PORSCHE SE

Annual Report

2024

Adjusted group result after tax for FY 2024

€ 3,151 million

(2023: € 5,074 million)

Group net debt as of 31 December 2024

€ 5,160 million

(2023: € 5,717 million)

Result after tax for FY 2024

€ –20,017 million

(2023: € 5,074 million)

Dividend received for FY 2024

€ 1,703 million

(2023: € 1,529 million)

Dividend paid for FY 2024

€ 783 million

(2023: € 783 million)

Dividend per preference share for FY 2024 (Proposal)

€ 1.910

(2023: € 2.560)

Net asset value as of 31 December 2024

€ 17,019 million

(2023: € 23,240 million)

Holding discount as of 31 December 2024

35%

(2023: 39%)

Loan-to-value as of 31 December 2024

23.3%

(2023: 19.7%)

Adjusted group result after tax, group net dept, net asset value, holding discount and loan-to-value are defined in the glossary.

PORSCHE AUTOMOBIL HOLDING SE

Core investments

Stake of ordinary shares: 53.3 %
Stake of subscribed capital: 31.9 %

VOLKSWAGEN GROUP

Stake of ordinary shares: 25 % plus one ordinary share
Stake of subscribed capital: 12.5 %

PORSCHE

Portfolio investments

European Transport Solutions S.à r.l.

Stake of subscribed capital: 35.5 %

umovity – Mobility for Humanity
PTV LOGISTICS

ABB E-mobility
AEVA
AURORALABS

celestial AI
DTCP Growth Equity III
ETHERNOVIA
EQT FUTURE

FLIX
INCHARGE CAPITAL PARTNERS
INRIX

isar aerospace
proteanTecs
QUANTUM MOTION
QUANTUM SYSTEMS

SEURAT
waabi
XANADU

Status 31 December 2024

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To our investors

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To our investors

Letter to our shareholders

Hans Dieter Pötsch
Chairman of the board of management

Dear shareholders,

The European automotive industry faced major challenges in the fiscal year 2024. The core investments of Porsche SE, Volkswagen AG and Porsche AG, had to contend with increasingly difficult economic and political conditions, in particular the intensifying competitive situation in the automotive sector, market developments in China, the slower ramp-up of electromobility and further rising geopolitical tensions and protectionist tendencies.

This also had an impact on Porsche SE. The group result after tax of Porsche SE for the fiscal year 2024 amounted to minus 20.0 billion euro (prior year: 5.1 billion euro). It was significantly influenced by the non-cash 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. The impairment losses recognized have no impact on Porsche SE’s liquidity or net debt. Adjusted for the impairment effects on the two core investments, Porsche SE generated a profit. This is shown by the adjusted group result after tax of 3.2 billion euro compared to 5.1 billion euro in the prior year. The adjusted group result after tax was significantly influenced by the result from the ongoing at equity accounting of shares in Volkswagen of 3.0 billion euro (prior year: 4.8 billion euro) and the result from the ongoing at equity accounting of shares in Porsche AG of 0.5 billion euro (prior year: 0.4 billion euro).

From Porsche SE’s perspective, our core investments need to focus on competitiveness, profitability and the sustainable implementation of their strategic future programs. Against this backdrop, we 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. The measures that have been negotiated are necessary and right. They must now be rigorously implemented.

At the same time, Porsche SE is determined to continue on its path to becoming a diversified investment platform. We continuously review promising investment opportunities, both in portfolio investments and in the segment of potential new core investments. In the fiscal year 2024, we successfully established investments in Flix SE, Waabi and Quantum Systems. We also founded the joint venture Incharge Capital Partners together with the investment company DTCP. The investment focus of the fund jointly launched is on software companies in the field of connected mobility.

Our investment activities are based on robust financial management and our successful refinancing measures provide the necessary financial headroom. In April 2024, 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's financial position is very solid and its financial strength is high. This is reflected in the group's net debt, which we continued to decrease 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.

For the fiscal year 2025, we 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 the group's net debt to be between 4.9 billion euro and 5.4 billion euro as of 31 December 2025.

We will ensure that you, our shareholders, participate in the financial development of Porsche SE in the fiscal year 2024 in the usual reliable and appropriate manner. The board of management and supervisory board therefore propose a dividend for the fiscal year of 1.91 euro per preference share (prior year: 2.56 euro) and 1.904 euro per ordinary share (prior year: 2.554 euro). The decrease in the proposed dividend compared to the prior year's dividend is mainly due to the expected lower dividend inflow from Volkswagen AG.

Dear shareholders,

It is already becoming apparent that the macroeconomic and political conditions will remain challenging in 2025. We nevertheless believe that Porsche SE is well positioned to be successful in this environment. And we continue to count on your trust and support.

Hans Dieter Pötsch

Board of management

Hans Dieter Pötsch | Chairman of the board of management

Dr. Manfred Döss | Legal affairs and compliance

Dr. Johannes Lattwein | Finance and IT

Lutz Meschke | Investment management

Porsche SE on the capital market

Development on the international stock markets and indices

The stock market year 2024 was largely influenced by three main factors: the monetary policies taken by central banks, the ongoing geopolitical tensions – particularly in the Middle East and Ukraine – and the election of Donald Trump as the new President of the United States.

The international stock markets posted strong gains overall. The technology sector in particular benefited from continued strong demand for innovative technologies, especially in the field of artificial intelligence. Companies in this sector continued to develop positively.

Development of the Porsche SE preference share price 2020 to 2024
(Indexed to 31 December 2019)

A key factor was the expectation that the US Federal Reserve could ease its interest rate policy further in view of falling inflation. This boosted confidence in the markets. At the same time, geopolitical tensions, particularly in the Middle East, led to short-term market volatility, although this largely stabilized over the course of the year.

As of the end of 2024, the expectation of economic policy reforms under the future Trump administration, including tax relief and deregulation, gained in importance and contributed to the positive market trend.

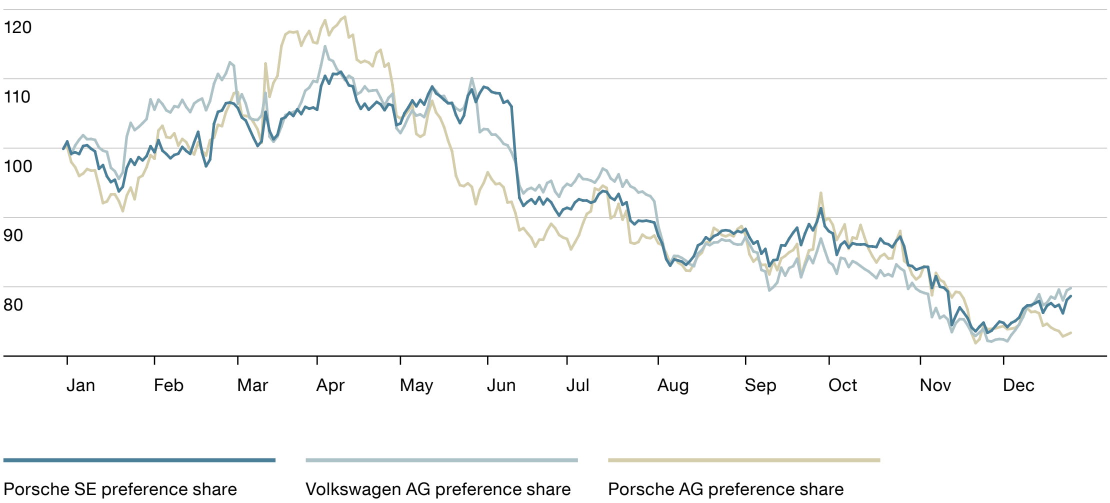
The German share index (DAX) started 2024 with a strong performance, reaching a high of 18,869.36 points on 15 May 2024. However, this was followed by a correction to a low of 17,354.32 points on 6 August. From then on, the DAX recovered and continued its upward trend, ultimately reaching its annual and historic all-time high of 20,426.27 points in December. The DAX closed the year at 19,909.14 points, an increase of around 19% compared to the prior-year closing level (16,751.64 points).

The Euro Stoxx 50 closed 2024 at 4,895.98 points, an increase of around 8% compared to the closing price for 2023 (4,521.65 points). The annual high of 5,100.90 points was recorded on 15 May 2024. The annual low of 4,403.08 points was recorded on 17 January 2024.

The Porsche SE preference share reached its annual high of €51.54 on 10 April 2024, and its annual low of €33.86 on 26 November 2024. The share price rebounded in December, rising by around 7%. As of year-end, it stood at €36.35, down 22% compared to the prior year (€46.32).

Development of the Porsche SE preference share price 2024

(Indexed to 31 December 2023)



Porsche SE preference share: basic data

ISIN	DE000PAH0038
WKN	PAH003
Stock codes	PSHG_p.DE, PAH3:GR
Stock exchange	All German Stock exchanges
Trading segment	General Standard
Sector	Automotive
Key indices	DAX, CDAX, General All Share, MSCI Euro Index, STOXX Europe 600 Index, STOXX All Europe 800, EURO STOXX Auto & Parts
Subscribed capital	€306,250,000
Denomination	153,125,000 ordinary and preference shares respectively
Class of shares	No-par value bearer shares

Porsche SE share key figures

		2024	2023	2022	2021	2020
Closing price[1,2]	€	36.35	46.32	51.24	83.44	56.40
Annual high[1,2]	€	51.54	59.76	94.94	101.20	69.86
Annual low[1,2]	€	33.86	42.15	50.20	54.98	30.27
Number of ordinary shares issued (31 December)		153,125,000	153,125,000	153,125,000	153,125,000	153,125,000
Number of preference shares issued (31 December)		153,125,000	153,125,000	153,125,000	153,125,000	153,125,000
Market capitalization (31 December)[3]	€	11,132,187,500	14,185,500,000	15,692,250,000	25,553,500,000	17,272,500,000
Earnings per ordinary share[4]	€	– 65.36	16.57[6]	17.62[6]	14.90	8.59
Earnings per preference share[4]	€	– 65.36	16.57[6]	17.62[6]	14.90	8.59
Adjusted earnings per ordinary share[4,5]	€	10.29	16.57[6]	15.66[6]	14.90	8.15
Adjusted earnings per preference share[4,5]	€	10.29	16.57[6]	16.00[6]	14.90	8.16
Dividend per ordinary share	€	1.904[7]	2.554	2.554	2.554	2.204
Dividend per preference share	€	1.910[7]	2.560	2.560	2.560	2.210
Dividend distributions	€	584,018,750	783,081,250	783,081,250	783,081,250	675,893,750
Dividend distributions per ordinary share	€	291,550,000	391,081,250	391,081,250	391,081,250	337,487,500
Dividend distributions per preference share	€	292,468,750	392,000,000	392,000,000	392,000,000	338,406,250
Dividend yield[8]	%	5.25	5.53	4.99	3.07	3.92

1 Preference share in Xetra trading
2 Based on the closing price
3 Assuming ordinary shares are valued at the market price of the preference shares
4 From continuing operations, basic and diluted
5 For the definition see glossary
6 Adjusted
7 Proposal to the annual general meeting of Porsche SE
8 Calculation basis for the preference shares corresponds to the Xetra year-end closing price

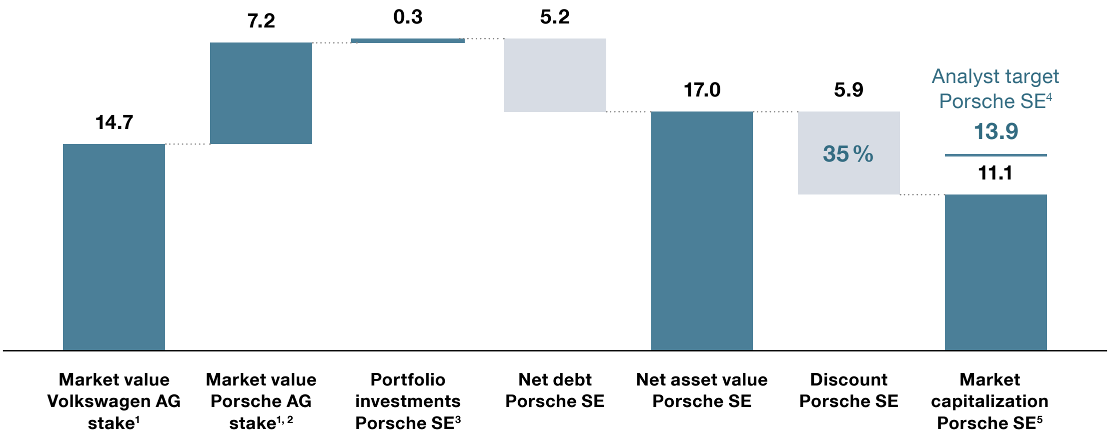
Net asset value and market capitalization of Porsche SE

The net asset value forms an important basis for the valuation of holding companies (see glossary). This is the sum of the market values of all investments less net debt.

Holding companies such as Porsche SE are generally valued slightly lower by the capital market than the sum of their investments. This is referred to as the holding discount (see glossary). The holding discount of Porsche SE is calculated as the difference between its net asset value and its current market capitalization.

As of 31 December 2024, the net asset value of Porsche SE amounted to around €17 billion. The market capitalization of Porsche SE at the end of the year was around €11 billion. This equates to a holding discount of around 35 percent. This gives investors the opportunity to invest in attractive assets via Porsche SE at a discount.

Porsche SE shares were traded at a 35 percent discount to net asset value as of 31 December 2024
(€ billion)



Share prices as of 31 December 2024, Volkswagen AG ordinary shares €92.15, Volkswagen AG preference shares €89.04, Porsche AG preference shares €58.42, Porsche SE preference shares €36.35
Net debt and portfolio investments as of 31 December 2024

[1] Porsche SE share of capital: Volkswagen AG 31.9 %; Porsche AG 12.5 %
[2] Share price ordinary shares = Share price preference share incl. 7.5 % premium
[3] Valued at IFRS consolidated book values
[4] Based on €45.50 median target price by 14 analysts
[5] Ordinary shares valued at the stock price of the preference shares

Annual general meeting 2024

Porsche SE's annual general meeting was held virtually on 11 June 2024. The shareholders resolved to distribute a dividend of €2.56 per preference share and of €2.554 per ordinary share for the fiscal year 2023. Unchanged compared to the prior year, this represents a total payout of €783 million.

The shareholders also reelected current supervisory board member Prof. KR Ing. Siegfried Wolf for a further term of office on the supervisory board of Porsche SE.

The members of the board of management and those of the supervisory board holding office in the fiscal year 2023 were exonerated.

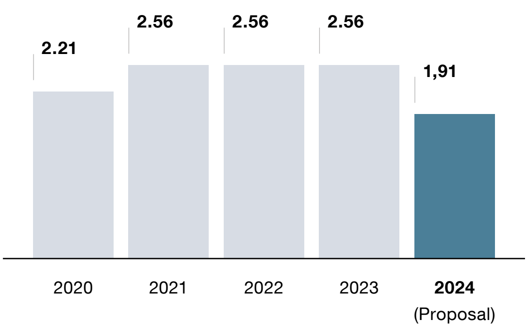
Dividend

The board of management of Porsche SE enables shareholders to participate appropriately in the financial development of the company via the dividend. For the fiscal year 2024, the board of management and supervisory board propose to the annual general meeting that a dividend of €1.91 per share be distributed to the holders of preference shares and of €1.904 per share to the holders of ordinary shares.

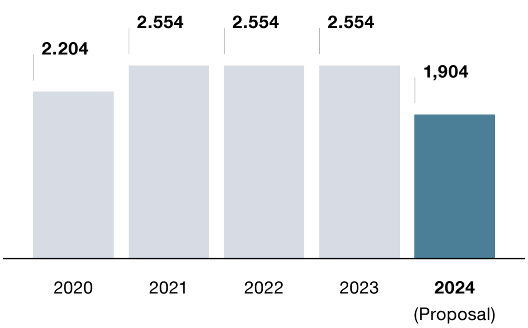
This is equivalent to a total distribution of €584 million. The annual general meeting, which will take place on 23 May 2025, will decide on the dividend proposal.

Dividend of Porsche SE

Dividend per preference share
(€)



Dividend per ordinary share
(€)



Porsche SE is a reliable dividend payer

Shareholder structure as of 31 December 2024

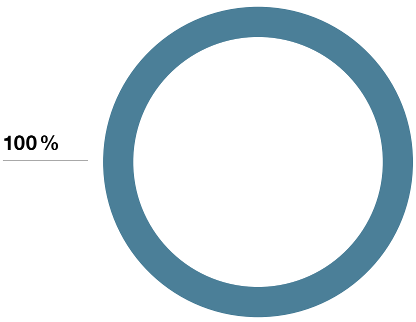
Porsche SE's subscribed capital in the form of no-par value bearer shares comprises 153,125,000 ordinary shares and 153,125,000 non-voting preference shares, each share arithmetically representing a 1 euro notional value of the share capital.

According to the information available to Porsche SE, the ordinary shares are indirectly held exclusively by members of the Porsche and Piëch families. Just under half of the preference shares are held by institutional investors – mainly with a principal office outside Germany.

The further free float preference shares are mainly distributed between private investors.

Shareholder structure of Porsche SE

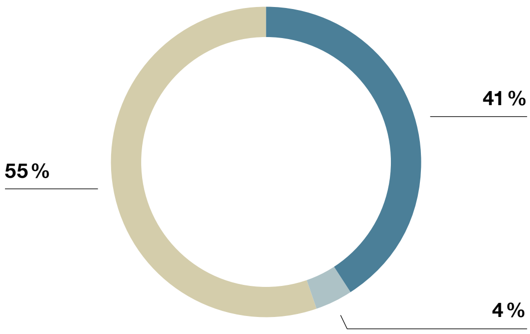
Ordinary shares



Ordinary shares

According to the information available to Porsche SE, the ordinary shares are indirectly held exclusively by members of the Porsche and Piëch families.

Preference shares[1]



Institutional investors abroad

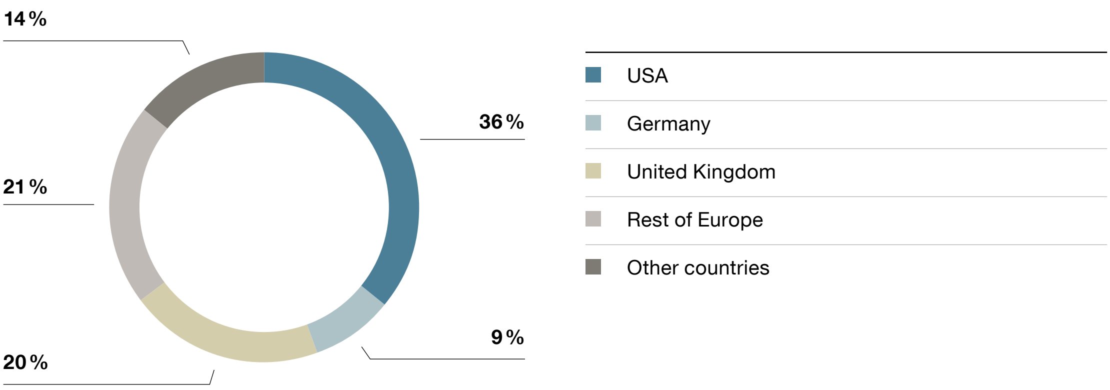
Institutional investors domestic

Retail investors / Others

[1] Based on all identifiable shareholders

As of 31 December 2024

Geographical distribution of institutional investors[1]



[1] Based on all identifiable shareholders

As of 31 December 2024

Capital market communication

Over the course of the fiscal year 2024, the board of management and the investor relations department of Porsche SE continued to maintain intensive communication relationships with capital market participants. Porsche SE is committed to comprehensive, prompt and open communication with analysts as well as private and institutional investors. Porsche SE's investor relations work therefore complies with the transparency guidelines of the German Corporate Governance Code. It is particularly important to Porsche SE to treat all shareholders equally.

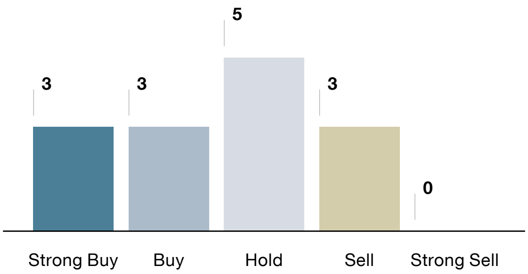
Accordingly, communication with the capital market in 2024 took place in virtual formats and through face-to-face meetings on site. Communication with private investors took place primarily by telephone and via digital channels.

The assessments of financial analysts are of great importance for both institutional and private investors when it comes to investment decisions. By the end of the fiscal year on 31 December 2024, six analysts had issued a positive assessment of Porsche SE, with three analysts issuing a strong buy recommendation and three others a buy recommendation. Five analysts adopted a neutral position with a hold recommendation. Three analysts issued a sell recommendation.

