

## **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 23 May 2025 in Filderstadt

Check against delivery

Ladies and gentlemen,  
dear shareholders,

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

2024 was a challenging year for the European automotive industry. Our core investments, Volkswagen AG and Porsche AG, had to cope with increasingly difficult economic and political conditions: the intensifying competitive situation in the automotive sector, market developments in China, disruptions in the supplier network and the slower ramp-up of electromobility, to name just a few. Geopolitical tensions and protectionist tendencies also increased, which in turn also led to great uncertainty and in some cases considerable volatility on the stock markets.

The challenging situation at Volkswagen AG and Porsche AG is also having an impact on Porsche SE. This can be seen by looking at the key figures.

The result after tax of the Porsche SE Group for the fiscal year 2024 amounted to minus 20.0 billion euro compared to 5.1 billion euro in the prior year. Porsche SE had conducted impairment tests and recorded impairment losses on the carrying amounts of the investments in Volkswagen AG of minus 19.9 billion euro and Porsche AG of minus 3.4 billion euro. This had a significant impact on the result after tax. The important thing is: The impairment losses recognized are non-cash effects. They have no impact on the liquidity or group net debt of Porsche SE.

I would like to say a few words about the performance indicators at Porsche SE in connection with the impairment losses recognized.

As a result of the impairment losses that have now been recognized, any changes in the valuation parameters will, to put it simply, immediately trigger a positive or negative value adjustment. This means that we will record and report a positive or negative value adjustment on a quarterly basis as of each reporting date.

Therefore, Porsche SE now uses the adjusted group result after tax as a performance indicator. This adjusted group result after tax is adjusted for the impairment effects relating to the core investments.

There are two fundamental reasons for this: The performance indicator should be comparable between different financial periods and the actual operating performance of our core investments should be presented in the current reporting period. Details on the methodology can be found in the annual report, where they can be read in full.

On this basis, our adjusted group result after tax amounted to 3.2 billion euro compared to 5.1 billion euro in the prior year. The adjusted group result after tax is significantly influenced by two key figures: the result from the ongoing at equity accounting of shares in Volkswagen of 3.0 billion euro and the result from the ongoing at equity accounting of shares in Porsche AG of 0.5 billion euro. In the prior year, this key figure was 4.8 billion euro for the shares in Volkswagen and 0.4 billion euro for the shares in Porsche AG.

I would like to look at our two core investments in a little more detail.

Volkswagen Group delivered 9 million vehicles worldwide in the past fiscal year. That is 2.3% less than in the prior year. The main reason for this decline is the

fierce price competition in China. At 324.7 billion euro, the Volkswagen Group's revenue was up slightly on the prior year.

The operating result decreased by 15.4% to 19.1 billion euro. This decrease is due to a considerable increase in fixed costs. Furthermore, it includes in particular extraordinary expenses for restructuring measures. The result after tax was 12.4 billion euro.

Porsche AG delivered almost 311,000 vehicles in the fiscal year 2024. This meant record sales in Europe, Germany, North America and the region overseas and emerging markets. Nevertheless, total deliveries fell by 3.0% compared to the prior year. This is largely attributable to the continuing challenging market situation in China.

Consolidated revenue of Porsche AG fell by 1.1% on the prior year to 40.1 billion euro. The operating group result decreased by 22.6% to 5.6 billion euro. The operating return on sales amounted to 14.1% compared to 18.0% in the prior year. The result after tax decreased from 5.2 billion euro in the prior year to 3.6 billion euro.

Overall, Porsche AG's key performance indicators were impacted in particular by the challenging economic environment and the extensive renewal of the product portfolio. The tense market situation in China, the globally delayed ramp-up of electromobility and disruptions in the supplier network also had an impact on the result and the return on sales.

From Porsche SE's perspective, one thing is paramount: Our core investments must become more competitive and profitable and they must focus on the

sustainable implementation of their strategic programs for the future. We therefore expressly welcome the “Zukunft Volkswagen” agreement reached between Volkswagen AG and its employee representatives at the end of 2024.

Porsche AG has also planned extensive measures to strengthen the company’s profitability in the short and medium term. These include the expansion of the product portfolio to include additional vehicle models with combustion engines or plug-in hybrids, the expansion of special and exclusive manufacturing and adjustments to the company organization.

