

Speech

by Hans Dieter Pötsch

Chairman of the board of management of Porsche Automobil Holding SE

Annual press and analyst conference, which is taking place as a conference call,
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Check against delivery

Ladies and gentlemen,

I would like to warmly welcome you to the annual press and analyst conference of Porsche SE, too. 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.

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. He will be more than happy to answer your questions after my speech, as will my two other colleagues on the board of management Dr. Manfred Döss and Lutz Meschke.

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 core 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 is demonstrating 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.

Last July, Volkswagen also presented the NEW AUTO strategy. The aim of this strategy is the transformation into a sustainable and software-driven mobility provider by 2030. Less than a year later, Volkswagen considers itself already on the right track with the four strategic platforms of NEW AUTO.

- With the **mechatronics platform**, the current modular electric drive toolkit has come a step closer to reaching the goal of becoming the industry standard for e-mobility.
- The **software platform** was strengthened with new members of the CARIAD management team. For the next growth phase, CARIAD is focusing even more strongly on organic growth and M&As.
- The third platform focuses on **battery & charging**. As charging is a fundamental requirement of e-mobility, the Volkswagen Group is working on a charging network covering the whole of Europe, the USA and China.
- Establishing a leading **platform for mobility solutions** is the fourth and last cornerstone of the NEW AUTO strategy. In the past year, the Volkswagen Group together with partners submitted a takeover offer for Europcar as a key element of this platform. Volkswagen expects to complete the transaction in the second quarter.

A further 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 last month.

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 Volkswagen Group.

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

With the stake in Porsche AG, Porsche SE would 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.

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 99.2 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.

In this context, I want to make one thing very clear: Volkswagen is and will remain Porsche SE's core investment. We continue to see ourselves as a long-term anchor shareholder in Volkswagen AG. A direct investment in Porsche AG would not change this.

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's 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 has 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 has developed very positively this past year. Revenues increased by 8 percent compared to the prior fiscal year, with PTV's operating result of 14 million euro 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 PTV transaction has also had a structural impact on the financial statements of Porsche SE. Until 30 September 2021, the business of PTV had formed the segment "Intelligent Transport Systems". With the further development of our reporting along the investment strategy of Porsche SE, we will from now on

distinguish between the two segments I have just described, “core investment” and “portfolio investments”.

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 the US, more than 150,000 Econolite controllers are installed at over 57,000 intersections. In addition, more than 400 traffic agencies use the company’s traffic management software. This makes Econolite the leading provider of traffic management solutions in North America. In combination with the software products of PTV, this creates a global and technologically leading provider of future-oriented mobility solutions.

The further development of PTV and the acquisition of Econolite, which we implemented together with Bridgepoint, represent a major component of our strategy in the segment of portfolio investments: the cooperation with strong partners and co-investors. We will continue to expand these even 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. AEVA and Markforged are good examples of the successful implementation of our investment strategy in the area of portfolio investments.

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.

We are convinced that affordable and flexible access to space will enable a large number of new business models in various industry sectors. This includes the satellite-based monitoring of infrastructure and industrial facilities as well as mobile connectivity services, for example in automotive applications.

In Isar Aerospace, we have invested in a company that is best positioned to establishing itself as a leading private-sector manufacturer of launch vehicles in Europe. Just recently, Isar Aerospace has received an award for cost-efficient transportation to space from the European Commission for the development of its Spectrum rockets.

- 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.

Due to rapid technological advances and the ever-increasing demands on new generations of semi-conductors, we see an enormous market potential for the technology of proteanTecs.

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 oral hearing is scheduled for 28 April.

Porsche SE is also facing investor lawsuits in connection with the diesel issue of Volkswagen AG. A total of 204 proceedings are pending before the Regional Court of Stuttgart, three proceedings before the Higher Regional Court of Stuttgart and 24 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. With regard to the appeal filed by the plaintiffs concerned, the Higher

Regional Court of Stuttgart has indicated that it considers the appeal to be clearly without merit and has advised the plaintiffs to withdraw the appeal.

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.

Ladies and gentlemen,

Please allow me to briefly summarize:

- This past fiscal year was very successful for Porsche SE. Despite ongoing negative effects from the Covid-19 pandemic, we generated a group result after tax of 4.6 billion euro, thereby increasing our group result significantly.
- Despite the challenges posed by the semiconductor shortage, the Volkswagen Group generated revenue of 250.2 billion euro. The result after tax grew by 74.8 percent to 15.4 billion euro. The e-offensive also continued to gain traction. We at Porsche SE continue to see the Volkswagen Group's enormous potential for increasing value.

- This past month, Porsche SE and Volkswagen AG entered into a cornerstone agreement regarding a possible IPO of Porsche AG. We are convinced that an IPO of Porsche AG could create an attractive valuation perspective for Volkswagen AG. Porsche SE itself would acquire a second core investment, which would result in a diversification of the dividend inflow.
- Porsche SE has sharpened its investment strategy and expanded its investment activities. A major component of this is working together with strong partners and co-investors. We receive around 240 million euro from Bridgepoint's investment in PTV, which we aim to reinvest.
- As for the legal proceedings, only a few hearings were held in the past fiscal year due to the Covid-19 pandemic, among other things. Overall, we are convinced that the lawsuits brought against our company are without merit and in some cases also inadmissible.

Ladies and gentlemen,

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

Porsche SE expects a group result after tax of between 4.1 and 6.1 billion euro. We also aim to achieve positive net liquidity as of 31 December 2022. This is expected to be between 0.6 and 1.1 billion euro, not taking future investments and divestitures into account.

One more point with regards 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 level of uncertainty.

Let me move on to our dividend. As in prior years, the board of management would like the shareholders to share in our company's success. We therefore propose that a dividend 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 for the fiscal year 2021. This results in a payout of around 783 million euro, up 16 percent on the prior-year amount.

With no doubt, you will have noticed that the total payout is significantly lower than the calculated amount which corresponds to our shareholding. This is due to the fact that, in light of the legal changes regarding the settlement of taxes, the dividend payment of Volkswagen AG is initially subject to a direct tax deduction of 26.375 percent. This comprises the tax on investment income and the solidarity surcharge. These directly withheld taxes will only lead to corresponding tax refunds for Porsche SE in a subsequent year.

To conclude, I would like to inform you about our annual general meeting. It will take place in virtual form on 13 May 2022. We will publish the invitation within the next few days. We decided to hold the annual general meeting in virtual form due to the uncertainties of how the pandemic would develop.

Incidentally, Porsche SE supports legislative reform plans to introduce virtual annual general meetings as a permanent possibility.

I will now hand over to Dr. Bamler and Mr. Gaube, who will host the Q&A session.