The primary goal of the investor relations activities of Porsche SE is to provide market participants on the equity and debt side, as well as other stakeholders, with comprehensive information on the latest business developments and the corporate, financial and investment strategy.

ESG aspects (environmental, social, governance) are crucial for investor relations activities. For instance, Porsche SE does not produce a printed version of its annual report for sustainability reasons. In this context, reference is made in particular to the chapter "Sustainability at Porsche SE Group" in the annual report for the fiscal year 2024.

Analyst recommendations

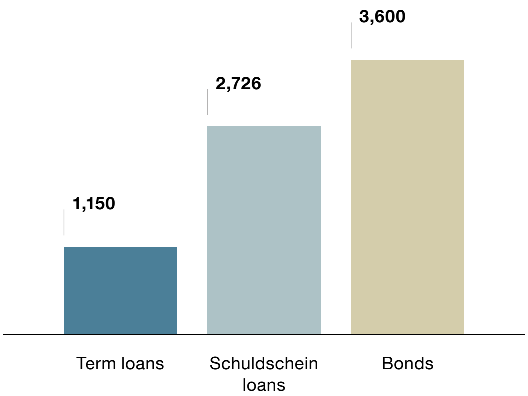


As of 31 December 2024

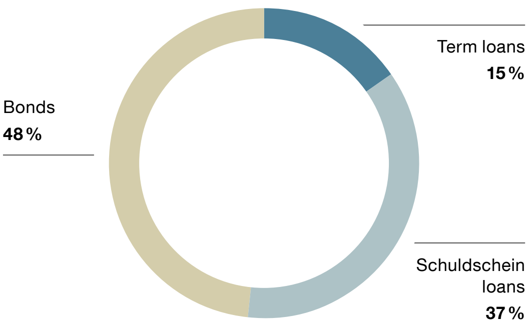
Debt financing

Financial structure of Porsche SE as of 31 December 2024

Nominal volume
(€ million)



Relative distribution of financing instruments



Acquisition financing for the purchase of shares in Porsche AG

On 18 September 2022, Porsche SE entered into a financing agreement with an international banking syndicate for a total volume of up to €8.9 billion to finance the acquisition of 25% plus one share of the ordinary shares of Porsche AG. At the end of the fiscal year 2024, following successful refinancing, liabilities from bank loans of €1.2 billion with a term until 2027 remain from this original acquisition financing. In addition to this, the financing agreement contains an undrawn revolving credit facility of €1.0 billion. This was extended in the fiscal year 2024 prematurely by one more year until 17 September 2027.

Refinancing in the fiscal year 2024

Porsche SE continues to have institutionalized access to the bond market for financing purposes via a bond program with a volume of €5 billion. In the fiscal year 2024, Porsche SE again successfully placed two bonds with a total volume of €1.6 billion under this program.

With its bonds, Porsche SE addresses a wide range of potential investors, including banks, insurance companies, pension funds, asset managers and investment funds. Thanks to the €1,000 denomination of the bonds, private investors can also invest in the bonds of Porsche SE. They are admitted to trading on the Luxembourg Stock Exchange but are also listed on other stock exchanges.

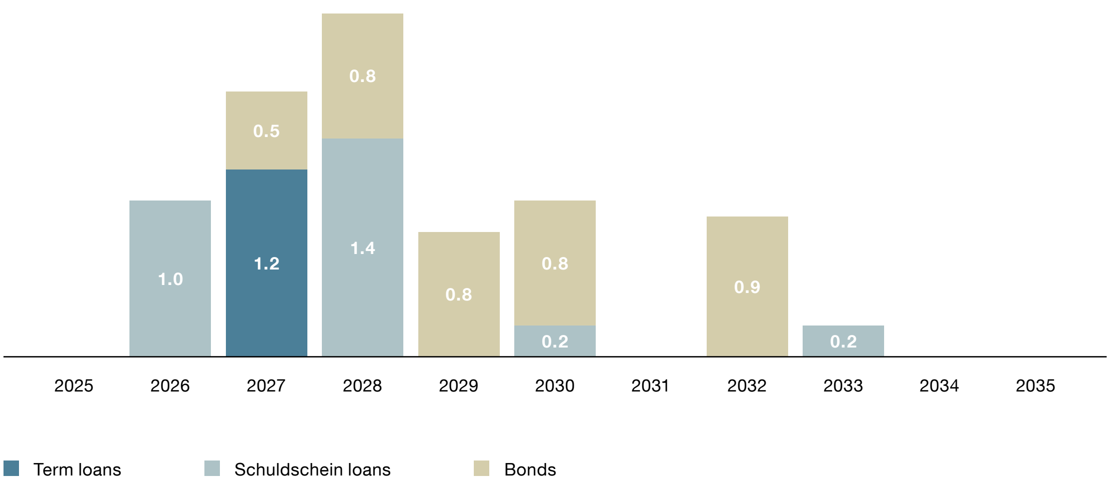
The following bonds were outstanding as of the reporting date:

Notional amount	Coupon	Maturity date	ISIN
€750 million	4.500 %	27.04.2023 – 27.09.2028	XS2615940215
€500 million	4.125 %	04.07.2023 – 27.09.2027	XS2643320018
€750 million	4.250 %	04.07.2023 – 27.09.2030	XS2643320109
€750 million	3.750 %	16.04.2024 – 27.09.2029	XS2802891833
€850 million	4.125 %	16.04.2024 – 27.09.2032	XS2802892054

Financing instruments and maturity profile

The financing profile of Porsche SE is characterized by a balanced ratio of financing instruments. The maturity profile is balanced, with a first maturity in 2026.

Maturity profile as of 31 December 2024
(€ billion)



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Corporate governance

2

Corporate Governance

Company boards of Porsche SE and their appointments

Members of the supervisory board

Dr. Wolfgang Porsche
Chairman

Chairman of the supervisory board of Dr. Ing. h.c. F. Porsche AG

Appointments:
- ● AUDI AG, Ingolstadt
- ● Dr. Ing. h.c. F. Porsche AG, Stuttgart (chairman)[1]
- ● Volkswagen AG, Wolfsburg[1]
- o Familie Porsche AG Beteiligungsgesellschaft, Salzburg (chairman)
- o Porsche Holding Gesellschaft m.b.H., Salzburg
- o Schmittenhöhebahn AG, Zell am See (until 23 May 2024)

Dr. Hans Michel Piëch
Deputy chairman

Member of the supervisory board of Volkswagen AG

Appointments:
- ● AUDI AG, Ingolstadt
- ● Dr. Ing. h.c. F. Porsche AG, Stuttgart[1]
- ● Volkswagen AG, Wolfsburg[1]
- o Porsche Holding Gesellschaft m.b.H., Salzburg
- o Schmittenhöhebahn AG, Zell am See

● Membership in German statutory supervisory boards
o Comparable appointments in Germany and abroad
[1] Listed company

All appointments are outside the Group.

Appointments as of 31 December 2024, unless otherwise stated

Prof. Dr. Ulrich Lehner

Member of the supervisory board of
Porsche Automobil Holding SE

Dr. Ferdinand Oliver Porsche

Member of the board of management of
Familie Porsche AG Beteiligungsgesellschaft

Appointments:
- ● AUDI AG, Ingolstadt
- ● Dr. Ing. h.c. F. Porsche AG, Stuttgart[1]
- ● Volkswagen AG, Wolfsburg[1]
- o Porsche Holding Gesellschaft m.b.H., Salzburg
- o Porsche Lifestyle GmbH & Co. KG, Ludwigsburg

Mag. Josef Michael Ahorner

Member of the supervisory board of AUDI AG

Appointments:
- ● AUDI AG, Ingolstadt
- o Automobili Lamborghini S.p.A., Sant'Agata Bolognese

Mag. (FH) Marianne Heiß

Member of the supervisory board of Volkswagen AG

Appointments:
- ● AUDI AG, Ingolstadt
- ● Flix SE, Munich (until 7 October 2024)
- ● Volkswagen AG, Wolfsburg[1]
- o Alfred Ritter GmbH & Co. KG, Waldenbuch (since 20 January 2025)
- o Paysafe Limited, London[1] (since 24 September 2024)

Dr. Günther Horvath

Managing director and self-employed attorney
at Dr. Günther J. Horvath Rechtsanwalt GmbH

Appointments:
- ● Volkswagen AG, Wolfsburg[1]

Sophie Piëch

Managing director at Dr. Hans Michel Piëch GmbH

Appointments:
- o Porsche Holding Gesellschaft m.b.H., Salzburg

● Membership in German statutory supervisory boards
o Comparable appointments in Germany and abroad
[1] Listed company

All appointments are outside the Group.

Appointments as of 31 December 2024, unless otherwise stated

Peter Daniell Porsche

Member of the supervisory board of Porsche Automobil Holding SE as well as member of additional control bodies of domestic and foreign commercial enterprises

Appointments:
- o Porsche Holding Gesellschaft m.b.H., Salzburg
- o Porsche Lifestyle GmbH & Co. KG, Ludwigsburg
- o ŠKODA AUTO a.s., Mladá Boleslav

Prof. TU Graz e.h. KR Ing. Siegfried Wolf

Member of the supervisory board of Schaeffler AG as well as member of additional control bodies of domestic and foreign commercial enterprises

Appointments:
- ● Schaeffler AG, Herzogenaurach[1]
- ● Vitesco Technologies Group AG, Regensburg (chairman)[1] (until 1 October 2024)
- o MIBA AG, Mitterbauer Beteiligungs AG, Laakirchen (in accordance with Sec. 28a (5) No. 5 Austrian Banking Act a position on the supervisory board)
- o Steyr Automotive GmbH, Steyr (chairman)

● Membership in German statutory supervisory boards
o Comparable appointments in Germany and abroad
[1] Listed company

All appointments are outside the Group.

Appointments as of 31 December 2024, unless otherwise stated

List of all committees of the supervisory board of Porsche Automobil Holding SE and their members in the fiscal year 2024

Executive committee:

- Dr. Wolfgang Porsche (chairman)
- Dr. Hans Michel Piëch
- Dr. Ferdinand Oliver Porsche

Audit committee:

- Prof. Dr. Ulrich Lehner (chairman)
- Dr. Hans Michel Piëch
- Dr. Ferdinand Oliver Porsche

Nominations committee:

- Dr. Wolfgang Porsche (chairman)
- Dr. Hans Michel Piëch
- Dr. Ferdinand Oliver Porsche

Members of the board of management

Hans Dieter Pötsch

Chairman of the board of management
of Porsche Automobil Holding SE

Chairman of the supervisory board
of Volkswagen AG

Appointments:
- ● AUDI AG, Ingolstadt
- ● Bertelsmann Management SE, Gütersloh
- ● Bertelsmann SE & Co. KGaA, Gütersloh
- ● Dr. Ing. h.c. F. Porsche AG, Stuttgart[1]
- ● TRATON SE, Munich (chairman)[1]
- ● Volkswagen AG, Wolfsburg (chairman)[1]
- ● Wolfsburg AG, Wolfsburg
- o Autostadt GmbH, Wolfsburg
- o Porsche Austria Gesellschaft m.b.H., Salzburg (chairman)
- o Porsche Holding Gesellschaft m.b.H., Salzburg (chairman)
- o Porsche Retail GmbH, Salzburg (chairman)
- o VfL Wolfsburg-Fußball GmbH, Wolfsburg (deputy chairman)

Dr. Manfred Döss

Member of the board of management
responsible for legal affairs and compliance
of Porsche Automobil Holding SE

Member of the board of management responsible
for integrity and legal affairs of Volkswagen AG

Appointments:
- ● AUDI AG, Ingolstadt (chairman)
- ● TRATON SE, Munich[1]
- o Grizzlys Wolfsburg GmbH, Wolfsburg

● Membership in German statutory supervisory boards
o Comparable appointments in Germany and abroad
[1] Listed company

All appointments are outside the Group.

Appointments as of 31 December 2024

Dr. Johannes Lattwein

Member of the board of management
responsible for finance and IT
of Porsche Automobil Holding SE

Appointments:
- o European Transport Solutions S.à r.l., Luxembourg
- o Incharge Capital Partners GmbH, Hamburg (since 19 March 2024)
- o Vanudis GmbH, Heidelberg (since 27 March 2024)

Lutz Meschke

Member of the board of management
responsible for investment management
of Porsche Automobil Holding SE

Deputy chairman of the board of management and member of the board of management responsible for finance and IT of Dr. Ing. h.c. F. Porsche AG

Appointments:
- ● Porsche Leipzig GmbH, Leipzig
- ● VfB Stuttgart 1893 AG, Stuttgart (since 7 February 2024) (deputy chairman since 27 September 2024)
- o European Transport Solutions S.à r.l., Luxembourg
- o Incharge Capital Partners GmbH, Hamburg (since 19 March 2024)
- o MHP Management und IT-Beratung GmbH, Ludwigsburg (chairman)
- o Porsche Consulting GmbH, Bietigheim-Bissingen (chairman)
- o Porsche Deutschland GmbH, Bietigheim-Bissingen
- o Porsche Digital GmbH, Ludwigsburg
- o Porsche eBike Performance GmbH, Ottobrunn (chairman)
- o Porsche Engineering Group GmbH, Weissach
- o Porsche Engineering Services GmbH, Bietigheim-Bissingen
- o Porsche Enterprises Inc., Atlanta
- o Porsche Financial Services GmbH, Bietigheim-Bissingen (chairman)
- o Porsche Investment Management S.A., Luxembourg (chairman)
- o Porsche Lifestyle GmbH & Co. KG, Ludwigsburg (chairman)
- o Rimac Group d.o.o., Sveta Nedelja

● Membership in German statutory supervisory boards
o Comparable appointments in Germany and abroad
[1] Listed company

All appointments are outside the Group.

Appointments as of 31 December 2024

Report of the supervisory board

Dr. Wolfgang Porsche
Chairman of the supervisory board

Ladies and gentleman,

Porsche Automobil Holding SE, Stuttgart (“Porsche SE”), is a holding company with investments in the areas of mobility and industrial technology, whose preference shares are listed on the German stock exchange index (DAX).

The corporate and investment strategy of Porsche SE aims to create sustainable value for its shareholders while maintaining a balanced risk/return profile. In addition to actively managing its existing investments, Porsche SE makes targeted investments to grow and diversify its portfolio. In the long term, it therefore intends to expand these investment activities and to further develop its existing investment platform in order to position Porsche SE as a renowned global investment platform as well as a partner of choice for investment partners.

As core investments, Porsche SE holds the majority of the ordinary shares in Volkswagen Aktiengesellschaft, Wolfsburg (“Volkswagen AG”), and 25% plus one share of the ordinary shares in Dr. Ing. h.c. F. Porsche AG, Stuttgart (“Porsche AG”). Porsche SE sees itself as a long-term oriented anchor investor in Volkswagen AG and Porsche AG. Volkswagen AG and Porsche AG had to contend with increasingly difficult economic and political conditions, in particular the intensifying competitive situation in the automotive sector, market developments in China, the slower ramp-up of electromobility and further rising geopolitical tensions and protectionist tendencies. As a result, the consolidated financial statements of Porsche SE reported 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. Regardless of this, Porsche SE continues to support Volkswagen AG and Porsche AG in achieving their strategic goals and remains convinced of the potential for increasing the value of its core investments in the long term.

As portfolio investments, Porsche SE holds non-controlling interests in more than ten technology companies based in North America, Europe and Israel. Investments in private equity and venture capital funds are also allocated to this category.

Tasks of the supervisory board

Pursuant to the articles of association, the supervisory board has ten members (shareholder representatives) to be appointed by the annual general meeting. The composition of the supervisory board can be found in the section “Company boards of Porsche SE and their appointments” of the annual report of Porsche SE.

In the fiscal year 2024, the supervisory board of Porsche SE performed all the tasks assigned to it by law, the articles of association and rules of procedure for the supervisory board. During the fiscal year 2024, the supervisory board held four ordinary meetings in March, June, September and December. All of the meetings were held in person, with the supervisory board members who were not present on premise participating via video link. Members of the supervisory board who did not attend were excused. There were no extraordinary meetings of the supervisory board in the fiscal year 2024.

Individual resolutions of the supervisory board were passed by way of circular resolutions. Resolutions that were passed included the implementation of Incharge Fund I and the establishment of Porsche Fünfte Beteiligung GmbH and Porsche Sechste Beteiligung GmbH.

Within the framework of its control and advisory responsibilities, the supervisory board was informed in depth about company’s performance during the fiscal year 2024 by means of written reports from the board of management as well as verbally in meetings, and was also involved in all fundamental decisions. Reporting focused on Porsche SE’s economic situation and its investments (in particular Volkswagen AG and Porsche AG), business results, the development of the results of operations, financial position and net assets and the opportunity and risk situation.

The supervisory board also monitored the economic efficiency of the company. Furthermore, the supervisory board reviewed the annual and consolidated financial statements for the fiscal year 2023 each supplemented by the combined management report and group management report (“combined management report”) issued with unqualified auditor’s reports, ratified the 2023 annual financial statements of Porsche SE and approved the 2023 consolidated financial statements of Porsche SE. The supervisory board also reviewed the report on related companies (“dependent company report”) for the fiscal year 2023; here too, no objections were raised.

One focus of the supervisory board’s monitoring activities in the past fiscal year related to the company’s financing strategy. The supervisory board received comprehensive and ongoing reports about the financing measures and approved the update of the existing bond program for a maximum of €5 billion. Under this program, a further bond with a volume of €1.6 billion was issued in April 2024.

The supervisory board also obtained regular reports about the development and status of the various legal disputes (especially the claims for damages concerning the increase of the investment in Volkswagen AG in 2008 and the diesel issue).

The supervisory board also dealt with the impact of the war against Ukraine, price increases on the energy and commodity markets, the limited availability of parts, energy and other raw materials and the decrease in sales in the electromobility segment on the business operations of Porsche SE and its investments, and regularly had the board of management inform it about any developments.

The supervisory board also discussed corporate planning, including the basic planning process and budgeting. Furthermore, the supervisory board also monitored the compliant conduct of business by the board of management. Monitoring also encompassed appropriate measures for risk provisioning and compliance. The supervisory board checked that the board of management carried out the measures for which it is responsible in accordance with Sec. 91 (2) and (3) AktG in an appropriate form, in particular whether the board of management has set up a monitoring system that ensures that any developments jeopardizing the ability of the company to continue as a going concern are identified at an early stage, and whether the board of management has set up internal control and risk management systems that are appropriate and effective with regard to the scope of the business activities and risk situation of the company.

In performing its duties, the supervisory board also took into account ESG aspects (Environmental, Social and Governance), as the supervisory board considers these to be particularly relevant for the business activity of Porsche SE. As the designated ESG expert on the supervisory board, Mag. (FH) Marianne Heiß was in regular contact with the board of management.

As a matter of principle, the members of the supervisory board take responsibility for obtaining the training required for their tasks and are supported in this by Porsche SE. In addition, a training session on combating bribery and corruption was held for the members of the supervisory board of Porsche SE in the fiscal year 2024.

As certain matters are determined by the supervisory board to be subject to its approval, it also discussed in particular the voting behavior of Porsche SE at the annual general meetings of Volkswagen AG and Porsche AG as well as the conclusion of domination and profit and loss transfer agreements between Porsche SE and Porsche Fünfte Beteiligung GmbH and Porsche Sechste Beteiligung GmbH.

Disclosure of attendance at meetings of the entire supervisory board in the fiscal year 2024:

2024	Meeting attendance	Attendance (%)	Type of participation	
			In person	Video
Full supervisory board				
Dr. Wolfgang Porsche (chairman)	4/4	100	3	1
Dr. Hans Michel Piëch (deputy chairman)	4/4	100	3	1
Mag. Josef Michael Ahorner	4/4	100	2	2
Mag. (FH) Marianne Heiß	4/4	100	4	0
Dr. Günther Horvath	3/4	75	3	0
Prof. Dr. Ulrich Lehner	4/4	100	4	0
Sophie Piëch	4/4	100	3	1
Dr. Ferdinand Oliver Porsche	4/4	100	3	1
Peter Daniell Porsche	4/4	100	4	0
Prof. KR Ing. Siegfried Wolf	4/4	100	2	2

Committees

In the fiscal year 2024, the supervisory board established a total of three committees (executive committee, audit committee and nominations committee) to carry out its duties. The committees support the supervisory board and prepare supervisory board resolutions as well as topics for discussion by the entire supervisory board. Moreover, decision-making authority of the supervisory board may be transferred to the individual committees to the extent permitted by law.

The composition of the individual committees of the supervisory board is described in more detail in the section “Company boards of Porsche SE and their appointments” of the annual report and also in the declaration of compliance, as part of the combined management report. In addition, the declaration of compliance is published separately on the company’s website at www.porsche-se.com/en/company/corporate-governance/.