With the measures that have now been adopted, the two core investments have set the right course – on the cost side as well as on the product side. These are strong programs that are necessary and right. But they must be rigorously implemented, especially now. Management must pay particular attention to this in the current fiscal year. Porsche SE expressly supports the path that has now been taken. We are convinced that Volkswagen and Porsche AG will achieve the announced target returns in the medium term. We therefore continue to see significant potential for increasing value added at our core investments. This is not the only reason why we continue to see ourselves as a long-term anchor shareholder going forward.

Let me now turn to our portfolio investments. In the fiscal year 2024, we at Porsche SE decisively continued on our path to become a diversified investment platform despite the macroeconomic challenges mentioned. We have added attractive companies to our portfolio with the new investments in Flix SE, Waabi and Quantum Systems. Together with the asset manager DTCP, we also founded Incharge Capital Partners for early-stage venture capital investments.

I am delighted to present our new portfolio companies to you in more detail:

- **Flix** is the market leader in long-distance bus travel in Europe, North America and Turkey with its mobility platform. We invested in Flix because we see great growth potential for sustainable and affordable mobility services. This is the first time that we have expanded our portfolio with an investment in a platform provider in the end-consumer business.
- **Waabi** is developing an AI-based solution for self-driving trucks. The company uses a simulation-based approach to develop and train its own AI model. This results in a significant reduction of test drives to validate and secure the system. This technology has an enormous market potential. With its innovative AI approach, Waabi offers a convincing, cost-efficient and scalable solution to enable safe autonomous driving in a variety of driving environments.
- **Quantum Systems** produces drones for sensor-based data acquisition, surveillance and reconnaissance purposes. Drone technology has developed rapidly in recent years. The market potential is extremely high. We are convinced that Quantum Systems is very well positioned with its technology platform to participate exceptionally in the strong growth of this sector.
- However, we did not just successfully make direct investments last year. Together with our partner DTCP, we founded the venture capital platform **Incharge Capital Partners**. This is another important step in the consistent implementation of our investment strategy. In this context, we launched the “Incharge” venture fund together. Porsche SE has invested up to 100 million euro in the fund and we will therefore benefit from both the performance of the fund and the development of the joint venture with DTCP. The

investment focus of the Incharge fund is on software companies that are active in the field of connected mobility.

Among our existing investments, **Isar Aerospace** provided a highlight with the first test flight of its self-developed “Spectrum” carrier rocket. The successful rocket launch at the end of March this year provided valuable data and experience. Additional test flights are being planned.

We have held a stake in Isar Aerospace since 2021. The Munich-based company develops and manufactures carrier rockets for launching small and medium-sized satellites into orbit. Since its foundation, the development of Isar Aerospace has been remarkable. The vertically integrated approach, which includes all processes from development to production and testing, has proven to be the right one in recent years. Current market demand for satellite launches and geopolitical developments have confirmed and even strengthened our initial investment thesis. We are convinced that we will achieve an attractive return on our investment.

We also continuously screen promising investment opportunities in the core investments segment. In line with our strategy and investment criteria, our declared goal is to further diversify our portfolio over the long term also in this area.

Our successful investment activities are supported by robust financial management. In April 2024, for example, we placed two bonds totaling 1.6 billion euro with investors, giving our financing profile an even longer timeline. For us, it was a big success: The transaction was one of the largest unrated bond issues in the world up to that time. Porsche SE has once again demonstrated its attractiveness for investors by issuing this record bond.

Porsche SE's financial position is very solid. The financial strength of our company is high. This is reflected in the group net debt, which we continued to improve as planned in the past fiscal year. As of 31 December 2024, it stood at 5.2 billion euro compared to 5.7 billion euro a year before. We continue to focus on an investment grade profile and are aiming for a loan-to-value in the low double-digit range. Loan-to-value is the ratio of net debt to the market value of the investments.

Now, let us turn to the status of the pending litigation: Porsche SE continues to be involved in legal proceedings in connection with increasing the investment in Volkswagen AG and in connection with the diesel issue.

There were no significant developments in these proceedings in the past fiscal year.

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,

Let's take a look at the current fiscal year 2025.

In the first quarter, the challenging economic conditions continued to have an impact on our core investments and therefore also on Porsche SE.

Porsche SE generated an adjusted group result after tax of 0.5 billion euro in the first three months of the fiscal year 2025, down from 1.1 billion euro in the prior year. This includes the result from the investments in Volkswagen AG accounted for at equity of 0.5 billion euro. It also includes that of Porsche AG in the amount of 0.1 billion euro. The group result after tax of Porsche SE amounted to minus 1.1 billion euro, which includes non-cash impairment losses on the carrying amounts of the two core investments.

