary shares in Porsche AG by Porsche SE.

One more point with regard to our forecast: As you know, it is not just the Volkswagen Group and Porsche SE that are currently facing major uncertainties. Rather, Europe, indeed the entire world, is affected. On the one hand, the Covid-19 pandemic is still ongoing, and its consequences are affecting our investments on a daily basis: shortages of intermediates, commodities or semiconductors. On the other hand, we are of course being affected in particular by the war raging in Ukraine, the global impact of which no-one can yet predict. For all these reasons, our forecast is subject to a high degree of uncertainty.

Let me move on to our dividend. As in prior years, the board of management would like you, dear shareholders, to share in our company's success. We therefore propose that a dividend of 2.56 euro per share be distributed to the holders of

preference shares and of 2.554 euro per share to the holders of ordinary shares for the fiscal year 2021. This results in a payout of around 783 million euro, up 16 percent on the prior-year amount. Today's annual general meeting will decide on the proposed dividend.

The proposed dividend continues to take into account in particular the dividend inflow of Porsche SE from Volkswagen AG. However, due to a change in the law, this dividend inflow will initially be subject to a direct tax deduction of 26.375 percent, which will only lead to corresponding tax refunds in a subsequent year.

That is all from me on the fiscal year 2021 and current developments. I would like to thank you for listening and hope you find the rest of the annual general meeting interesting.