Executive committee

The executive committee decides in urgent cases on business matters requiring the approval of the supervisory board. It also functions as a personnel committee and makes recommendations to the supervisory board on concluding, amending and terminating contracts of employment for members of the board of management. The executive committee is also responsible for preparing supervisory board resolutions and handling topics of discussion that are necessary or appropriate for implementing the investment strategy drawn up by the board of management.

The executive committee prepares resolutions of the supervisory board on the remuneration system for the board of management as well as its regular review. On the recommendation of the executive committee, in the course of the fiscal year 2023, the supervisory board already further developed the then current remuneration system for the members of the board of management of Porsche SE, which had been unanimously approved by the annual general meeting on 23 July 2021 (the “remuneration system 2021”). On 4 December 2023, the supervisory board decided to further develop the remuneration system (the “further developed remuneration system 2024”). The further developed remuneration system 2024 was unanimously approved by the annual general meeting on 11 June 2024. In the fiscal year 2024, the executive committee also discussed the long-term succession planning in the board of management. On 20 March 2025, the supervisory board, in accordance with the recommendation of the executive committee, decided to further develop the remuneration system (the “further developed remuneration system 2025”). The further developed remuneration system 2025 is to be submitted to the annual general meeting of Porsche SE on 23 May 2025 for approval.

In addition, the executive committee drafts a proposal for the amount of each board of management member’s variable remuneration for each full fiscal year, taking into account the respective business and earnings situation and based on the performance of the individual member of the board of management. This proposal is submitted to the supervisory board of Porsche SE for decision. The executive committee is also responsible for the approval of ancillary activities of the board of management members.

Audit committee

The audit committee supports the supervisory board in monitoring the management of the company and deals in particular with reviewing accounting, monitoring the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit and compliance management system, the statutory audit, in particular the selection and independence of the auditor, the quality of the audit and the services additionally rendered by the auditor. In the past fiscal year, the audit committee regularly reviewed whether the risk early warning system in place is suitable for identifying at an early stage any developments jeopardizing the ability of the company to continue as a going concern. It satisfied itself as to the efficiency of the risk management system, including the internal control system, as well as the activities of internal audit and obtained regular reports on these. The audit committee was informed about changes in legal requirements. The audit committee passed its findings on to the entire supervisory board in regular reports.

The audit committee’s review of accounting relates in particular to the annual and consolidated financial statements each supplemented by the combined management report. The audit committee deals with the half-yearly financial report and the group quarterly statements for the supervisory board and discusses them with the board of management and, in the case of the half-yearly financial report, also with the independent auditor. As applicable, the audit committee also focuses on the non-financial group report, the dependent company report and the proposal for profit appropriation and prepares them for review by the supervisory board.

In connection with the audit, the audit committee submits to the supervisory board a recommendation for the appointment of the auditor, which – except in cases where the auditor is reappointed – is prepared following a selection procedure within the meaning of Art. 16 (3) Regulation (EU) No 537/2014, comprises at least two candidates and is explained. On 20 March 2025, the audit committee recommended to the supervisory board that it propose to the annual general meeting, and thus reappoint, Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf (“Grant Thornton AG”), as the auditor for the fiscal year 2025. Before submitting its recommendation to the supervisory board, the audit committee carefully examined the independence of the auditor.

In addition, the audit committee constantly monitors the independence of the auditor and in particular ensures that the auditor’s non-audit services assigned by the board of management do not give rise to any indications of grounds for exclusion or disqualification or that endanger the independence of the auditor. The audit committee is authorized on behalf of the supervisory board to award the audit engagement to the auditor selected by the annual general meeting, to agree on the fee with the auditor and to determine the key topics of the audit. It also examines the key audit matters and regularly assesses the quality of the audit.

Nominations committee

The nominations committee makes recommendations for the supervisory board’s proposals to the annual general meeting concerning the election of supervisory board members.

At the beginning of the fiscal year 2024, the nominations committee discussed the succession planning for supervisory board member Prof. TU Graz e.h. KR Ing. Siegfried Wolf whose term of office ended after the annual general meeting on 11 June 2024. The nominations committee proposed to the supervisory board that Prof. TU Graz e.h. KR Ing. Siegfried Wolf be re-elected due to his many years of service on the supervisory board of Porsche SE, his extensive experience in multiple supervisory bodies and his professional expertise, particularly in the automotive industry as well as the areas of mobility solutions and investment management. The recommendation took into account both the profile of skills and expertise developed for the composition of the supervisory board and the diversity concept pursued by the supervisory board, which aims to represent both genders, an appropriate age structure and various educational and professional backgrounds in the supervisory board.

Committee meetings

The executive committee and the audit committee each held four ordinary meetings in the fiscal year 2024. All of the meetings of the executive committee and audit committee were held in person, with the committee members who were not present on premise participating via video link. The nominations committee held one ordinary meeting in the fiscal year 2024, which took place in person and with the committee members who were not present on premise participating via video link. No committee held extraordinary meetings. The full supervisory board was always informed about the work of all committees.

Disclosure of attendance at meetings of the committees in the fiscal year 2024:

2024	Meeting attendance	Attendance (%)	Type of participation	
			In person	Video
Executive committee				
Dr. Wolfgang Porsche (chairman)	4/4	100	3	1
Dr. Hans Michel Piëch	4/4	100	3	1
Dr. Ferdinand Oliver Porsche	4/4	100	3	1
Audit committee				
Prof. Dr. Ulrich Lehner (chairman)	4/4	100	4	0
Dr. Hans Michel Piëch	4/4	100	1	3
Dr. Ferdinand Oliver Porsche	4/4	100	2	2
Nominations committee				
Dr. Wolfgang Porsche (chairman)	1/1	100	1	0
Dr. Hans Michel Piëch	1/1	100	0	1
Dr. Ferdinand Oliver Porsche	1/1	100	0	1

Cooperation with the board of management

The chairman of the supervisory board and the chairman of the audit committee were in regular contact with the board of management to exchange ideas and information, thus ensuring that they were kept directly informed about significant events and developments of the company and the group.

The supervisory board gave its approval as required for individual transactions, such as in particular the voting behavior of Porsche SE at the annual general meetings of Volkswagen AG and Porsche AG.

Corporate governance

The supervisory board and board of management have repeatedly and intensively discussed the recommendations and suggestions of the German Corporate Governance Code. In December 2024, they submitted the annual declaration on conformity in accordance with Sec. 161 AktG on the recommendations of the German Corporate Governance Code and made it permanently accessible to shareholders on the company's website at www.porsche-se.com/en/company/corporate-governance/. The current declaration on conformity is reproduced in full in the declaration of compliance, as part of the combined management report. In addition, the declaration of compliance is published separately on the company's website at www.porsche-se.com/en/company/corporate-governance/.

Due to the influence of individual members of the supervisory board of Porsche SE on ordinary shareholders of Porsche SE or the fact that individual supervisory board members are also members of the supervisory boards of Porsche SE, Volkswagen AG and Porsche AG or other Volkswagen subsidiaries, conflicts of interest may arise for these members of the supervisory board in certain cases.

To the extent that concrete conflicts of interest exist or are feared, the particular conflict of interest is reported to the supervisory board by the member concerned. If a subsequent review finds that there is a conflict of interest, suitable measures are taken to resolve it. The specific measures depend on the type of conflict and the circumstances of the individual case. One conceivable option is that the supervisory board members concerned do not participate in the discussion of the relevant resolution or to abstain from voting. In the past fiscal year, conflicts of interest could not be ruled out in the case of resolutions of the company at the annual general meetings of Volkswagen AG and Porsche AG regarding the approval of the acts of members of the supervisory board of each company for the fiscal year 2023. If supervisory board members are also on the supervisory board of Volkswagen AG or Porsche AG, they abstained from voting in the resolutions on Porsche SE's voting behavior in the annual general meeting of Volkswagen AG or Porsche AG regarding their own exoneration.

Comments on the result of the audit of the financial statements and on the proposal for the appropriation of profit

The annual general meeting on 11 June 2024 elected Grant Thornton AG to audit the annual financial statements and consolidated financial statements for the fiscal year 2024. Prior to the supervisory board issuing its recommendation for appointment to the annual general meeting, the auditor submitted a declaration of independence to the supervisory board, which was reviewed by the audit committee.

Alongside the key audit matters identified by the auditor in the auditor's report, the audit committee set the key topics as the "Audit and inclusion of Incharge Fund I SCSp SICAV-RAIF, Incharge Capital Partners GmbH and Incharge Team I SCSp in the consolidated financial statements," the "Completeness and appropriateness of the disclosures of the impairment tests on the investments in Volkswagen AG and Dr. Ing. h.c. F. Porsche AG in the notes to the consolidated financial statements and combined group management report" and the "Appropriateness of the accounting treatment and measurement of deferred taxes in the consolidated financial statements."

The auditor issued an unqualified auditor's report for both the annual financial statements and the consolidated financial statements (each supplemented by the combined management report) of Porsche SE for the fiscal year 2024. The audit committee discussed the audit risk assessment, the audit strategy, key audit matters and the audit planning with the auditor during preparations for the audit. The audit committee also consulted with the auditor without the board of management. In the course of preparing for and performing the audit, the chairman of the audit committee regularly exchanged information with the auditor on the status of the audit, the provisional audit results and on the quality of the audit. He reported on these exchanges in the committee. The auditors also attended both the audit committee meeting and the supervisory board meeting at which the annual and consolidated financial statements and the combined management report for the fiscal year 2024 were discussed. In preparation, the members of the audit committee and supervisory board were provided with extensive documents and the audit reports of the auditor. The audit committee examined and discussed all reports made available to it and inquired about them in a critical manner. These were also discussed in great detail in the presence of the auditor. The impairment losses recognized by Porsche SE on the carrying amounts of the investments in Volkswagen AG and Porsche AG in the fiscal year 2024 were a key topic of discussion. The auditors reported on the results of their audits, also referring to the key audit matters, the respective procedures during the audit, including the conclusions and additional key topics set by the audit committee and were available to answer any additional questions or provide information. Furthermore, the auditor confirmed that the risk early warning system implemented by the board of management is suitable for identifying at an early stage any risks jeopardizing the ability of the company to continue as a going concern. After its own audit, the audit committee concurred with the result of the audits by the auditor.

The chairman of the audit committee and the auditor reported on the results of their audits to the supervisory board and were available to answer any additional questions or provide information. After its own audit, the supervisory board concurred with the result of the auditor's and audit committee's audits. It determined on 20 March 2025 that it had no objections to raise, approved the consolidated and annual financial statements as well as the combined management report prepared by the board of management for the fiscal year 2024 and thus ratified the annual financial statements for the fiscal year 2024 of Porsche SE.

Based on this, the supervisory board endorsed the suggestion of the board of management for the appropriation of profit available for distribution.

Remuneration report

The supervisory board and the board of management prepared the remuneration report pursuant to Sec. 162 AktG for the fiscal year 2024 and made it available at www.porsche-se.com/en/company/corporate-governance/. The remuneration report is also included in the annual report. Exceeding the legal requirements, the remuneration report was subject to a voluntary audit of its content by Grant Thornton AG, who issued an unqualified audit opinion thereon.

Audit of the dependent company report

Pursuant to Art. 9 (1) lit. c (ii) SE Regulation (SE-VO) and Sec. 312 AktG, the board of management prepared a dependent company report for the fiscal year 2024. Grant Thornton AG audited the dependent company report and rendered the following opinion:

“Based on our audit performed in accordance with professional standards and our professional judgment, we confirm that:

(1) the factual statements made in the report are correct,

(2) the consideration paid by the company for the legal transactions stated in the report was not excessive.”

The supervisory board concurred with the result of the audit by the auditor of the dependent company report. According to the concluding results of its own review, the supervisory board had no objections to raise with respect to the closing declaration of the board of management in the dependent company report.

Composition of the board of management and supervisory board

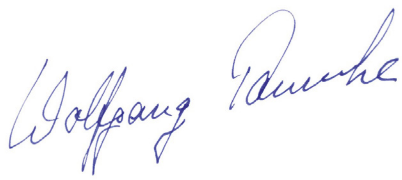
There were no personnel changes within the board of management of Porsche SE in the fiscal year 2024. In March 2024, the supervisory board resolved to extend the appointment of Dr. Johannes Lattwein as member of the board of management responsible for legal affairs and compliance by five years until 31 January 2030 with effect from 1 February 2025. In August 2024, the supervisory board also resolved to extend the appointment of Mr. Lutz Meschke as member of the board of management responsible for investment management by five years until 30 June 2030 with effect from 1 July 2025. Lastly, in January 2025, the supervisory board resolved to extend the appointment of Dr. Manfred Döss as member of the board of management responsible for legal affairs and compliance by three years until 31 December 2028 with effect from 1 January 2026.

The term of office of the supervisory board member Prof. TU Graz e.h. KR Ing. Siegfried Wolf, elected by the annual general meeting on 27 June 2019, ended at the end of the annual general meeting on 11 June 2024. At the proposal of the supervisory board – based on the recommendation of the nominations committee – the annual general meeting re-elected Prof. TU Graz e.h. KR Ing. Siegfried Wolf as member of the supervisory board. until the end of the annual general meeting that resolves on the approval of the acts of the members of the supervisory board for the fiscal year 2028.

Acknowledgment

The supervisory board expresses its gratitude to the board of management and all employees in acknowledgment of the work they have done and their unflagging commitment.

Stuttgart, 20 March 2025



Supervisory board
Dr. Wolfgang Porsche
Chairman

Publication of the declaration of compliance

Porsche SE has issued the declaration of compliance as required by Secs. 289f and 315d HGB. The declaration of compliance is published in the combined group management report of Porsche SE and at www.porsche-se.com/en/company/corporate-governance/.

Remuneration report

I. Introduction

The remuneration report prepared by the board of management and supervisory board of Porsche Automobil Holding SE (“Porsche SE” or the “company”) describes the main features of the remuneration systems applicable in the fiscal year 2024 for members of the board of management and supervisory board of Porsche SE in the fiscal year 2024, and explains in detail the individual remuneration awarded and due to every single current or former member of the board of management and supervisory board in the reporting year. Awarded and due remuneration relates to the amounts that the individual member of the board of management or supervisory board actually received or amounts that were due for payment in the reporting period. Additionally, the remuneration earned in the fiscal year 2024, which also contains remuneration components, that was neither received nor fell due in the reporting period is included for the members of the board of management. In addition, the report contains disclosures on benefits promised to members of the board of management in the event of regular or early termination of their service.

The disclosures comprise the remuneration awarded and due to the members of the board of management and supervisory board for their board activities at Porsche SE in accordance with its remuneration system. This also includes activities at Porsche Beteiligung GmbH, Porsche Zweite Beteiligung GmbH, Porsche Dritte Beteiligung GmbH, Porsche Vierte Beteiligung GmbH, Porsche Fünfte Beteiligung GmbH and Porsche Sechste Beteiligung GmbH. It does not include activities of Porsche SE’s board members within the Volkswagen Group, including Dr. Ing. h.c. F. Porsche AG (“Porsche AG”).

The remuneration that board members of Porsche SE receive from the Volkswagen Group for activities within the Volkswagen Group is therefore not included in the disclosures below.

The remuneration report complies with the requirements of the AktG [“Aktiengesetz”: German Stock Corporation Act] as well as the recommendations of the German Corporate Governance Code (“GCGC”). The presentation currency is the euro (“€”). Unless otherwise stated, all figures are presented in thousands of euro (€ thousand). All figures and percentages are rounded according to customary business practice, so discrepancies may arise from the addition of these amounts. The comparative prior-year figures are presented in parentheses alongside the figures for the current reporting period and were determined using the same methods as for the current reporting year figures.

This remuneration report is subject to a voluntary audit of its content pursuant to IDW Auditing Standard “Examination of Financial Statements or their Components (IDW AuS 490)” by Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf.

II. Significant events and developments in the fiscal year 2024

1. Business developments and development of key performance indicators in the fiscal year 2024

Porsche SE pursues the overarching goal of creating sustainable value for its shareholders. This requires investing in companies that contribute to the mid- and long-term profitability of the Porsche SE Group as well as securing sufficient liquidity.

In order to pursue these corporate goals, the group result after tax and group net debt had previously served as the core management indicators in the Porsche SE Group. At the end of the fiscal year 2024, Porsche SE's management system was further developed. For management purposes, the adjusted group result after tax will now be used instead of the group result after tax (see section "Changes to the core management and financial indicator system in the reporting year" in the combined group management report 2024). There were no changes with regard to the group's net debt.

By definition, net debt of the Porsche SE Group is calculated as financial liabilities less cash and cash equivalents, time deposits and securities.

Net debt of the Porsche SE Group decreased to €5,160 million (€5,717 million) compared to 31 December 2023.

The adjusted group result after tax is derived from the group result after tax as follows:

Adjusted group result after tax

	Group result after tax	
−/+	Income/expenses from impairment tests and remeasurements	with regard to the core investments
−	Profits from bargain purchases	
−/+	Profits/losses from the sale of shares	
−/+	Income/expenses from deferred tax effects due to the above-mentioned items	
=	**Adjusted group result after tax**	

The adjusted result after tax of the Porsche SE Group came to €3,151 million (€5,074 million[1]) in the fiscal year 2024. Of the result after tax, €3,176 million (€5,086 million[1]) relates to the core investments segment and minus €25 million (minus €12 million) to the portfolio investments segment.

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group.

The result after tax of the Porsche SE Group came to minus €20,017 million (€5,074 million[1]) in the fiscal year 2024. In the reporting year, the group result after tax was significantly influenced by the non-cash impairment losses on the carrying amounts of the investments in Volkswagen AG amounting to minus €19,912 million and Porsche AG amounting to minus €3,375 million. The impairment losses are offset by income from deferred taxes of €119 million. In light of this, the payout hurdle for the long-term incentive 2022 ("LTI 2022") was not reached. As a result, the entire LTI 2022 is forfeited and no payment will be made in the fiscal year 2025 (see section "III. 6. Remuneration components of the board of management earned but not yet paid out").

2. Composition of the board of management and the supervisory board

There were no changes to the composition of the board of management or the supervisory board in the reporting year.

At its meeting on 14 March 2024, the supervisory board of Porsche SE extended the appointment of Dr. Lattwein as board of management member responsible for finance and IT by further five years until 31 January 2030. Furthermore, by circular resolution dated 19 July 2024, the supervisory board of Porsche SE extended the appointment of Mr. Meschke as board of management member responsible for investment management by further five years until 30 June 2030.

On 11 June 2024, the annual general meeting of Porsche SE elected Prof. KR Ing. Wolf to the supervisory board for a further term of office.

3. Approval of the remuneration report by the annual general meeting 2024

At the ordinary general meeting on 11 June 2024, the remuneration report for the fiscal year 2023 prepared and audited in accordance with Sec. 162 AktG was approved unanimously. There were no aspects that had to be taken into account with regard to the remuneration system, its implementation or the reporting in the reporting period.

4. Further development of the remuneration system by the supervisory board

In the course of the fiscal year 2023, the supervisory board of Porsche SE further developed the remuneration system for the members of the board of management of Porsche SE, which had been unanimously approved by the annual general meeting on 23 July 2021 (the "remuneration system 2021"). On 4 December 2023, the supervisory board approved the further developed remuneration system ("further developed remuneration system"). The further developed remuneration system was unanimously approved by the annual general meeting on 11 June 2024. It applies retroactively as of 1 January 2024, without prejudice to the service contracts concluded with members of the board of management at the time of the resolution being adopted by the annual general meeting. The adjustments to the further developed remuneration system mainly concern the fringe benefit arrangements. Furthermore, environmental, social and governance ("ESG") aspects are even more broadly considered in the context of variable remuneration. It is also possible to adjust the group result after or before tax for individual items in connection with determining the modifier or the payout hurdle (see section III. 2. "Components of board of management remuneration in the fiscal year 2024", subsection "Variable remuneration").

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group.

The adjustments also clarified the maximum remuneration and the designation of the modifier for variable remuneration.

The total bonus amounts for the fiscal years 2021 to 2023 were determined on the basis of the remuneration system 2021. These total bonus amounts were paid out or will be paid out in the fiscal years 2024 until 2026. From the fiscal year 2024 onwards, the total bonus amounts will be determined on the basis of the further developed remuneration system. The principles of the further developed remuneration system for determining the total bonus amounts remain unchanged from the principles for determining the total bonus amounts under the remuneration system 2021 with the exception of the changes mentioned above.

The remuneration system 2021 defined the maximum remuneration as the maximum amount that may be awarded to the entire board of management for board of management activities for a given fiscal year. A final assessment of compliance with the maximum remuneration for the fiscal years 2021 to 2023 is therefore only possible in the year in which the long-term remuneration component for the relevant fiscal year is paid out in the years 2024 to 2026. In contrast to the remuneration system 2021, the further developed remuneration system defines the maximum remuneration as the total remuneration of the entire board of management for board of management activities promised, even if the promised remuneration component is not paid out until a later date. As a result of this adjustment, compliance with the maximum remuneration can now be conclusively assessed at the end of the fiscal year in which the remuneration is promised (see section “III. 7. Compliance with remuneration ceiling”).