Net debt of the Porsche SE Group is within the forecast range. As expected, it increased as of 31 March 2025, largely due to investments and financing costs, to 5.3 billion euro. As of 31 December 2024, it had amounted to 5.2 billion euro.

I already provided you with an assessment of the developments at our core investments when making my comments on the fiscal year 2024. Even though the situation in the first quarter of 2025 remained as challenging as expected, I would like to emphasize that Porsche SE expressly supports its core investments.

For the fiscal year 2025, we continue to expect Porsche SE to record an adjusted group result after tax of between 2.4 billion euro and 4.4 billion euro. In addition, we expect group net debt to be between 4.9 billion euro and 5.4 billion euro as of 31 December 2025. Any potential impact relating to US tariffs has not yet been taken into account.

I would now like to turn to the dividend proposal that we will be submitting to you, dear shareholders, at today's annual general meeting. We will ensure that you participate in the financial development of Porsche SE in the usual appropriate and reliable manner.

Our ability to pay dividends depends largely on the dividend inflows we receive from our core investments. Dividends totaling 1.3 billion euro from Volkswagen AG and Porsche AG are attributable to Porsche SE in the current fiscal year. The capital gains tax and solidarity surcharge of 0.3 billion euro expected to be withheld on the dividends paid out by Volkswagen AG will result in a corresponding tax refund in subsequent years. In addition to an appropriate dividend to our shareholders, our distribution policy considers both a targeted reduction in debt and seizing promising investment opportunities. It is part of our balanced capital allocation strategy.

On this basis, we are proposing a dividend of 1.91 euro per preference share and 1.904 euro per ordinary share for the fiscal year 2024. This is equivalent to a total distribution of 584 million euro compared to a total distribution of 783 million euro in the prior year. The decrease in the proposed dividend compared to the prior year's dividend is mainly due to the lower dividend inflow from Volkswagen AG.

Ladies and gentlemen,

To sum up:

- The challenging situation at our core investments is having an impact on Porsche SE. As explained, the Porsche SE Group's result after tax amounted to minus 20.0 billion euro due to a non-cash impairment loss on the carrying amounts of the investments in Volkswagen AG and Porsche AG.
- Adjusted for these impairment effects on the two core investments, Porsche SE generated a profit in the fiscal year 2024. The adjusted group result after tax stands at 3.2 billion euro.

- Porsche SE's financial position remains very solid. The financial strength of our company is high. This is reflected in the group net debt, which we improved to 5.2 billion euro as planned in the past fiscal year.
- Porsche SE is decisively continuing its path to become a diversified investment platform. Accordingly, we have expanded our portfolio with the attractive investments in Flix, Waabi and Quantum Systems and launched the "Incharge" venture fund together with our partner DTCP. We are also continuously reviewing new investment opportunities. This applies to both portfolio investments and core investments.
- We want you, dear shareholders, to participate appropriately in the financial development of Porsche SE. We therefore propose that a dividend of 1.91 euro per preference share and 1.904 euro per ordinary share be distributed for the fiscal year 2024. This is equivalent to a total distribution of around 584 million euro.

Although it has become apparent in the first half of the year that the macroeconomic and political environment will remain challenging in the full year 2025, we continue to see considerable potential for value growth in our company. And it is precisely with this conviction that we are consistently pursuing our investment and diversification strategy in the current fiscal year.

To conclude, I would like to explain two of the resolutions proposed to today's annual general meeting in more detail. To enhance our ability to create maximum value in every situation, the board of management and supervisory board will propose to the annual general meeting that the range of instruments in the capital

allocation strategy be expanded. This increases Porsche SE's scope for action and provides it with the utmost flexibility. It is important to note that the resolutions submitted for approval provide for a five-year authorization period.

With regard to the individual resolutions proposed:

The board of management and supervisory board propose to the annual general meeting that the board of management be authorized to acquire own preference shares of up to 5% of the share capital. This would give Porsche SE another instrument that would significantly increase its flexibility in capital allocation in the coming years.

In order to give the company scope for action in the future to flexibly raise equity, the board of management and supervisory board will also propose to the annual general meeting that authorized capital be created. The authorized capital will account for 20% of the share capital and will enable the issue of new ordinary shares and new non-voting preference shares.

The proposed resolutions are detailed in items 9 and 10 of the agenda for today's annual general meeting. We will put them to the vote later.

That's it from me. Thank you for listening and I hope you enjoy the rest of the annual general meeting.