III. Remuneration of the members of the board of management

1. General principles of the remuneration system

Establishing and implementing the remuneration system

The remuneration system for the board of management is established by the supervisory board in accordance with Sec. 87a (1) AktG. The supervisory board is assisted in this by the executive committee, which prepares proposals and recommendations with respect to both the structure and the further development of the remuneration system. External advisors may be consulted as needed. If the supervisory board retains remuneration consultants, it must make sure in particular that the consultants are independent.

With a view to avoiding potential conflicts of interest, the requirements of the AktG and the recommendations of the GCGC apply to the establishment, implementation and review of the remuneration system. The members of the supervisory board and of all committees are required to notify the supervisory board of any conflicts of interest. In such cases, the individuals concerned must not be involved in decisions on the matters subject to conflicts of interest.

Guidelines of the further developed remuneration system

The further developed remuneration system is to further the strategic goal of Porsche SE through targeted individual incentives for the board of management members and by aligning the interests of the board of management and shareholders. Furthermore, the remuneration system is to create incentives for implementing the corporate strategy in a sustainable way and thus contribute to positive corporate development. Accordingly, the remuneration system is to apply the following principles:

- Promoting Porsche SE as a profitable and competitive holding company
- Horizontal compatibility: appropriateness and market conformity of the remuneration of the board of management members in relation to comparable corporate groups and holding companies
- Vertical compatibility: taking into consideration the board of management members' remuneration in proportion to the remuneration of the first management level and to the relevant total workforce.

Application of the further developed remuneration system

The further developed remuneration system applied to all service contracts in the reporting year.

The further developed remuneration system of Porsche SE is published at

www.porsche-se.com/en/company/corporate-governance/.

Review of the appropriateness of the remuneration system

The remuneration system is reviewed on a regular basis by the supervisory board – based on the preparatory work and recommendations of the executive committee – with regard to necessary adjustments and its further development and, in the event of material changes, but no later than every four years, is again submitted to the annual general meeting for approval. The appropriateness of the remuneration is assessed in particular in light of the tasks and performance of the individual board of management member and the situation of the company. Additionally, the supervisory board makes sure that the remuneration is aligned with the company's long-term sustainable development and that customary remuneration is not exceeded unless there are special reasons. When determining what is customary, both the horizontal compatibility with peer group companies and the vertical compatibility with remuneration structures within Porsche SE are taken into account.

The peer group used to assess the market conformity of the remuneration is identified with reference to the following criteria: market capitalization, total assets, location of the registered office and comparability of the industry sector. For this purpose, on the one hand, DAX-listed peer group companies are used with respect to market capitalization (DAX peer group) and, on the other, selected investment holding companies based in Western Europe are used with respect to the industry sector of investment management (holding peer group).

A horizontal compatibility check was last carried out in the fiscal year 2023 using the following peer group companies:

Company	Peer group	Company	Peer group
Adidas AG	Dax	Heidelberg Materials AG	Dax
Airbus SE	Dax	Henkel AG & Co. KGaA	Dax
Allianz SE	Dax	Indus Holding AG	Holding
Aurelius Equity Opportunities SE & Co. KGaA	Holding	Infineon Technologies AG	Dax
BASF SE	Dax	Linde PLC	Dax
Bayer AG	Dax	Mercedes-Benz Group AG	Dax
Bayerische Motoren Werke AG	Dax	Merck KGaA	Dax
Beiersdorf AG	Dax	MTU Aero Engines AG	Dax
Brenntag SE	Dax	Münchener Rückversicherungs-Gesellschaft AG	Dax
Continental AG	Dax	Porsche AG	Dax
Covestro AG	Dax	Qiagen NV	Dax
Daimler Truck AG	Dax	RWE AG	Dax
Deutsche Bank AG	Dax	SAP SE	Dax
Deutsche Beteiligungs AG	Holding	Sartorius AG	Dax
Deutsche Börse AG	Dax	Siemens AG	Dax
Deutsche Post AG	Dax	Siemens Energy AG	Dax
Deutsche Telekom AG	Dax	Siemens Healthineers AG	Dax
E.ON SE	Dax	Symrise AG	Dax
Eurazeo S.A.	Holding	Volkswagen AG	Dax
Fresenius Medical Care AG & Co. KGaA	Dax	Vonovia SE	Dax
Fresenius SE & Co. KGaA	Dax	Wendel SE	Holding
Hannover Rück SE	Dax	Zalando SE	Dax

The vertical comparison considers the board of management remuneration in relation to the remuneration of the first management level and also to the remuneration of the relevant total workforce, in each case also considering the development of the remuneration over time. The relevant total workforce used for the purpose of the vertical comparison is the entire staff of Porsche SE below the board of management, i.e., including the first management level (“total workforce”).

2. Components of board of management remuneration in the fiscal year 2024

Fixed remuneration

The fixed remuneration consists of the fixed salary, fringe benefits and pension benefits, if any. The rationale for fixed and thus non-performance-based remuneration is to provide the board of management members with an appropriate base income. In the supervisory board's view, such base income reduces the likelihood that board of management members will take risks that are inappropriate from the company's point of view.

Fixed salary

The fixed salary is cash-based remuneration set for the entire year that is paid out in twelve equal monthly installments. The amount of each board of management member's fixed salary varies depending on each member's area of responsibility, professional background and the general market conditions affecting the department represented by that member, and taking into account that member's overall time commitment also with respect to any sideline activities.

Fringe benefits

In addition, each board of management member receives benefits in kind and other earnings ("fringe benefits"). In particular, the following benefits are awarded as fringe benefits:

- As a rule, each board of management member is provided with a company car, which may also be used for private purposes. Such a company car may not be provided if the board of management member is already entitled to use a company vehicle based on a sideline activity for a third-party company.
- Each board of management member also has the possibility to use other company vehicles privately for a discounted usage charge according to the terms applicable to the first management level.
- Each board of management member is covered by the insurance taken out by Porsche SE, i.e., legal protection insurance (covering civil and criminal liability) and financial loss liability insurance for board of management members ("D&O insurance"), and also by the group occupational accident insurance taken out by Porsche SE unless the board of management member is already covered by occupational accident insurance through a sideline activity for a third-party company.
- Each board of management member receives an allowance for health and long-term care insurance up to the amount of the employer's share of the statutory health and long-term care insurance unless the board of management member already receives or received such an allowance under another service contract due to (former) double employment.
- Each board of management member is entitled to continued payment of remuneration in the event of illness for no longer than twelve months. In the event of death, the surviving dependents are entitled to receive death grants equivalent to six monthly installments of the fixed salary.
- The board of management members receive certain perks and benefits to a limited extent, equal to what is also awarded to the first management level from time to time.

- The supervisory board is authorized, on the basis of a separate agreement, to permit each member of the board of management to use charter flights to and from the registered office of Porsche SE at Porsche SE's expense in order to fulfill their tasks.

- Porsche SE may also bear the accommodation and subsistence costs for staying at the location of the registered office of Porsche SE on the day before or after their business-related stay at Porsche SE's registered office.

In general, all board of management members are equally entitled to the benefits in kind and the other earnings; whether or not individual benefits are awarded and the specific amounts may vary depending on the board of management member's circumstances/departmental responsibility.

The supervisory board may grant other or additional fringe benefits that are customary on the market, such as enabling the private use of mobile end devices provided for work-related purposes or assuming the costs for a secondary residence at the place of work where new members join the board of management. The supervisory board has approved the payment of such additional customary fringe benefits on a case-by-case basis, e.g., for security measures at the private residence of board of management members.

The tax values are used to quantify the fringe benefits.

Variable remuneration

Principles of variable remuneration

In addition, the board of management members receive variable, performance-based remuneration in the form of a performance bonus that depends on whether or not specific financial and non-financial performance targets are reached. Among the non-financial performance indicators, special consideration is given to ESG aspects that promote Porsche SE's corporate strategy. The bonus consists of a short-term incentive ("STI") and a long-term incentive ("LTI"). The parameters for both components are for the most part identical. However, the long-term incentive is tied to additional long-term performance criteria, the payment of which depends on whether or not these are fulfilled ("payout hurdle"). The aim of variable remuneration is to create incentives for implementing the corporate strategy in a sustainable way through targeted individual incentives for the board of management members and thus to promote Porsche SE as a profitable and competitive holding company.

The performance targets for the bonus are set in individual target agreements concluded with the individual board of management members. A target agreement is concluded between the respective board of management member and the supervisory board in each case before the relevant fiscal year starts; a target agreement stipulates several individual performance targets set by the supervisory board based on the business strategy, in addition to stipulating the relative weighting of the targets. The individual performance targets comprise primarily non-financial individual targets but may also be supplemented by financial performance targets related to that board of management member's department and tasks. To promote ESG aspects, at least one individual performance target from the areas of environment, social or governance is set for each member of the board of management per fiscal year.

Besides the performance targets stipulated in the target agreement on an annual basis, a discretionary modifier is used to calculate the amount of the bonus. The modifier is set by the supervisory board at its reasonable discretion on the basis of an evaluation of the economic situation and development of the company and the general performance of the board of management member to the extent that these factors have not already been taken into account in the specific individual targets stipulated in the target agreement. ESG aspects can also be taken into account when determining the modifier if they have already been taken into account in the individual performance targets.

The economic situation and development of the company is evaluated based of key financial corporate figures related to the fiscal year, above all based on the group result after tax compared to the budgeted group result after tax for the relevant fiscal year. However, the supervisory board may also use additional company key figures relating to the fiscal year to assess the economic situation and development of the company. The supervisory board may, at its due discretion, adjust the group result after tax or the additionally selected key corporate figures for individual items that have a significant – positive or negative – impact on the key corporate figures used. The relevant performance criteria for assessing the economic situation and development of the company are set out in the target agreement before the start of the fiscal year.

The general performance of the board of management member is evaluated in a verifiable manner based on considerations that are not already reflected by the targets stipulated in the target agreement. The criteria for evaluating a board of management member's general performance also include in particular the promotion of certain ESG aspects determined by the supervisory board, also to the extent that these factors have already been taken into account in the individual performance targets.

The basis for the calculation of the bonus is a target amount specified in the service contract, which is based on a target achievement of 100% ("bonus target amount"). The total payment amount for the bonus is limited to 150% of the bonus target amount ("bonus cap").

A board of management member's specific performance relating to the individual targets set in the target agreement and the corresponding target achievement level are assessed based on a scale in 25% increments with target achievement levels from 0% to 150% with the aim of achieving measurability of target achievement wherever possible. Where a measurability of the target achievement is not provided for, the supervisory board determines the target achievement level at its due discretion.

In accordance with the relative weighting of the individual performance targets, an overall target achievement level is determined based on the individual target achievement levels determined, on the basis of which an intermediate amount is calculated using the bonus target amount.

The intermediate amount calculated in this way is multiplied by the set modifier. The modifier is limited upwards and downwards and can be between 0.5 and 1.5. It is determined by the supervisory board at its reasonable discretion on the basis of the criteria described above. The intermediate amount is multiplied by the modifier and the result is the total bonus amount, which is subject to the bonus cap:

> Overall target achievement level x bonus target amount (in €) x modifier = total bonus amount (but not exceeding the bonus cap)

If the overall target achievement level is less than 50%, no bonus will be paid for the relevant fiscal year (neither the STI nor LTI component).

In the event of extraordinary developments, the supervisory board may, at its reasonable discretion, increase or reduce the calculated total bonus amount by up to 20% by setting a special adjustment factor of 0.8 to 1.2; in that case, such an increase is not limited by the bonus cap.

Target achievement and the total bonus amount (taking into account the modifier and special adjustment factor) are generally determined within three months of the end of the bonus-relevant fiscal year ("set total bonus amount").

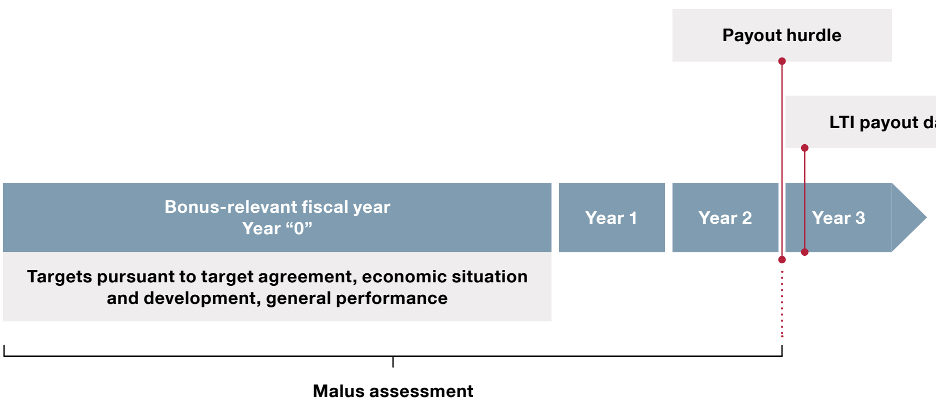
Short-term incentive

A share of 40% of the set total bonus amount constitutes the STI, which, subject to any applicable malus mechanisms (see section "III. 7. Compliance with remuneration ceiling"), is paid out three months after the end of the bonus-relevant fiscal year, but not before expiry of the third day following the day of the supervisory board meeting in which the consolidated financial statements of Porsche SE are approved.

Long-term incentive

A share of 60% of the set total bonus amount constitutes the LTI, which is retained for another two years after the end of the bonus-relevant fiscal year. It will be paid out after the end of the two-year deferral period unless any malus mechanisms (see section "III. 7. Compliance with remuneration ceiling") during the three-year assessment period (i.e., including the two-year deferral period) result in a forfeiture or reduction and only if the payout hurdle is reached.

The payout hurdle is reached if, in the second fiscal year following the bonus-relevant fiscal year, a positive group result before tax or other group result before tax previously determined by the supervisory board is reached. The supervisory board may, at its due discretion, adjust the group result after tax used for individual items that have a significant – positive or negative – impact on the group result after tax used. If this payout hurdle is not reached, the entire LTI is forfeited. If the payout hurdle is reached, the LTI (subject to any applicable malus mechanisms) will be due for payment two years after the corresponding STI falls due for payment, but not before the end of the third day following the day of the supervisory board meeting in which the consolidated financial statements of Porsche SE are approved that are decisive for determining whether or not the payout hurdle has been reached.



Special bonus

At its due discretion, the supervisory board may, based on a special bonus target agreement, offer a special bonus to individual board of management members for the coming fiscal year with respect to special issues that require particular achievements. The same applies to special issues arising due to extraordinary developments during an ongoing fiscal year.

3. Benefits and benefit commitments in connection with the termination of board of management activity

Benefits paid upon early contract termination

In the event of early termination of the service contract (and of the board of management activities), any payments due to the board of management member are limited to the value of twice the total annual remuneration (“severance cap”); the payments must not in any event exceed the remuneration due for the remaining term of the service contract. The remuneration components relevant for the total annual remuneration correspond to those components of total remuneration for the purpose of ensuring compliance with the maximum remuneration (see section “III. 7. Compliance with remuneration ceiling”). The severance cap is calculated on the basis of the total remuneration for the past full fiscal year and, where applicable, also the expected total remuneration for the current fiscal year.

If the service contract is terminated for a reason for which the board of management member is responsible, no severance payment will be made to the board of management member. Any severance payments will be set off against any non-competition compensation that is payable in the event that a post-contractual prohibition of competition has been agreed.

Benefit commitments for board of management members in the event of regular termination of their service

The pension schemes applicable to the board of management members vary depending on the date the member joined the board of management.

Mr. Pötsch does not receive any company pension benefits from Porsche SE.

Dr. Döss is awarded a salary-based retirement pension commitment that gives rise to a retirement pension entitlement equivalent to 25% of an agreed pensionable income. This increases by one percentage point for each active year of service as member of the board of management up to a maximum of 40%. As of 31 December 2024, Dr. Döss has reached a retirement pension entitlement of 34% of pensionable income. Retirement pension eligibility arises through termination of the service contract when the board of management member reaches the age of 65 and if permanent inability to work occurs during the term of the service contract. The retirement pension is payable in twelve equal monthly installments. The surviving dependents’ pension comprises a widow(er)’s pension of 60% of the retirement pension and orphans’ benefits of 20% of the retirement pension for each child, reduced to 10% for each child if a widow(er)’s pension is paid. Taken together, the total amount of the widow(er)’s pension and orphans’ benefits must not exceed the amount of the retirement pension. Orphans’ benefits are limited to a total of 80% of the retirement pension. Dr. Döss will continue to be entitled to a company car after retirement.

Dr. Lattwein and Mr. Meschke receive a direct commitment in the form of an employer-financed defined contribution benefit commitment, which will also be awarded to new members joining the board of management in accordance with the further developed remuneration system. Dr. Lattwein is entitled to an annual pension contribution of

€270 thousand. Mr. Meschke is entitled to an annual pension contribution of €180 thousand. The pension contribution is made on a pro rata basis for the year of joining as well as in the event of terminating the service contract during the year. The pension contribution is paid for each year the service contract exists, but for no longer than until the member reaches the age of 62. The pension contributions together with the interest attributable to these contributions form the pension capital. The pension capital accumulated at the end of the preceding year bears interest of 4.0% on an annual basis. The pension commitment covers three pensionable events: old age (reaching the age of 62), full or partial reduction in earnings capacity (within the meaning of the German statutory pension insurance scheme, but with respect to the service as member of the board of management, which is expected to last for at least six months) and death. The entitlement to pension payments exists only for the pensionable event that occurs first and also requires that the service contract has ended and that the board of management member has ceased to work for the company. Expectancy rights accruing from the defined contribution benefit commitment based on age are, in principle, subject to the applicable statutory vesting regulations (Sec. 1b (1) BetrAVG ["Betriebsrentengesetz": German Company Pension Act]) and therefore vest after three years; in derogation therefrom, contractual vesting applies with immediate effect for occupational disability and death. When a pensionable event occurs, the board of management member or their surviving dependents, as the case may be, will receive the pension capital as a one-time payment. Furthermore, after retirement, Dr. Lattwein continues to be entitled to a company car provided that he receives benefits from Porsche SE's pension scheme directly after his service contract ends as a result of reaching retirement age.

The table below contains the current service cost as well as the present value of the payment obligation of the board of management members active in the reporting year pursuant to IFRS.

€ thousand	Service cost IFRS 2024	Present value IFRS 31.12.2024
Dr. Manfred Döss[1]	297	3,372
Dr. Johannes Lattwein[1]	362	3,659
Lutz Meschke	206	529
	865	**7,560**

1 The amounts stated relate to all pension agreements in place between Porsche SE and Dr. Döss/Dr. Lattwein. The amounts therefore also include pension commitments for periods until their respective appointment to the board of management.

4. Awarded and due remuneration of the board of management members active in the fiscal year 2024

Individual remuneration of the board of management members

The tables below break down the remuneration awarded or due to the board of management members active in the fiscal year 2024 pursuant to Sec. 162 AktG. Awarded and due remuneration relates to the amounts that fell due in the reporting period and that were received. The figures thus represent the actual amounts received by each board of management member in the reporting year, regardless of which fiscal year the remuneration was set for and therefore earned. The remuneration awarded and due in the fiscal year 2024 thus comprises the fixed compensation as well as the fringe benefits for the fiscal year 2024, the short-term incentive ("STI") for the fiscal year 2023 and any long-term incentive ("LTI") for the fiscal year 2021 that was paid out in the fiscal year 2024. By contrast, the expense or contribution to the company pension scheme has not yet led to a cash outflow to the members of the board of management and is therefore not reported below as remuneration awarded or due.

The total remuneration earned in the reporting period is additionally presented in section "III. 5. Board of management remuneration earned in the fiscal year 2024" and is used as a basis for ensuring compliance with the maximum remuneration.

	Hans Dieter Pötsch Chairman of the board of management (since 1 November 2015)				**Dr. Manfred Döss** Legal affairs and compliance (since 1 January 2016)			
	2024[1] € thousand	**2024[2]** %	**2024[1]** € thousand	**2024[2]** %	**2024[1]** € thousand	**2024[2]** %	**2024[1]** € thousand	**2024[2]** %
Fixed compensation	800		775		600		600	
Fringe benefits	267		288		154		57	
Total fixed remuneration	**1,067**	**73.8**	**1,063**	**76.3**	**754**	**49.4**	**657**	**47.0**
Short-term bonus								
STI 2023	378	26.2			318	20.8		
STI 2022			330	23.7			321	23.0
Long-term bonus								
LTI 2021					455	29.8		
LTI 2020							420	30.0
Total variable remuneration	**378**	**26.2**	**330**	**23.7**	**773**	**50.6**	**741**	**53.0**
Total remuneration acc. to Sec. 162 (1) AktG	**1,445**	**100.0**	**1,393**	**100.0**	**1,527**	**100.0**	**1,398**	**100.0**

1 Up to and including the fiscal year 2021, Mr. Pötsch was not entitled to any variable remuneration under his service contract. With effect from 1 January 2022, Mr. Pötsch was switched to the remuneration system 2021, which is why the remuneration awarded in the reporting year and the prior year does not include an LTI component for the fiscal years 2021 and 2020.

2 The relative shares stated here relate to total remuneration pursuant to Sec. 162 (1) AktG.

	Dr. Johannes Lattwein Finance and IT (since 1 February 2022)				Lutz Meschke Investment management (since 1 July 2020)			
	2024[1] € thousand	2024[2] %	2024[1] € thousand	2024[2] %	2024[1] € thousand	2024[2] %	2024[1] € thousand	2024[2] %
Fixed compensation	800		800		600		585	
Fringe benefits	146		122		0		0	
Total fixed remuneration	**946**	**68.3**	**922**	**75.0**	**600**	**56.2**	**585**	**71.0**
Short-term bonus								
STI 2023	439	31.7			243	22.7		
STI 2022			308	25.0			143	17.3
Long-term bonus								
LTI 2021					225	21.1		
LTI 2020							96	11.7
Total variable remuneration	**439**	**31.7**	**308**	**25.0**	**468**	**43.8**	**239**	**29.0**
Total remuneration acc. to Sec. 162 (1) AktG	**1,385**	**100.0**	**1,230**	**100.0**	**1,068**	**100.0**	**824**	**100.0**

1 Dr. Lattwein was appointed board of management member responsible for finance and IT with effect from 1 February 2022, which is why the remuneration awarded in the reporting year and the prior year does not include an LTI component for the fiscal years 2021 and 2020.
2 The relative shares stated here relate to total remuneration pursuant to Sec. 162 (1) AktG.

Determination of the short-term bonus (STI) for the fiscal year 2023

To measure variable remuneration for the fiscal year 2023, the supervisory board assessed the achievement of the individual performance targets set for the fiscal year 2023.

The supervisory board discussed the performance targets in detail. A decision on their achievement was made on the basis of an assessment of the individual performance of the members of the board of management. Where no provision was made for the measurability of target achievement, the supervisory board carried out this assessment at its due discretion. The individual performance targets of the board of management members for the fiscal year 2023 set by the supervisory board including their target achievement level are summarized in the table below.

	Individual performance targets 2023	Weighted %	Target achievement %
Hans Dieter Pötsch	Further development of strategic planning	30	150
	Strengthening capital market attractiveness	30	125
	Employee development	20	125
	Management development as part of the succession planning	20	150
	Overall target achievement level		**138**
Dr. Manfred Döss	Successful and efficient litigation	60	150
	Further development of the company's knowhow-management in the “legal affairs and compliance” department	10	125
	Further development of the company's legal risk management in the “legal affairs and compliance” department	15	100
	Employee development	15	100
	Overall target achievement level		**133**
Dr. Johannes Lattwein	Further development of finance strategy	25	150
	Further development of finance processes	25	150
	Digitalization of business processes	10	125
	Financial advice on investment projects	20	150
	Stakeholder management	20	125
	Overall target achievement level		**143**
Lutz Meschke	Identification of investment opportunities	25	150
	Further development of the partnering concept for portfolio investments	20	150
	Embedding ESG criteria in the investment process	15	125
	Active value management of the portfolio investments	25	150
	Employee development	15	100
	Overall target achievement level		**139**

The table below presents the total bonus amount for each board of management member earned for the fiscal year 2023 and set by the supervisory board. The total bonus amount is calculated by multiplying the respective bonus target amount by the respective overall target achievement level. Of the total bonus amount for the fiscal year 2023, 40% was attributable to the STI 2023, which was paid out in the fiscal year 2024, and 60% to the LTI 2023, which will be paid out in the fiscal year 2026 and will be reported on in the 2026 remuneration report.

Bonus 2023 € thousand	Hans Dieter Pötsch[1]	Dr. Manfred Döss	Dr. Johannes Lattwein	Lutz Meschke[1]
Bonus target amount	688	600	700	438
Overall target achievement level of individual targets (%)	138	133	143	139
Intermediate amount	**945**	**795**	**998**	**607**
Modifier	1.0	1.0	1.0	1.0
Total bonus amount considering bonus cap (150%)	**945**	**795**	**998**	**607**
Special adjustment factor	1.0	1.0	1.1	1.0
Fixed total bonus amount	**945**	**795**	**1,097**	**607**
thereof STI 2023 (40%)	378	318	439	243

[1] The bonus target amounts of Mr. Pötsch and Mr. Meschke were adjusted as of 1 April 2023. The increases will apply pro rata temporis in the fiscal year 2023.

With regard to determining the modifier for the fiscal year 2023, the economic situation and development of the company was assessed on the basis of the group result after tax for the fiscal year 2023 compared to the planned group result after tax for the fiscal year 2023. The general performance of the board of management members in the fiscal year 2023 was assessed at the supervisory board's due discretion provided this had not already been covered by the assessment of the individual targets.

In the fiscal year 2023, Porsche SE's capacities were particularly tied up with integration measures following the acquisition of the investment in Porsche AG, which Dr. Lattwein was also heavily involved in. Nevertheless, Dr. Lattwein was able to successfully conclude a highly complex tax project involving a refund of more than €200 million. This had not yet been taken into account in the targets set for Dr. Lattwein and resulted in a very positive result for Porsche SE in the fiscal year 2023. The supervisory board was therefore of the opinion that, in addition to his outstanding successes in the refinancing of Porsche SE, the highly complex tax project represents an extraordinary achievement by Dr. Lattwein during the year. To take account of this extraordinary achievement, the supervisory board used its due discretion to set a special adjustment factor of 1.1 for Dr. Lattwein. There were no extraordinary developments for Mr. Pötsch, Dr. Döss and Mr. Meschke in the fiscal year 2023, causing the variable remuneration to increase or decrease, meaning that the special adjustment factor was not applied.

Determination of the long-term variable remuneration (LTI) for the fiscal year 2021

To measure variable remuneration for the fiscal year 2021, the supervisory board assessed the achievement of the individual performance targets set for the fiscal year 2021.

The supervisory board discussed the performance targets in detail.

A decision on their achievement was made on the basis of an assessment of the individual performance of the members of the board of management. Where no provision was made for the measurability of target achievement, the supervisory board carried out this assessment at its due discretion. The individual performance targets of the board of management members for the fiscal year 2021 set by the supervisory board including their target achievement level are summarized in the table below.

	Individual performance targets 2021	Weighted %	Target achievement %
Dr. Manfred Döss	Successful and efficient litigation	60	125
	Further development of the company's legal organization	20	100
	Employee development	20	100
	Overall target achievement level		**115**
Lutz Meschke	Identification of investment opportunities	25	150
	Further development of the company's investment management organization	15	125
	Active value management of the investment portfolio	45	150
	Employee development	15	150
	Overall target achievement level		**146**

The table below presents the total bonus amount for each board of management member earned for the fiscal year 2021 and set by the supervisory board. The total bonus amount is calculated by multiplying the respective bonus target amount by the respective overall target achievement level. Of the total bonus amount for the fiscal year 2021, 60% was attributable to the LTI 2021, which was paid out in the fiscal year 2024.

Bonus 2021 € thousand	Dr. Manfred Döss	Lutz Meschke
Bonus target amount	600	250
Overall target achievement level of individual targets (%)	115	146
Intermediate amount	**690**	**366**
Modifier	1.1	1.1
Total bonus amount considering bonus cap (150%)	**759**	**375**
Special adjustment factor	1.0	1.0
Fixed total bonus amount	**759**	**375**
thereof LTI 2021 (60%)	455	225

With regard to determining the modifier for the fiscal year 2021, the economic situation and development of the company was assessed on the basis of the group result after tax for the fiscal year 2021 compared to the planned group result after tax for the fiscal year 2021. The general performance of the board of management members in the fiscal year 2021 was assessed at the supervisory board's due discretion provided this had not already been covered by the assessment of the individual targets. There were no extraordinary developments in the fiscal year 2021 causing the variable remuneration to increase or decrease, meaning that the special adjustment factor was not applied. The payout hurdle of the LTI component 2021 was met.

5. Board of management remuneration earned in the fiscal year 2024

In addition to fixed remuneration, the tables below contain the contractually agreed variable target, minimum and maximum amounts of the remuneration components, the one-year and multiple-year variable remuneration components, some of which are conditional, earned by the active members of the board of management in the fiscal years 2024 and 2023 as well as the service cost from pension commitments in accordance with IFRS. Unlike the amounts in section "III. 4. Awarded and due remuneration of the board of management members active in the fiscal year 2024", the variable remuneration components do not show the amounts received in the reporting period, but rather the total bonus amounts that can be or have been set for the reporting period. The target remuneration corresponds to the remuneration that would be set with a modifier of 1.0 with an overall target achievement level of 100% and a special adjustment factor of 1.0. The remuneration earned shows the total remuneration actually set for the fiscal year. The remuneration granted for the respective fiscal year is used as the basis for checking compliance with the maximum remuneration (see section "III. 7. Compliance with remuneration ceiling").

Hans Dieter Pötsch

Chairman of the board of management (since 1 November 2015)

€ thousand	2024 Target remuneration	2024 min.	2024 max.	2024 earned	2024[1] %	2023[2] earned	2023[1] %
Fixed compensation	800	800	800	800		775	
Fringe benefits	267	267	267	267		288	
Total fixed remuneration	**1,067**	**1,067**	**1,067**	**1,067**	**50.7**	**1,063**	**52.9**
Short-term bonus							
STI 2024	300	0	540	415	19.7		
STI 2023						378	18.8
Long-term bonus							
LTI 2024	450	0	810	623	29.6		
LTI 2023						567	28.2
Total variable remuneration	**750**	**0**	**1,350**	**1,038**	**49.3**	**945**	**47.1**
Service cost	**0**	**0**	**0**	**0**	**0,0**	**0**	**0.0**
Earned total remuneration	**1,817**	**1,067**	**2,417**	**2,106**	**100.0**	**2,009**	**100.0**

[1] The relative shares stated here relate to total remuneration earned.

[2] The service contract of Mr. Pötsch was adjusted as of 1 April 2023. The annual fixed salary was increased from €700 thousand to €800 thousand and the annual bonus target amount from €500 thousand to €750 thousand. The increases applied pro rata temporis in the fiscal year 2023.

Dr. Manfred Döss

Member of the board of management responsible for legal affairs and compliance (since 1 January 2016)

€ thousand	2024 Target remuneration	2024 min.	2024 max.	2024 earned	2024[1] %	2023 earned	2023[1] %
Fixed compensation	600	600	600	600		600	
Fringe benefits	154	154	154	154		57	
Total fixed remuneration	**754**	**754**	**754**	**754**	**40.4**	**657**	**38.2**
Short-term bonus							
STI 2024	240	0	432	326	17.5		
STI 2023						318	18.5
Long-term bonus							
LTI 2024	360	0	648	489	26.2		
LTI 2023						477	27.8
Total variable remuneration	**600**	**0**	**1,080**	**815**	**43.7**	**795**	**46.3**
Service cost	**297**	**297**	**297**	**297**	**15.9**	**266**	**15.5**
Earned total remuneration	**1,651**	**1,051**	**2,131**	**1,867**	**100.0**	**1,718**	**100.0**

[1] The relative shares stated here relate to total remuneration earned.

Dr. Johannes Lattwein

Member of the board of management responsible for finance and IT (since 1 February 2022)

€ thousand	2024 Target remuneration	2024 min.	2024 max.	2024 earned	2024[1] %	2023 earned	2023[1] %
Fixed compensation	800	800	800	800		800	
Fringe benefits	146	146	146	146		122	
Total fixed remuneration	**946**	**946**	**946**	**946**	**40.6**	**922**	**39.8**
Short-term bonus							
STI 2024	280	0	504	410	17.6		
STI 2023						439	18.9
Long-term bonus							
LTI 2024	420	0	756	614	26.3		
LTI 2023						658	28.4
Total variable remuneration	**700**	**0**	**1,260**	**1,024**	**43.9**	**1,097**	**47.4**
Service cost	**362**	**362**	**362**	**362**	**15.5**	**298**	**12.9**
Earned total remuneration	**2,008**	**1,308**	**2,568**	**2,332**	**100.0**	**2,317**	**100.0**

1 The relative shares stated here relate to total remuneration earned.

Lutz Meschke

Member of the board of management responsible for investment management (since 1 July 2020)

€ thousand	2024 Target remuneration	2024 min.	2024 max.	2024 earned	2024[1] %	2023[2] earned	2023[1] %
Fixed compensation	600	600	600	600		585	
Fringe benefits	0	0	0	0		0	
Total fixed remuneration	**600**	**600**	**600**	**600**	**39.7**	**585**	**43.2**
Short-term bonus							
STI 2024	200	0	360	282	18.7		
STI 2023						243	17.9
Long-term bonus							
LTI 2024	300	0	540	423	28.0		
LTI 2023						364	26.9
Total variable remuneration	**500**	**0**	**900**	**705**	**46.7**	**607**	**44.9**
Service cost	**206**	**206**	**206**	**206**	**13.6**	**161**	**11.9**
Earned total remuneration	**1,306**	**806**	**1,706**	**1,511**	**100.0**	**1,353**	**100.0**

1 The relative shares stated here relate to total remuneration earned.

2 The service contract of Mr. Meschke was adjusted as of 1 April 2023. The annual fixed salary was increased from €540 thousand to €600 thousand and the annual bonus target amount from €250 thousand to €500 thousand. The annual pension contribution was also increased from €60 thousand to €180 thousand. The increases will apply pro rata temporis in the fiscal year 2023.

To measure variable remuneration for the fiscal year 2024, the supervisory board assessed the achievement of the individual performance targets set for the fiscal year 2024.

The supervisory board discussed the performance targets in detail. A decision on their achievement was made on the basis of an assessment of the individual performance of the members of the board of management. Where no provision was made for the measurability of target achievement, the supervisory board carried out this assessment at its due discretion. The individual performance targets of the board of management members for the fiscal year 2024 set by the supervisory board including their target achievement level are summarized in the table below.

	Individual performance targets 2024	Weighted %	Target achievement %
Hans Dieter Pötsch	Further development of corporate strategy	30	150
	Further development of the corporate communications department	15	150
	Continuation of the capital markets dialog	15	100
	Employee development and satisfaction	20	125
	Management development as part of the succession planning	20	125
	Overall target achievement level		**133**
Dr. Manfred Döss	Successful and efficient litigation	60	150
	Further development of the company's knowhow-management in the “legal affairs and compliance” department	10	100
	Further development of the compliance management system	15	100
	Employee development and satisfaction	15	100
	Overall target achievement level		**130**
Dr. Johannes Lattwein	Strengthening capital market attractiveness	35	150
	Further development of the corporate and investment strategy	25	150
	Digitalization of business processes	10	125
	Financial advice on investment projects	15	150
	Employee development and satisfaction	15	100
	Overall target achievement level		**140**
Lutz Meschke	Further development of the corporate and investment strategy	30	150
	Identification of investment opportunities	25	150
	Active value management of the portfolio investments	30	125
	Employee development and satisfaction	15	100
	Overall target achievement level		**135**

The table below presents the total bonus amount for each board of management member earned for the fiscal year 2024 and set by the supervisory board.

Bonus 2024 € thousand	Hans Dieter Pötsch	Dr. Manfred Döss	Dr. Johannes Lattwein	Lutz Meschke
Bonus target amount	750	600	700	500
Overall target achievement level of individual targets (%)	133	130	140	135
Intermediate amount	**994**	**780**	**980**	**675**
Modifier	0.95	0.95	0.95	0.95
Total bonus amount considering bonus cap (150%)	**944**	**741**	**931**	**641**
Special adjustment factor	1.1	1.1	1.1	1.1
Fixed total bonus amount	**1,038**	**815**	**1,024**	**705**
thereof STI 2024 (40%)	415	326	410	282
thereof LTI 2024 (60%)	623	489	614	423

With regard to determining the modifier for the fiscal year 2024, the economic situation and development of the company was assessed at the supervisory board's due discretion on the basis of the group result after tax for the fiscal year 2024 adjusted for individual items (see section "II. 1. Business development and development of key performance indicators in the fiscal year 2024") compared to the planned group result after tax for the fiscal year 2024. The general performance of the board of management members in the fiscal year 2024 was assessed at the supervisory board's due discretion provided this had not already been covered by the assessment of the individual targets.

At its reasonable discretion, the supervisory board determined a special adjustment factor of 1.1 for each member of the board of management for the fiscal year 2024. The special adjustment factor was applied in connection with an extraordinary bond issue with a volume of €1.6 billion placed extremely successfully by the entire board of management of Porsche SE in the fiscal year 2024. The payout hurdle for the LTI 2024 is met when a positive group result before tax, adjusted for individual items if necessary, is achieved in the fiscal year 2026.

6. Remuneration components of the board of management earned but not yet paid out

The LTIs earned but not yet paid out as of 31 December 2024 comprised LTI components for the following fiscal years presented in the table below. They will be paid out after the end of a two-year deferral period unless any malus mechanisms during the three-year assessment period (i.e., including the two-year deferral period) result in a forfeiture or reduction and only if the payout hurdle is reached (see also section “III. 2. Components of board of management remuneration in the fiscal year 2024”).

Due to the negative group result before tax in the fiscal year 2024, the payout hurdle for the LTI 2022 was not reached. As a result, the entire LTI 2022 is forfeited and no payment will be made in the fiscal year 2025.

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€ thousand	Date of disbursement	Hans Dieter Pötsch	Dr. Manfred Döss	Dr. Johannes Lattwein	Lutz Meschke
LTI 2024	2027	623	489	614	423
LTI 2023	2026	567	477	658	364
LTI 2022 (forfeited)	2025				
		1,190	**966**	**1,273**	**787**

7. Compliance with remuneration ceiling

Maximum remuneration

The supervisory board has set the maximum remuneration amount for the entire board of management at €24 million per year.

This maximum remuneration constitutes the maximum amount that may be granted to the entire board of management under the further developed remuneration system for board of management activities for a given fiscal year, even if individual remuneration components are not paid out until a later date. The maximum remuneration includes all of the fixed and variable remuneration components (i.e., including any special bonuses or bonus adjustments due to extraordinary developments). Accordingly, the amount of the maximum remuneration includes the fixed salary, the one-year variable remuneration component (“STI”) granted for the respective fiscal year and paid out in the following year, the multiple-year variable remuneration component (“LTI”) granted for the relevant fiscal year and paid out in the third year following the fiscal year in which it was granted, any special bonuses granted for the relevant fiscal year regardless of when they are paid out, all fringe benefits and the service cost for pension commitments.

The total remuneration granted to the entire board of management in the fiscal year 2024 amounts to around €8 million and is therefore below the remuneration ceiling, thus complying with the maximum remuneration set for the fiscal year 2024.

The remuneration system 2021 also provided for maximum remuneration for the entire board of management of €24 million per year. In contrast to the further developed remuneration system, the maximum remuneration according to the former remuneration system constitutes the maximum amount that may be awarded to the entire board of management for board of management activities for a given fiscal year and includes all of the fixed and variable remuneration components (i.e., including any special bonuses or bonus adjustments due to extraordinary developments). An assessment of compliance with the maximum remuneration for the fiscal years 2021 to 2023 is therefore only possible once the long-term bonus component for the aforementioned fiscal years has been paid in the fiscal years 2024 to 2026. The remuneration awarded to the entire board of management for its activities in 2021 amounted to around €4 million. The maximum remuneration for the fiscal year 2021 was therefore complied with. A final assessment was made after payment of the LTI 2021 in the fiscal year 2024 (see also section "II. 4. Further development of the remuneration system by the supervisory board").

Malus and clawback provisions

Subject to the contractual provisions, the supervisory board is able under certain conditions to retain variable remuneration components that have not yet been paid out ("malus") or – to the extent they have already been paid out – to reclaim such components ("clawback").

In the fiscal year 2024, the supervisory board of Porsche SE did not retain or reclaim any variable remuneration components from individual members of the board of management. The prerequisites for a malus or clawback claim affecting variable remuneration components did not apply.

8. Remuneration of former board of management members in the fiscal year 2024

In connection with Mr. von Hagen leaving the board of management of Porsche SE as of 30 June 2020, it was agreed in the fiscal year 2020 that the benefits to which he was entitled under his service contract would be honored in full until the end of the term of the contract on 28 February 2021. In this connection, a total lump-sum bonus amount (STI and LTI) of €250 thousand was determined for the full fiscal year 2021 by the supervisory board at its due discretion.

40% of the variable remuneration set by the supervisory board for the fiscal year 2021 was due for payment three months after the fiscal year 2021 ended (short-term variable remuneration). The remaining 60% was due for payment two years after the short-term variable remuneration falls due (long-term variable remuneration). In connection with the departure of Mr. von Hagen from the board of management of Porsche SE, it was agreed that the payment conditions agreed in the service contract (positive group result before tax of the Porsche SE Group in the fiscal year concluded before the long-term variable remuneration fell due and – in the case of the long-term variable remuneration – also positive net liquidity[1] of Porsche SE) are deemed to have been met. In the fiscal year 2024, Mr. von Hagen received pro rata long-term variable remuneration of €25 thousand (€150 thousand). The remuneration awarded and due in the fiscal year 2024 thus amounted to €25 thousand (€150 thousand), comprising 100% variable remuneration for 2021 subsequently paid out.

The former board of management member Mr. Müller was awarded remuneration of €14 thousand (€14 thousand) in the fiscal year 2024 in the form of a car for private use, to which he is entitled in accordance with his former service contract. The remuneration is thus made up entirely of fixed remuneration components.

[1] Negative net liquidity corresponds to net debt.

IV. Remuneration of the members of the supervisory board

Supervisory board remuneration system in the fiscal year 2024

The remuneration of Porsche SE's supervisory board members is governed by Art. 13 of the articles of association and is described in the remuneration system for supervisory board members, which was confirmed by the annual general meeting in the fiscal year 2021. For their work, the members of the supervisory board exclusively receive fixed remuneration, the amount of which depends specifically on the tasks assumed on the supervisory board and its committees.

According to the provisions set out in the articles of association, the annual basic remuneration is €150 thousand for the chairman of the supervisory board, €100 thousand for his deputy and €75 thousand for every other member of the supervisory board. The chairman of the audit committee receives an additional €100 thousand annually and every other member of the audit committee each receives an additional €50 thousand annually. For the activities undertaken on the committees other than the nominations committee and the investment committee (currently not established), the chairman receives an additional €50 thousand and every other member an additional €25 thousand each. If a member of the supervisory board holds more than two offices on committees at the same time, that member receives only the remuneration for the two most highly remunerated offices.

Supervisory board members who are members of the supervisory board or of a committee or who act as (deputy) chairman for only a part of a fiscal year receive reduced remuneration proportionate to that period.

The members of the supervisory board are also covered by a D&O insurance policy maintained by the company; the premiums of the D&O insurance are paid by Porsche SE. In addition, the company reimburses each supervisory board member for their expenses as well as for any value added tax legally owed on their remuneration or on the reimbursement of their expenses.

The fixed remuneration is due and payable after each fiscal year ends. Expenses are to be reimbursed without undue delay. There are no further postponement periods for the payment of remuneration components.

The remuneration system for the supervisory board is designed to allow the company to continue to attract and retain independent, qualified candidates with valuable specialist and industry-specific expertise for its supervisory board. This is a prerequisite for the supervisory board to engage in its advisory and monitoring activities in the best possible way. The remuneration is set and designed in a way that materially promotes the strategy and long-term development of Porsche SE.

Awarded and due remuneration of the supervisory board members active in the fiscal year 2024

The remuneration for the current members of Porsche SE's supervisory board presented below relates to the remuneration awarded and due in the fiscal year 2024 or 2023, relating to the amounts actually received for their service on the supervisory board as well as for their service on committees of the supervisory board of Porsche SE in the fiscal year 2023 or 2022.

€ thousand	2024 Fixed compensation	2024 Remuneration for committee activities	2024 Total	2023 Total
Dr. Wolfgang Porsche	150	68	218	216
Dr. Hans Michel Piëch	100	75	175	175
Prof. Dr. Ulrich Lehner	75	100	175	175
Dr. Ferdinand Oliver Porsche	75	87	162	157
Mag. Josef Michael Ahorner	75		75	75
Mag. Marianne Heiß	75		75	75
Dr. Günther Horvath	75	18	93	91
Dr. Stefan Piëch (until 30/6/2023)	37	12	50	91
Sophie Piëch (since 30/6/2023)	38		38	
Peter Daniell Porsche	75		75	75
Prof. KR Ing. Siegfried Wolf	75		75	75
Total	**850**	**361**	**1,211**	**1,205**

The remuneration awarded in the fiscal year 2024, which relates to the amounts actually received for their service on the supervisory board as well as for their service on committees of the supervisory board of Porsche SE in the fiscal year 2023, increased for Dr. Wolfgang Porsche, Dr. Ferdinand Oliver Porsche and Dr. Günther Horvath as a result of setting up a committee during the fiscal year 2022 relating to the project for acquiring ordinary shares in Porsche AG ("Phoenix committee"). The supervisory board dissolved the Phoenix committee on 25 September 2023 upon completion of Project Phoenix with conclusion of the acquisition of the investment in Porsche AG and the corresponding financing agreements. While the remuneration awarded for the fiscal year 2024 includes remuneration for the period from 1 January 2023 to 25 September 2023, the comparative period includes remuneration for the period from 13 May 2022 to 31 December 2022. Dr. Stefan Piëch left the supervisory board on 30 June 2023. He therefore received remuneration for his service on the supervisory board and for his service on committees of the supervisory board of Porsche SE, including the Phoenix committee, on a pro rata basis. Ms. Sophie Piëch was elected to the supervisory board of Porsche SE by the annual general meeting on 30 June 2023. For this reason, she received remuneration for her service on the supervisory board of Porsche SE in the fiscal year 2023 on a pro rata basis.

V. Comparative presentation of the annual change in remuneration of members of the board of management and supervisory board to the earnings development of the company and to the average remuneration of employees at Porsche SE

The table below presents the percentage change in the remuneration of current or former board of management and supervisory board members awarded and due in each fiscal year, the earnings situation of Porsche SE and the average remuneration of full-time-equivalents at Porsche SE.

The development of the board of management's and the supervisory board's remuneration is based on the remuneration awarded and due within the meaning of Sec. 162 (1) Sentence 1 AktG, as stated in the tables in section "III. 4. Awarded and due remuneration of the board of management members active in the fiscal year 2024" and in sections "III. 8. Remuneration of former board of management members in the fiscal year 2024" and "IV. Remuneration of the supervisory board".

The earnings development of the company is generally presented using the development of net income for the year of Porsche SE pursuant to Sec. 275 (2) No. 17 HGB ["Handelsgesetzbuch": German Commercial Code]. As the adjusted group result after tax of Porsche SE serves as a key performance indicator and was also used to determine the modifier, the development of the adjusted group result after tax is also presented.

For the development of the average remuneration of the employees, the group of employees at Porsche SE[1] below the board of management, i.e., including the first management level, is used as a basis. The remuneration of part-time staff is extrapolated to full-time equivalents.

[1] Does not include interns, working students and minimally-employed personnel.

	Annual change 2024 vs. 2023	Annual change 2023 vs. 2022	Annual change 2022 vs. 2021	Annual change 2021 vs. 2020	Annual change 2020 vs. 2019
Remuneration of the board of management					
Hans Dieter Pötsch	3.7%	32.7%[1]	39.0%	−7.4%	−1.0%
Dr. Manfred Döss	9.3%	3.4%	3.9%	43.1%	−3.1%
Dr. Johannes Lattwein (since 1/2/2022)	12.6%	87.3%[1]			
Lutz Meschke (since 1/7/2020)	29.7%	19.3%[1]	14.3%[1]	123.6%[2]	
Philipp von Hagen (until 30/6/2020)	– 83.3%[2]	−10.0%[2]	−52.2%[2]	−60.5%[2]	0.2%
Matthias Müller (until 30/4/2018)	0.0%	200.0%[3]		−100.0%[2]	−58.5%[2]
Remuneration of the supervisory board					
Dr. Wolfgang Porsche	1.1%[4]	8.0%[4]	0.0%	0.0%	0.0%
Dr. Hans Michel Piëch	0.0%	0.0%	0.0%	0.0%	0.0%
Prof. Dr. Ulrich Lehner	0.0%	0.0%	0.0%	0.0%	0.0%
Dr. Ferdinand Oliver Porsche	3.1%[4]	4.6%[4]	0.0%	0.0%	0.0%
Mag. Josef Michael Ahorner (since 4/7/2018)	0.0%	0.0%	0.0%	0.0%	101.7%[2]
Mag. Marianne Heiß (since 15/5/2018)	0.0%	0.0%	0.0%	0.0%	58.0%[2]
Dr. Günther Horvath (since 13/3/2018)	2.6%[4]	21.3%[4]	0.0%	0.0%	24.1%[2]
Dr. Stefan Piëch (since 4/7/2018; until 30/6/2023)	−45.5%[2]	21.3%[4]	0.0%	0.0%	101.7%[2]
Sophie Piëch (seit 30/6/2023)[5]					
Peter Daniell Porsche (since 4/7/2018)	0.0%	0.0%	0.0%	0.0%	101.7%[2]
Prof. KR Ing. Siegfried Wolf (since 11/4/2019)	0.0%	0.0%	0.0%	37.7%[2]	
Earnings performance					
Annual result of Porsche SE (HGB)	– 205.6%	−64.9%	398.0%	17.2%	−10.8%
Adjusted group result after tax of Porsche SE	– 37.9%	3.6%	7.3%	82.8%	– 38.9%
Development of the average remuneration of the employees					
Total workforce Porsche SE	– 4.6%	−16.5%	14.4%	1.7%	4.9%

1 Changes largely result from the first-time payment of short-term or long-term variable remuneration components.
2 Changes largely result from the time of joining or in connection with leaving the board of management or supervisory board.
3 The remuneration relates entirely to the provision of a car for private use. The change in 2023 compared to 2022 results from the utilization of this entitlement during the fiscal year 2022. This remuneration is therefore only pro rata temporis.
4 Changes result from the establishment of a committee with respect to the special significance of the acquisition of ordinary shares in Porsche AG.
5 In the fiscal year 2024, supervisory board remuneration was received for the first time for the fiscal year 2023, meaning that the above table does not contain any changes.

Stuttgart, 20 March 2025

Porsche Automobil Holding SE

The board of management The supervisory board

Sustainability at Porsche SE Group

Responsibility to act sustainably

The guiding principles of Porsche SE are its entrepreneurial spirit and its commitment as a responsible investor. Based on its entrepreneurial tradition, Porsche SE aspires to achieve a positive impact for creating sustainable value through its actions.

Porsche SE is guided by its economic, social and environmental responsibility towards its employees, business partners and society. Porsche SE believes that responsible and ethical conduct and acting with integrity are key drivers of business success. This is especially true as an investor. By setting itself high standards for environmental, social and governance ("ESG" or sustainability) aspects, Porsche SE creates an environment that enables and promotes sustainable business practices.

The Code of Conduct, which is binding for all employees[1], including the board of management, lays the foundation for responsible and sustainable actions at Porsche SE. The Code of Conduct is available on the Porsche SE website at

https://www.porsche-se.com/en/company/corporate-governance.

Basis of reporting

Aspects from ESG areas ("sustainability aspects") are an important part of corporate governance and strategy at Porsche SE. The reporting focuses on relevant sustainability aspects for Porsche SE and the companies fully consolidated in the consolidated financial statements of Porsche SE, all of which are intermediate holding companies (the "Porsche SE Group"). Control[2] is not given with regard to the other investments of the Porsche SE Group (see consolidated financial statements of Porsche SE for the fiscal year 2024, note [3] "Scope of consolidation").

Porsche SE is not required to prepare a non-financial (group) statement in accordance with Sec. 289b HGB ["Handelsgesetzbuch": German Commercial Code] or Sec. 315b HGB for the fiscal year 2024 because it does not meet the relevant requirements. This report does not constitute a voluntary non-financial (group) statement. Rather, it serves to provide interested stakeholders with information on how the Porsche SE Group addresses sustainability aspects.

[1] In this section, the term "employees" includes all full-time and part-time staff. Porsche SE did not employ any contract or temporary workers in the reporting year or the prior year.

[2] Control as defined by IFRS 10

Sustainability organization at the level of the Porsche SE Group

The entire board of management of Porsche SE is responsible for sustainability. The chairman of the board of management oversees the central coordination. In addition, the other members of the board of management are responsible for specific sustainability aspects relevant to their roles.

The supervisory board has designated Marianne Heiß as its ESG expert, recognizing the importance of sustainability aspects. In performing its duties during the reporting year, the supervisory board took sustainability aspects into account. Please refer to the report of the supervisory board published in the annual report.

The supervisory board has also included sustainability targets in the individual target agreements for the variable remuneration of members of the board of management in accordance with the system of remuneration for the members of the board of management. Please refer to the remuneration report published in the annual report.

Information on the composition and working methods of the board of management and supervisory board, including its competence profile, can be found in the declaration of compliance, which is published as part of the combined group management report in the annual report.

Sustainability strategy at the level of the Porsche SE Group

Porsche SE pursues the overarching goal of creating sustainable value for its shareholders. In order to strengthen Porsche SE's resilience, potential risks in connection with the negative effects of business activities on the environment and society should also be mitigated. Porsche SE therefore pursues the goal of sustainable corporate governance and the implementation of sustainability aspects both for its holding company operations and for its investment decisions.

As a pure holding company without control[1] over any of its operating investments, Porsche SE distinguishes in its sustainability strategy between its holding operations ("holding level") and its core and portfolio investments ("investment level").

The holding level comprises Porsche SE and the companies fully consolidated in the consolidated financial statements of Porsche SE, all of which are intermediate holding companies. Porsche SE pursues and implements its own sustainability strategy at holding level.

At investment level, on the other hand, the individual investment companies develop and implement their own sustainability strategies. Porsche SE's strategy is therefore limited to taking sustainability aspects into account in its investment decisions and subsequently exercising its role as a responsible investor accordingly.

[1] Control as defined by IFRS 10

Holding level

The interests of various stakeholder groups of the Porsche SE Group are taken into account when identifying relevant sustainability aspects. To do so, Porsche SE uses, among other things, insights from investor dialogs and roadshows, analyst talks, the shareholder dialog with the management and, if applicable, members of the supervisory board of the investments, appraisal interviews and press inquiries.

As the qualifications, motivation and performance of Porsche SE's employees are key success factors, employee-related matters are a central aspect of the sustainability strategy at holding level. In addition to promoting health and advanced training, the primary aim is to attract and retain qualified employees. Accordingly, Porsche SE intends to further establish itself as a top employer.

Compliance is also considered to be particularly relevant at holding level. This includes respecting human rights, anti-corruption and bribery matters, combating money laundering and terrorist financing, avoiding conflicts of interest, tax honesty, information security, data protection, foreign trade and investment control as well as selecting and dealing with business partners. Porsche SE is fully committed to compliance as part of its corporate culture. Compliance with laws, other legal standards, the Code of Conduct, company guidelines and other internal company regulations is a basic principle of Porsche SE's corporate activities.

As the holding operation of the Porsche SE Group based in Germany does not include any companies from the manufacturing or commodity- and energy-intensive industries, environmental and social aspects are of little or no relevance at holding level. For example, the CO_2 emissions caused exclusively by Porsche SE's holding company are comparatively low. Due to the key societal challenges arising in connection with climate change, CO_2 emissions at holding level are described in the “Climate change mitigation” section. The decarbonization strategies at the level of the core investments are also reported.

Porsche SE is continuously advancing its sustainability strategy, sustainability organization and sustainability reporting, particularly in preparation for the requirements of the new CSRD [Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive].

Investment level

Due to a lack of control[1], Porsche SE can only encourage sustainable corporate governance of its investments through the shareholder dialog and board work. Porsche SE assumes the role of a responsible investor in order to strengthen the resilience of its investment portfolio in cooperation with its partners, also with regard to potential sustainability risks. Porsche SE's investment partners include EQT, Bridgepoint and DTCP, which have each undertaken to comply with the United Nations Principles for Responsible Investment (PRI) and are committed to the acceptance and implementation of the principles for responsible investment in the investment industry. Porsche SE's corporate strategy centers around the investment strategy. Porsche SE's sustainability strategy therefore also aims to take sustainability aspects into account in investment decisions. This is intended to mitigate potential risks in connection with the negative effects of business activities on the environment and society.

Prior to acquiring investments, due diligence reviews are regularly carried out with the help of external consultants (including specialized sustainability consultants). Consideration of sustainability aspects is an integral part of the investment process and is enshrined in an internal company guideline. If any serious violations, impacts or risks ("red flags") are identified during an ESG due diligence review and mitigation or remedial action is not taken, investment opportunities are generally excluded from an investment.

Investment management is responsible for the organization and implementation of investment processes, from an investment opportunity being identified through to it being sold. The board of management is regularly informed about how investment processes are progressing and also informed appropriately about the opportunities and risks (including key sustainability aspects) of a potential transaction. The board of management is ultimately responsible for deciding on the implementation of an investment, if necessary with the approval of the supervisory board.

Porsche SE invests in companies with sustainable business models and provides growth capital for its portfolio companies, which can contribute to the transition to a sustainable economy. Besides the two core investments, the Porsche SE Group has invested over the past few years in several companies that have significant sustainability aspects built into their business models. With their software solutions and their data portfolio, European Transport Solutions S.à r.l. and INRIX Inc. aim to optimize traffic flows and transport routes, thereby making a significant contribution to reducing the consumption of resources and lowering emissions. A further example of contributing to sustainability are the innovative 3D printing solutions of our investment Seurat Technologies Inc., which allow for a more efficient use of resources in production and a reduction of emissions by shortening supply chains. As a major global provider of charging solutions for electric vehicles with over 50,000 DC charging stations sold, ABB E-mobility Holding AG is making an important contribution to growth in the field of electromobility. Porsche SE also acquired shares in Flix SE in the fiscal year 2024. The company operates a global mobility platform for long-distance bus and train travel. Flix SE's environmentally friendly travel offers have emission advantages over other means of transportation.

[1] Control as defined by IFRS 10

Porsche SE's investments in private equity and venture capital funds are also allocated to the portfolio investments category. Funds subscribed to by Porsche SE are managed in accordance with sustainability-related investment guidelines and are classified at a minimum as an article 8 fund in accordance with the SFDR [Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation)]. Some of the funds are also aligned with explicit sustainability objectives in accordance with article 9 of the SFDR.

Porsche SE supports the sustainability strategies of its core investments. As the largest investor in connection with the IPO of Porsche AG, Porsche SE played an active role in providing the Volkswagen Group with the capital required for the transformation into a provider of sustainable mobility and at the same time increasing the independence of Porsche AG. Porsche SE is convinced that the Volkswagen Group will play a leading role in the transformation of the automotive industry and for this reason also has potential for increasing value.

Sustainability strategy and organization at the level of the core investments

Given the importance of the core investments for Porsche SE's investment portfolio, the sustainability strategy and organization at their level are presented in the following. These are based on extracts from the group management report and sustainability report of the Volkswagen Group for the fiscal year 2024 and the non-financial statement as part of the combined management report of the Porsche AG Group for the fiscal year 2024.

Volkswagen AG

The Volkswagen Group can influence environmental, social and economic systems with long-term viability at global, regional and local level in various ways and actively takes responsibility to make a contribution to their sustainability. The Volkswagen Group has thus developed a sustainable style of company management and put in place the necessary management structures.

In Volkswagen's "The Group Strategy – Mobility for Generations", Volkswagen AG has defined clear group objectives in the form of nine imperatives assigned to three core topics: excite, unleash and focus. Volkswagen AG is focusing on creating a robust company foundation with a reduced cost base and resilient structures, and it sees sustainability as a basic maxim for its actions. Sustainability is deeply rooted in the Volkswagen Group and an integral part of Volkswagen's group strategy. Volkswagen is providing new, important and goal-oriented impetus with its regenerate+ group sustainability strategy presented in the fiscal year 2024. Volkswagen takes a broad and comprehensive approach to sustainability – environmentally, socially and economically. Its vision is to become a mobility provider with positive added value for nature and society. To this end, Volkswagen will seek to work in partnership with its stakeholders in order to learn and further improve.

The Volkswagen Group has established a group-wide sustainability management. The related structures, processes and responsibilities are codified in a specific Volkswagen Group policy. The core elements include assumption of cross-functional, overall responsibility for sustainability by the chairman of the board of management of Volkswagen AG, specification of the competence of the responsible board members for specific sustainability management concepts; and the position of chief sustainability officer for the sustainability strategy as a whole at the level of the Volkswagen Group. Sustainability is part of the Top 10 program at the level of the Volkswagen Group. The content is regularly evaluated and reported to the board of management of the Volkswagen Group.

The sustainability council's format was realigned in terms of strategy and structure during the reporting year. The new concept now aims to challenge and jointly further develop the relevant topics in the Volkswagen Group sustainability strategy that were identified in the materiality assessment. The new sustainability council is comprised of a group of experts for each dimension of regenerate+.

For more detailed information about sustainability at the Volkswagen Group, please refer to the group management report and sustainability report of the Volkswagen Group for the fiscal year 2024. This is available on the Volkswagen AG website at

https://www.volkswagen-group.com/en/financial-report-and-publications-16121.

Porsche AG

Mobility, and therefore the automotive industry, plays a key role in the transformation of business toward sustainability and the related fight against climate change.

The Porsche AG Group is committed to actively shaping the future of mobility while taking the environment and society into account. This includes the development of vehicles and other products and services in line with sustainability criteria and the company's self-image as a progressive, socially committed employer and reliable business partner. Beside the company's own vehicle production, the upstream and downstream value chain are considered as well.

In the reporting year, the Porsche AG Group sharpened its strategy and realigned it to the changed and challenging market environment. The revised Porsche AG Strategy 2030 Plus focuses more on the key success factors of the company to lead the Porsche AG Group into a successful future and leverage the opportunities of transformation. Sustainability forms one of four cross-functional strategies, which are addressed across all departments.

The “Sustainability” cross-functional strategy classifies the key challenges facing the Porsche AG Group into six strategy fields: decarbonization, circular economy, diversity, partner to society, supply chain responsibility as well as governance and transparency.

Cross-functional and overall responsibility for sustainability at the Porsche AG Group lies with the chairman of the executive board of Porsche AG, supported by the member of the executive board responsible for production and logistics and the member of the executive board responsible for procurement. They are supported in strategic decision-making and development by internal bodies and the external Porsche sustainability council.

A key body, the Porsche sustainability council, for example, institutionalizes the stakeholder dialog on sustainability. The members are independent and not bound by instructions. The executive board has given the council far-reaching rights to information and consultation, as well as rights of initiative. External specialists in business, science and civil society regularly advise the executive board and top management regarding the strategic focus of sustainability and on current relevant and strategic issues.

The sustainability department is responsible for implementing the sustainability strategy and works continuously to optimize it. It realizes in particular sustainability projects and manages the sustainability bodies of Porsche AG.

Sustainability is enshrined as a central cross function in the Porsche AG Strategy 2030 Plus. Throughout the group, it is anchored in the organization with a clear internal structure and defined responsibilities. Alongside the individual rules of procedure, the group sustainability policy contains binding rules for the entire Porsche AG Group concerning the organization, internal processes, topic management, project implementation and communication of relevant sustainability topics.

For more detailed information about sustainability at the Porsche AG Group, please refer to the non-financial statement as part of the combined management report of the Porsche AG Group for the fiscal year 2024. This is available on the Porsche AG website at

https://investorrelations.porsche.com/en/financial-figures/.

Relevant sustainability aspects at holding level

Employee-related matters

Promoting health and safety

The health and safety of employees is a top priority for Porsche SE. Responsibility for personnel lies with the chairman of the board of management of Porsche SE, who also holds the position of (occupational) health and safety officer. Porsche SE guarantees a working environment that complies with the applicable occupational health and safety regulations. The health, performance and job satisfaction of its employees is ensured by Porsche SE by means of preventive measures and measures to promote health. These include workplace health promotion activities, medical examinations, prevention programs and fitness offerings. Furthermore, a modern workplace concept has been implemented in accordance with the latest ergonomic and health and safety recommendations. There were no work-related injuries, illnesses or fatalities in the reporting year.

Attractive working environment, further training and recruiting

A major factor in attracting and retaining employees is the attractiveness of Porsche SE as an employer. An essential part of an attractive working environment is a corporate culture that fosters respect and appreciation for one another.

Alongside an attractive and fair remuneration for all employees that is based on or exceeds collective agreements, Porsche SE has also set up a company pension scheme with employer-funded contributions as well as the possibility of adding employee-funded components. Individual professional development opportunities are available for all employees, comprising internal and external advanced training and workshops, attending professional events and conferences, selected subsidized in-service training programs, including academic degrees, certifications or professional examinations, the use of personal coaching sessions as well as needs-based language courses. All managers take part in a management development program.

On the basis of a formal process, all employees have the opportunity to have an appraisal review at least once a year in order to assess the current situation for the employee in particular, provide an outlook and derive appropriate development measures.

Porsche SE is engaged in a cooperation with the University of Mannheim in order to boost its attractiveness as an employer.

Social protection and work-life balance

All employees of the Porsche SE Group enjoy social protection under German law and are especially safeguarded in the following areas: annual vacation, family-related leave, parental leave, retirement and loss of income due to illness, unemployment, employment injury and acquired disability. In addition to the company pension scheme, which includes a surviving dependents’ pension, Porsche SE also temporarily continues to pay the salary to surviving dependents in the event of death. Every employee of the Porsche SE Group is also covered by the group accident insurance taken out by Porsche SE. All employees of the Porsche SE Group are entitled to 30 days of annual vacation, which exceeds the statutory entitlement. The professional HR organization within the Porsche SE Group protects employee rights.

With regard to work-life balance, the Porsche SE Group offers different working time models (phased retirement and part-time working arrangements) in addition to flexible working hours. More flexibility and a better work-life balance were created for employees by the fundamental introduction of a permanent arrangement regarding mobile working.

There were no redundancies or restructuring measures within the Porsche SE Group in the reporting year or the prior year, nor are any such measures planned.

Equal treatment and diversity

A working environment shaped by respect and tolerance is the foundation of the Porsche SE Group's success. The Porsche SE Group maintains, protects and promotes the equal treatment of all employees and a working environment with no place for discrimination based on personal background, age, gender, disability, race or ethnic origin, religion, sexual orientation or other personal characteristics. This primarily applies to all issues relating to employment, especially recruitment, promotion, remuneration and termination. Employees are selected, hired and promoted solely on the basis of their qualifications and skills.

Any form of harassment (e.g., sexual harassment or exclusion) and the use of improper means (e.g., threats, coercion or physical violence) are strictly prohibited and not tolerated under any circumstances. Mutual respect and trust are core values for the Porsche SE Group. Any behavior among and towards employees that could be humiliating, insulting or otherwise disrespectful is unacceptable.

These principles of working together apply not only to all employees of Porsche SE, but also when dealing with third parties.

In the company's opinion, the targets and the diversity concept for the composition of the supervisory board of Porsche SE, including the target for female representation, are currently met in full. The supervisory board has also resolved to introduce, among other things, a diversity concept aimed at diversifying the board of management. The board of management has also specified corresponding targets and deadlines for the female representation at the two management levels below the board of management. Please refer to the corresponding explanations in the declaration of compliance, which is published as part of the combined group management report in the annual report.

Key figures of the Porsche SE Group's workforce

	31 December 2024	31 December 2023
Number of (salaried) full-time employees	33	30
Number of (salaried) part-time employees	15	12
Employees as of 31 December 2024[1]	**48**	**42**
Number of interns, working students and inactive employees	5	5
Total number of employees[2]	**53**	**47**
Age structure in years at Porsche SE Group (%)		
under 30	15.1%	10.7%
30 to 50	66.0%	72.3%
over 50	18.9%	17.0%
Average length of service	6.6 years	6.3 years
Average length of service of men	4.8 years	4.4 years
Average length of service of women	9.3 years	9.2 years
Proportion of female employees at Porsche SE Group	39.6%	40.4%
Proportion of female employees at the management level below the board of management	33.3%	33.3%

[1] Definition of employee within the meaning of Sec. 314 (1) No. 4 HGB as of the reporting date 31 December 2024

[2] In the reporting year and in the prior year, Porsche SE did not employ any temporary workers or workers from temporary employment agencies.

Compliance

Compliance management and organization

Compliance is a fundamental factor in sustainable corporate governance and has the highest priority for Porsche SE. Compliance with laws, other legal standards, the Code of Conduct, company guidelines and other internal company regulations is a basic principle of Porsche SE's corporate activities and part of the corporate culture. Furthermore, the board of management and supervisory board of Porsche SE base their work on the principles, recommendations and suggestions of the German Corporate Governance Code ("GCGC") for corporate management and supervision. Porsche SE follows the recommendations of the GCGC as regards both the individual entity and the group in the scope set out in the declaration on the GCGC and in potential updates. Please also refer to the declaration of compliance, which is published as part of the combined group management report in the annual report. The declaration of compliance and the annual declaration on conformity with the recommendations of the GCGC are also available on the Porsche SE website at

https://www.porsche-se.com/en/company/corporate-governance.

For the management of compliance risks, Porsche SE has established a compliance management system, a core component of which is the Code of Conduct at Porsche SE. This contains the central principles for acting in compliance with the law and rules as well as ethically and provides orientation for employees in their day-to-day dealings with colleagues, business partners and third parties. The Code of Conduct is binding for all employees, including the board of management of Porsche SE. The Code of Conduct is supplemented and specified by internal company guidelines on compliance and other company guidelines on selected topics. These company guidelines are consistent with the Code of Conduct.

The compliance management system of Porsche SE also comprises the compliance organization with defined roles and responsibilities, measures and processes set up in the company and corresponding reporting channels. These aim to preemptively ensure that employee conduct is in line with the rules and to avoid compliance violations. The compliance management system is also designed to clarify, to put an end to and to sanction potential instances of misconduct. The compliance management system is supplemented by the tax compliance management system ("Tax CMS") and the information security management system ("ISMS"), which are also part of Porsche SE's risk management. In this connection, please also refer to the section "Risk management and internal control system of the Porsche SE Group" in the chapter "Opportunities and risks of future development" in the combined group management report in the annual report. Porsche SE employees are regularly informed about these systems and given appropriate basic and advanced training. In the reporting year, all employees were offered training and/or information on compliance, including the compliance management system, the Code of Conduct and the whistleblower system.

The board of management of Porsche SE is responsible for compliance at the Porsche SE Group. The board of management function responsible for legal affairs and compliance is responsible for Porsche SE's compliance organization. The member of the board of management responsible for legal affairs and compliance is tasked with reporting to the entire board of management of Porsche SE on all questions relating to compliance, taking preventive measures, managing these and monitoring compliance with regulations.

The member of the board of management responsible for legal affairs and compliance is also the company's compliance officer. In addition, Porsche SE has set up a compliance council, which comprises the member of the board of management responsible for legal affairs and compliance and executives from the departments. The compliance council supports the board of management member responsible for legal affairs and compliance in performing his duties, in particular in monitoring compliance with the legal provisions applicable to the company and its employees. The compliance council focuses on the prevention of and response to potential compliance violations. An internal company guideline on compliance specifies the organizational units and decision makers responsible for procedures relating to compliance. The compliance organization is also supported by the internal audit that is integrated in the risk management system.

In addition to the further development of Porsche SE's compliance management system and measures on compliance management that have been planned and implemented, the compliance council's meetings in the fiscal year 2024 primarily dealt with general compliance matters.

The board of management informs the supervisory board regularly, without delay and comprehensively, about all aspects that are relevant to the company, including compliance. The supervisory board has set up an audit committee, which prepares the deliberations and resolutions of the supervisory board on specific topics, including compliance. The audit committee monitors the effectiveness of the risk management system and the internal audit system and compliance management system. Further information on the working methods of the board of management and supervisory board can be found in the declaration of compliance, which is published as part of the combined group management report in the annual report.

Selected compliance aspects at Porsche SE are reported on below.

Respecting human rights

Adhering with and respecting human rights are non-negotiable principles for the Porsche SE Group, including its respective governing bodies. They are therefore regarded as an integral part of the activities of the Porsche SE Group and its employees. The Porsche SE Group respects, protects and promotes the dignity, equality and freedom of every individual by committing itself to respecting personal rights, in particular the right to freedom of expression and protection of privacy. It also promotes the equal treatment of all employees and diversity within the company. Every employee is expected to respect the dignity and personal rights of every individual. Business partners of the Porsche SE Group are also expected to adhere to these values and commitments.

The Porsche SE Group is committed to the core labor standards of the International Labour Organization (ILO) and their fundamental principles and rights at work, such as freedom of association and the right to collective bargaining, the elimination of forced labor, the abolition of child labor, the prohibition of discrimination in respect of employment and occupation and protection and safety in the workplace.

Anti-corruption and bribery matters

Corruption undermines fair competition, hinders innovation and progress and is therefore detrimental to the economy and society. For this reason, Porsche SE rejects any form of corrupt conduct or behavior detrimental to the company, especially if it is intended to gain a competitive advantage. Porsche SE rejects bribery and any form of granting or accepting an inappropriate advantage. Even behavior that only appears to be inappropriate must be avoided.

The Porsche SE Group therefore expects its employees to act at all times in accordance with the relevant anti-bribery laws.

Employees of Porsche SE may not accept, demand, offer or grant any personal advantages in the form of financial or other incentives, especially if this could impair their ability to make appropriate and objective decisions. This applies in particular to gifts and invitations. These may be accepted and offered only to the extent customary in business and to a reasonable extent. In an internal company guideline, Porsche SE has laid down binding requirements for all employees with regard to the prohibition of corruption, including the handling of incentives from or to public officials, authorities and public institutions as well as business partners and other third parties. The guideline contains criteria for distinguishing between acceptable from inappropriate incentives as well as further specifications with regard to accompanying approval and documentation requirements.

In its dealings with authorities, public officials and politicians, the Porsche SE Group behaves in a transparent, legally correct and proper manner and avoids any appearance of unlawful influence (corruption and bribery). This also means that no payments are made to accelerate routine official acts (facilitation payments), even if such incentives or payments are supposedly customary.

Porsche SE employees are regularly offered training and/or information on the topic of avoiding corruption and bribery.

In addition, the Porsche SE Group does not make donations or contributions to political parties.

Anti-money laundering and countering the financing of terrorism

Money laundering and financing of terrorism are not only detrimental to the economy and society but can also have considerable consequences for everyone involved. This is why Porsche SE takes the risk of money laundering and the financing of terrorism very seriously and supports the international community in their efforts to anti-money laundering and countering the financing of terrorism. It also wants to avoid being used for money laundering. Porsche SE makes sure that its cash flows are transparent and accountable. Whenever Porsche SE works with business partners, it acts with the utmost care and in accordance with national and international regulations to anti-money laundering and countering the financing of terrorism. Porsche SE has therefore implemented measures designed to ensure compliant conduct. For example, the Porsche SE Group uses a KYC (Know Your Customer) process to verify the identity and integrity of the business partners, companies and other third parties that it interacts with so that it can ensure the lawful origin of their resources. It does so particularly when identifying, acquiring, managing and selling investments. Risk-increasing factors (e.g., a connection to high-risk countries) are taken into account as part of the enhanced due diligence process. In performing internal security measures to prevent money laundering and terrorist financing, existing business relationships with business partners are also monitored on an ongoing basis. The Porsche SE anti-money laundering officer is contacted immediately if there are any indications of suspicious behavior by business partners or other third parties.

Porsche SE employees receive regular training and/or information on combating money laundering and terrorist financing.

Avoiding conflicts of interest

At Porsche SE, decisions are made in the interests of the company and its stakeholders to the best of our knowledge and belief on the basis of objective and factual criteria. This is incompatible with the pursuit or consideration of personal or individual financial interests, which may inappropriately influence judgment and prevent decisions from being made in the interests of the company. Even the appearance of a personal conflict of interest can harm the company and must therefore be avoided.

Under certain circumstances, a conflict of interest may already exist when carrying out a sideline activity, holding an office or investing in another company. Employees of the Porsche SE Group are obliged to disclose potential or actual conflicts of interest so that an appropriate solution can be developed together with the company. Certain cases require the employee to obtain approval in accordance with the employment contract or, in the case of members of the board of management, by the supervisory board. All members of the board of management must immediately disclose conflicts of interest to the supervisory board and inform the other members of the board of management accordingly. This applies in particular to members of the board of management who are also members of management or supervisory bodies of other companies, including the Volkswagen Group or the Porsche AG Group.

Tax honesty

Taxes are essential for the good of society. The Porsche SE Group is aware of its social responsibility to comply with tax regulations and complies with national and international tax and duty regulations and observes these in its business activities. Violations of tax and duty regulations may lead to significant corporate disadvantages for Porsche SE. Consistent compliance with the legal regulations creates trust among the stakeholders of the Porsche SE Group, the tax authorities and society. The Porsche SE Group affirms and promotes the principle of legal tax behavior, regardless of whether or not the group benefits from this. Porsche SE uses internal processes and structures to ensure that taxes and other duties are calculated correctly and promptly and that they are duly paid. This is intended to prevent the unauthorized reduction of taxes and other duties or the infringement of duties to cooperate.

The Porsche SE Group has a Tax CMS to manage compliance risks from tax matters. This is certified with regard to the appropriateness in accordance with IDW Assurance Standard “Principles for the Proper Performance of Reasonable Assurance Engagements Relating to Compliance Management Systems (IDW AsS 980)”. The Tax CMS of Porsche SE comprises the tax compliance organization with defined roles and responsibilities and the measures, processes and reporting channels set up in the company. Employees entrusted with the Tax CMS took part in external training courses on tax compliance in the reporting year. In the reporting year 2024, all employees of Porsche SE received training on the Tax CMS.

The effects from tax matters at the Porsche SE Group are presented in the consolidated financial statements for the fiscal year 2024.

Information security

Increasing digitalization of business processes also brings with it greater requirements for information security. Information security is the protection of information against a variety of threats in order to ensure maintenance of business operations, minimize business risks and thus safeguard the corporate strategy.

Porsche SE has implemented an ISO/IEC 27001-certified Information Security Management System (ISMS) to manage compliance risks relating to information security. This includes an information security organization with defined roles and responsibilities and the measures, processes and reporting channels set up in the company. It also has organizational and technical security measures in place, as well as a reporting system that is available at all times and appropriate back-up systems.

The ISMS is designed to ensure the availability, integrity, confidentiality and authenticity of information. It aims to prevent the unauthorized access, misuse, manipulation or loss of sensitive and confidential information.

Porsche SE employees are regularly informed about information security and the secure use of IT systems. Corresponding training and information was provided for all employees in the reporting year.

Data protection

Data protection includes protecting each individual's personal data from unauthorized collection, processing and distribution. Handling personal data is subject to strict legal requirements, but can also be seen as an indicator of trust. Guaranteeing the right to lawful, proper and confidential handling of the data of employees, business partners and all other persons associated with the Porsche SE Group is therefore a top priority for the Porsche SE Group. Personal data is always treated responsibly, confidentially and with the utmost care. In order to meet the requirements relating to data protection and to manage the corresponding risks, Porsche SE has defined roles and responsibilities and set up measures and processes, which are specified in a company guideline. In particular, this company guideline regulates the handling of the legal rights of data subjects (e.g., the right to information, correction or completion, deletion or objection) in order to ensure compliance with these rights. In addition, the company guideline contains provisions for protection against accidental or unlawful destruction, accidental loss, unauthorized alteration or disclosure, unauthorized access and any other form of unlawful processing of personal data. These measures must be appropriate, taking into account the state of the art, the cost of implementation and the nature, scope, context and purposes of the processing as well as the risks of varying likelihood and severity for rights and freedoms of natural persons. In addition, general protective measures for information, data and system security are defined in Porsche SE's ISMS. These measures include the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services. The measures are reviewed regularly.

Porsche SE has also appointed a data protection officer, who works to protect the individual divisions from violations, regularly trains and informs employees about data protection and, in particular, gives advice to employees who deal with personal data in their day-to-day work. Porsche SE has also defined reporting processes and channels for logging data protection incidents. Data protection violations must be reported to the board of management by the data protection officer. There were no reportable data protection violations or data breaches at Porsche SE in the reporting year or in the prior year.

Foreign trade and investment control

Porsche SE adheres to all national and international regulations governing the movement of goods, services, capital or investments. Porsche SE observes the applicable foreign trade and investment control laws and the resulting approval procedures and reporting requirements. The same applies to the international sanction lists, embargoes against countries and against certain groups, individuals, organizations and companies in any country. Porsche SE does not tolerate the applicable regulations being bypassed.

Selecting and dealing with business partners

Porsche SE's business partners are selected impartially, without taking private or personal interests into account and based on offers that are assessed using objective and factual criteria. Unobjective preferential treatment or unfair advantage or disadvantage will not be tolerated.

In terms of carrying amounts[1], virtually 100% of Porsche SE's investments have their own codes of conduct with defined and binding sustainability standards for their employees and business partners. Business partners are accordingly expected to pass on the requirements formulated therein along the supply chain. Compliance with the requirements is reportedly reviewed by the core investments using sustainability ratings for relevant companies and suppliers, which is an explicit condition for the award of contracts. The codes of conduct of the two core investments and corresponding codes of conduct for their business partners are available on their websites at

https://www.volkswagen-group.com/en/policies-16116

and

https://www.porsche.com/international/legal/compliance/.

The ten largest suppliers and service providers of the Porsche SE Group, which account for around two-thirds of all supplies and services purchased by the Porsche SE Group[2], have their own codes of conduct.

[1] Carrying amounts of the investments in the consolidated financial statements of Porsche SE in accordance with IFRS in EUR as of 31 December 2024

[2] Based on the supplies and services purchased in the fiscal year 2024 in EUR

Dealing with compliance violations (whistleblower system)

Porsche SE's compliance management system includes measures and processes for dealing with indications of potential compliance violations. Employees of Porsche SE can use defined communication channels[1] to report potential compliance violations within the company, anonymously if desired.

Their first point of contact is their direct supervisor, and they can also contact the compliance officer at any time. Porsche SE has set up a compliance e-mail address (compliance-pse@porsche-se.com) for this purpose. Information can also be reported anonymously via a mailbox. Porsche SE's legal department and HR department, in particular for personnel issues, are also available as contacts.

Porsche SE's compliance reporting office is also the internal reporting office for employees as required by the HinSchG ["Hinweisgeberschutzgesetz": German Whistleblower Protection Act].

Employees can also contact the aforementioned people and reporting channels if they have questions about certain behaviors or about the Code of Conduct and compliance in general. The Porsche SE Group regularly makes its employees aware about these options.

In addition, external third parties can report potential compliance violations to Porsche SE's compliance e-mail address (compliance-pse@porsche-se.com).

If there is reason to suspect a potential violation of laws, other legal standards, the Code of Conduct, company guidelines or other internal company guidelines, all employees are required to report this immediately.

Protecting whistleblowers is a top priority for Porsche SE. Any information or reports received are treated with the utmost confidentiality. Regardless of whether the suspicion is confirmed or not, the person who made the report will not suffer any disadvantages simply for making the report, provided there were reasonable grounds for the report. However, in the case of a voluntary self-report, this does not protect the individual from the consequences of the reported misconduct itself.

Porsche SE resolutely investigates all reports of potential compliance violations brought to its attention. If it detects a violation or misconduct, it immediately initiates corrective action and imposes appropriate consequences. Misconduct or violations of the principles set out in the Code of Conduct will not be tolerated.

No reports of potential compliance violations were received via Porsche SE's whistleblower system in either the reporting year or the prior year.

[1] The reporting channels are available in both German and English. Porsche SE is based exclusively in Germany.

Climate change mitigation

Information on gross CO_2 emissions

The following explanations about CO_2 emissions are based on the principles of the internationally accepted Greenhouse Gas (GHG) Protocol[1] and are broken down accordingly into Scope 1 to Scope 3 emissions. Under these principles, CO_2 emissions from investment companies, i.e., mainly from Volkswagen AG and Porsche AG, are allocated pro rata to the Scope 3 emissions of Porsche SE (category 15)[2]. Against this backdrop, the total emissions of the Porsche SE Group are almost exclusively attributable to the investments in Volkswagen AG and Porsche AG. The pure holding operations of the Porsche SE Group cause comparatively low CO_2 emissions, which is why exact Scope 3 emission measurements have not been carried out to date.

Regardless of this, Porsche SE as a company has a special responsibility towards the environment and complies with all statutory provisions and binding standards on environmental and climate protection. Porsche SE is committed to the Paris Climate Agreement and therefore welcomes the European Union's climate targets of reducing CO_2 emissions by at least 55% by 2030, compared to 1990 levels, and achieving climate neutrality[3] by 2050. Porsche SE promotes resource-conserving business practices and strives to continuously optimize the use of resources. Every employee of Porsche SE is expected to use natural resources appropriately and sparingly in the course of their work and ensure that their activities have the smallest-possible impact on the environment.

The Porsche SE Group's Scope 1 and Scope 2 CO_2 emissions in the reporting year totaled:

tCO_2	**2024**
Gross Scope 1 CO_2 emissions	67.6
Gross Scope 2 CO_2 emissions	6.9

Scope 1

Scope 1 refers to direct emissions from sources belonging to or controlled by the company.

At the Porsche SE Group, these relate exclusively to emissions from leased employee vehicles.

This includes emissions caused by the fuel combustion of employee vehicles. In this context, an employee vehicle is defined as any vehicle for which Porsche SE bears the fuel costs. Emissions for leased employee vehicles for which Porsche SE does not bear the fuel costs are allocated to Scope 3 emissions if they are business-related journeys.

Emissions are determined on the basis of emissions per kilometer according to the tax assessment notice and the total distance traveled. The total distance traveled is calculated per vehicle and reporting period. Emissions resulting from the operation of air conditioning systems in employee vehicles are not recorded.

1 GHG Protocol Corporate Standard (2004) and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
2 Porsche SE's capital share in Volkswagen AG amounts to 31.9% and in Porsche AG to 12.5% as of 31 December 2024.
3 Reduction of greenhouse gas emissions to net zero by balancing greenhouse gas emissions and removals in accordance with Regulation (EU) 2021/1119 Art. 2 (1)

Scope 2

Scope 2 refers to indirect emissions from the consumption of purchased electricity, steam, heat and cooling from the upstream value chain.

At the Porsche SE Group, these relate exclusively to emissions from leased battery-powered electric employee vehicles.

In this context, an employee vehicle is defined as any vehicle for which Porsche SE bears the electricity costs. To calculate the emissions, the total electricity consumption is first determined on the basis of the total distance traveled and the electricity consumption per vehicle according to the manufacturer's specifications. This is then reduced by the proportion that demonstrably relates to charges with carbon neutral electricity. The remaining electricity consumption is multiplied by an emission factor for the German electricity mix (without upstream chain) according to the German Federal Office. The total distance traveled is calculated per vehicle and reporting period. According to the information provided by the lessor, Porsche AG, the charging stations provided by Porsche SE are already run on a net carbon neutral basis.[1]

Emissions for leased employee vehicles for which Porsche SE does not bear the energy costs are allocated to Scope 3 emissions if they are business-related journeys.

As Porsche SE has no operational control over rented office space within the meaning of the GHG Protocol, emissions from the energy supply of office space are allocated to category 8 in Scope 3. In particular, Porsche SE cannot make any decisions on the type of energy supply.

The CO_2 emissions of the Porsche SE Group in its upstream and downstream value chain (Scope 3) are categorized into 15 categories in accordance with the GHG Protocol, which are shown in the following table.

[1] Net carbon neutrality will be achieved if anthropogenic CO_2 emissions are offset globally through avoidance, reduction and compensation over a specific period of time. This encompasses all other relevant greenhouse gases as well.

Scope 3 emissions of the Porsche SE Group according to the GHG Protocol

Category 1: Purchased goods and services	In particular legal and consulting services, insurance services, services in connection with the annual general meeting and annual press conference as well as IT services
Category 2: Capital goods	In particular office equipment, IT equipment and upstream emissions from company cars and leased vehicles
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Exclusively upstream emissions in connection with the Porsche SE Group’s Scope 1 and Scope 2 emissions
Category 4: Upstream transportation and distribution	Among other things, the supply of office materials and equipment
Category 5: Waste generated in operations	Office waste only
Category 6: Business travel	In particular flights, transportation services and business trips, unless the emissions are included in Scope 1 or Scope 2
Category 7: Employee commuting	Only commuting of the 48 employees (as of 31 December 2024) of the Porsche SE Group, unless the emissions are included in Scope 1 or Scope 2
Category 8: Upstream leased assets	Includes emissions from energy supply, as Porsche SE has no operational control as defined by the GHG Protocol over the rented office space. In particular, Porsche SE cannot make any decisions on the type of energy supply
Category 9: Downstream transportation	The Porsche SE Group does not cause any emissions in this category due to the lack of provision of services or manufacture and sale of products
Category 10: Processing of sold products	The Porsche SE Group does not cause any emissions in this category due to the lack of provision of services or manufacture and sale of products
Category 11: Use of sold products	The Porsche SE Group does not cause any emissions in this category due to the lack of provision of services or manufacture and sale of products
Category 12: End-of-life treatment of sold products	The Porsche SE Group does not cause any emissions in this category due to the lack of provision of services or manufacture and sale of products
Category 13: Downstream leased assets	As Porsche SE does not act as a lessor, no emissions are caused by the Porsche SE Group in this category
Category 14: Franchises	As Porsche SE is neither a franchisor nor franchisee, no emissions are caused by the Porsche SE Group in this category
Category 15: Investments	In this category, the total emissions (Scope 1 to 3) of the core and portfolio investments are allocated to the Porsche SE Group based on the capital share

Both Scope 1 and Scope 2 emissions as well as significant parts of the upstream Scope 3 emissions (categories 1 to 8) of the Porsche SE Group are attributable to goods and services of the Volkswagen Group, which is why these are also included in the total emissions of the Volkswagen Group and are therefore also allocated – and thus twice – to the Porsche SE Group on a pro rata basis in Scope 3 (category 15).[1]

The holding operations' relatively low CO_2 emissions could be reduced by Porsche SE's suppliers and service providers and Porsche SE itself switching to lower-emission alternatives. When deciding to hold the annual general meeting of Porsche SE virtually, sustainability aspects were one of various aspects that the board of management considered at its discretion. The CO_2 impact of a virtual annual general meeting is significantly lower than that of an in-person event. The ten largest suppliers and service providers of the Porsche SE Group, which account for around two-thirds of all supplies and services purchased by the Porsche SE Group[2], are already pursuing targets to reduce their CO_2 emissions. Nine of these suppliers and service providers are currently offsetting all or part of their unavoided or unavoidable emissions.[3]

As the two core investments are responsible for almost all of the Porsche SE Group's CO_2 emissions, parts of the decarbonization strategies and targets of the Volkswagen Group and the Porsche AG Group are presented below. These are based on extracts from the group management report and sustainability report of the Volkswagen Group for the fiscal year 2024 and the non-financial statement as part of the combined management report of the Porsche AG Group for the fiscal year 2024.

Volkswagen Group

Volkswagen is committed to the Paris Climate Agreement and is aligning its own activities with the 1.5-degree target. Volkswagen's ambition as a company is to be carbon neutral by 2050.

The decarbonization program currently implemented at the Volkswagen Group focuses on the passenger cars and light commercial vehicles business area, covers the entire product life cycle and is operationalized via a clear hierarchy of actions. This hierarchy of actions is described below for the passenger cars and light commercial vehicles segment: The top priority is measures with which CO_2 emissions can be avoided. In second place follow measures with which the group aims to gradually shift the energy supply in all steps of the value chain to renewable energy. Finally, unavoidable CO_2 emissions are offset in selected cases through climate protection projects that meet the highest international standards. In the hierarchy of actions, the Volkswagen Group includes definitions of four decarbonization levers to be used to achieve its emissions reduction targets:
(1) e-mobility (2) conversion of energy supply (3) energy efficiency and (4) decarbonization in the value chain.

With respect to its production sites (Scope 1 and 2), Volkswagen pursues the goal of reducing emissions by 90% in absolute terms between 2018 and 2040 and neutralizing the remaining emissions to achieve net CO_2 neutrality at its production sites.

[1] To avoid double counting, either the Scope 1, Scope 2 and upstream Scope 3 emissions (categories 1 to 8) or the downstream Scope 3 emissions (category 15) would have to be adjusted.
[2] Based on the supplies and services purchased in the fiscal year 2024 in EUR
[3] Based on publicly available information for the fiscal year 2023 or 2024

The Volkswagen Group has set an intermediate goal for itself during its journey to net carbon neutrality: to reduce production-related CO_2 emissions by 50.4% by 2030 compared with the base year 2018. The Science Based Targets initiative (SBTi) confirmed that Volkswagen meets the requirements for contributing to limiting global warming to 1.5°C with this objective for the production phase (Scope 1 and 2).

The Volkswagen Group also aims to reduce CO_2 emissions in passenger cars and light commercial vehicles' use phase (Scope 3 category 11) by 30% by 2030 (compared with 2018). This target has also been independently certified by the STBi as 2°C aligned.

For more detailed information about the decarbonization strategy at the Volkswagen Group, please refer to the group management report and sustainability report of the Volkswagen Group for the fiscal year 2024. This is available on the Volkswagen AG website at

https://www.volkswagen-group.com/en/financial-report-and-publications-16121.

Porsche AG Group

The Porsche AG Group supports international efforts to solve global environmental problems and is committed to the climate targets agreed in Paris Agreement in 2015. The Porsche AG Group closely monitors the global markets and, depending on their development, continuously reviews its product strategy and product range structure for vehicles, including the drive types offered. It intends to pursue the target of a 1.5 degree reduction pathway as long as possible. To this end, the goal of the Porsche AG Group is to continuously reduce its emissions along the value chain of its vehicles while also making increasingly efficient use of energy in the company's own business activity. Realizing the Porsche AG Group's ambition depends upon various factors, e.g., technological progress that has not yet been fully developed, and also on regulatory or economic developments that are outside the Porsche AG Group's direct control and may therefore not be realizable.

In the reporting year, the Porsche AG Group devised a transition plan based on the existing decarbonization approach of the sustainability strategy. Implementation of the strategy is established in a decarbonization program that coordinates the necessary requirements and actions to achieve Porsche AG's strategic goals across the group. The Porsche AG Group sees the decarbonization of its business activity and value chain not only as a strategic mission, but also as an opportunity for its own business model.

The Porsche AG Group intends to lower its average greenhouse gas emissions along the value chain and over the vehicles' life cycles. The Porsche AG Group has developed its reduction pathway targeted for Scope 1 and Scope 2 emissions using the current methodology of the "Science Based Targets initiative" (SBTi) on the basis of existing 1.5-degree climate scenarios.

The target for the use phase of the vehicles, which comprises Scope 3 emissions, is based on the reduction targets of the SBTi methodology for car manufacturers (Land Transport Science-Based Target-Setting Guidance).

In order to achieve the targets set, the Porsche AG Group has identified the following decarbonization levers along the value chain of its own vehicles: Vehicle product strategy, vehicle production and own sites, supply chain and use phase. The vehicle product portfolio forms the core of the Porsche AG Group's activities to achieve the climate targets that have been set. The significant transition of vehicle models to electric mobility is therefore a focal point in the reduction of greenhouse gas emissions:

In the reporting year, 27% of new vehicles delivered to customers were electrified – whether they were all-electric models or plug-in hybrids. The Porsche AG Group's vehicle product portfolio aims to significantly increase this proportion. The ramp-up of electrification depends largely on customer demand and the development of electromobility in the different regions of the world. For the transition phase, the Porsche AG Group is positioning itself as flexibly as possible with a mix of combustion-engined, plug-in hybrid and all-electric vehicles.

The Porsche AG Group has set itself the target of reducing CO_2 in Porsche's own business activity (Scope 1 and 2) by 76% in the period from 2016 to 2030.

The Porsche AG Group aims to reduce the absolute greenhouse gas emissions of the use phase (Scope 3 emissions) of newly produced Porsche vehicles by 2030 by at least 42% compared to 2023.

In addition to the transition plan for climate change mitigation with the associated decarbonization program, the Porsche AG Group is also pursuing other approaches to manage its impacts, opportunities and risks related to climate change mitigation and energy in order to conduct its business activity in the most environmentally friendly manner possible.

The site in Stuttgart-Zuffenhausen meets the requirements of the European Eco-Management and Audit Scheme (EMAS), the environmental management standard ISO 14001 and the energy management standard ISO 50001.

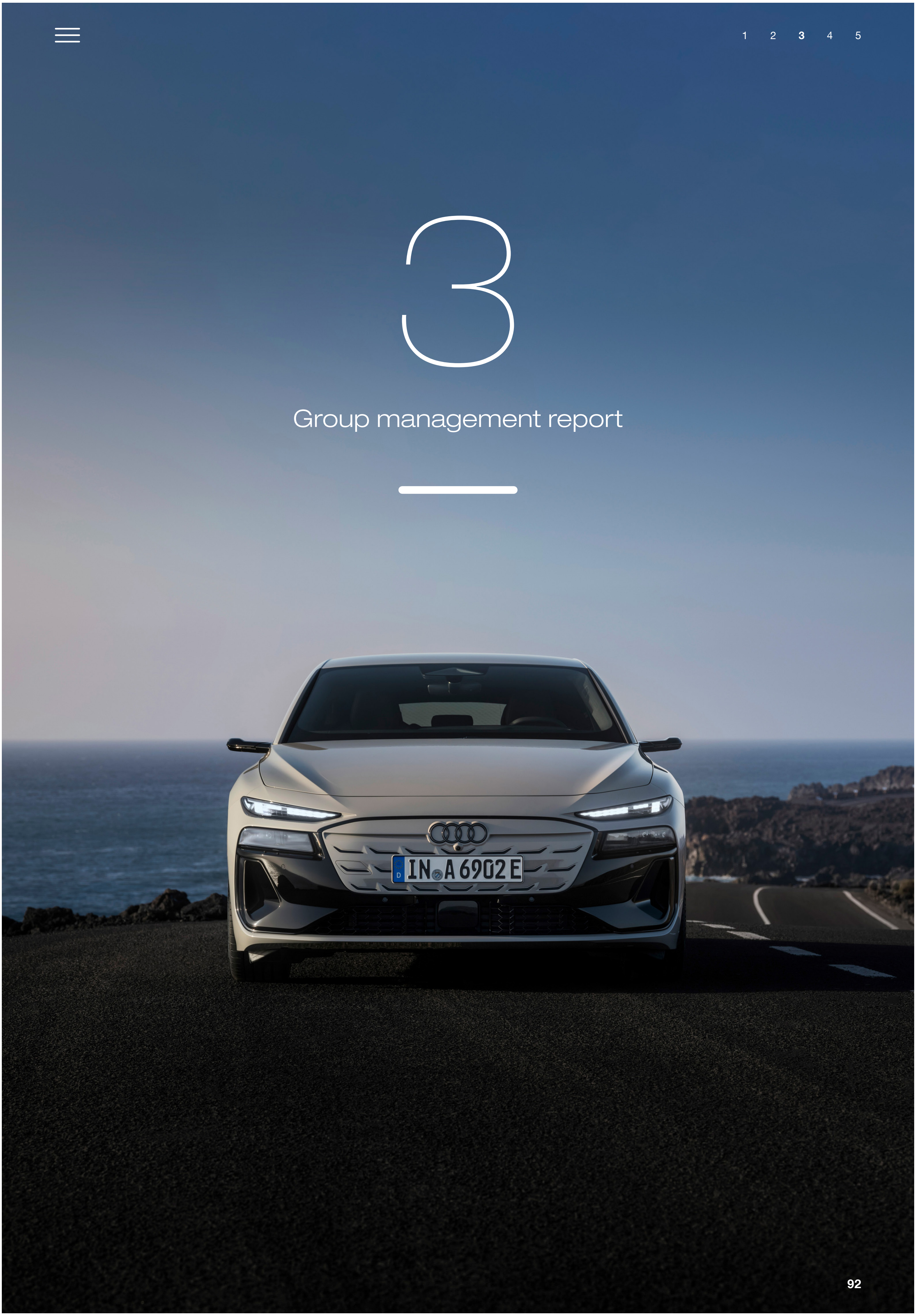
For more detailed information about the decarbonization strategy at the Porsche AG Group, please refer to the non-financial statement as part of the combined management report of the Porsche AG Group for the fiscal year 2024. This is available on the Porsche AG website at

https://investorrelations.porsche.com/en/financial-figures/.

Porsche Automobil Holding SE
The board of management

3

Group management report



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Group management report

(Combined management report of the Porsche Automobil Holding SE Group)

Fundamental information about the group

The Porsche SE Group

Porsche Automobil Holding SE ("Porsche SE" or the "company") is a holding company with investments in the areas of mobility and industrial technology. Its business activities include in particular the acquisition, holding and management as well as the disposal of investments. The investments of Porsche SE are divided into the two categories "core investments" and "portfolio investments". In particular, Porsche SE holds the majority of the ordinary shares in Volkswagen Aktiengesellschaft, Wolfsburg ("Volkswagen AG", "Volkswagen" or "VW"), one of the leading automobile manufacturers in the world. It also holds a direct interest in Dr. Ing. h.c. F. Porsche AG, Stuttgart ("Porsche AG"). These long-term investments in Volkswagen AG and Porsche AG form the core investments category. In the portfolio investments category, the Porsche SE Group also holds non-controlling interests in more than ten technology companies based in North America, Europe and Israel. Investments in private equity and venture capital funds are also allocated to this category. Portfolio investments are generally held for a temporary period of time and are typically characterized by their high potential for growth and for increasing value during the holding period.

Porsche SE, as the parent of the Porsche SE Group, is a European Company (Societas Europaea) and is headquartered at Porscheplatz 1 in 70435 Stuttgart, Germany. As of 31 December 2024, the Porsche SE Group had 48 employees (42 employees).

The Porsche SE Group is made up of the fully consolidated subsidiaries Porsche Beteiligung GmbH, Stuttgart, Porsche Zweite Beteiligung GmbH, Stuttgart, Porsche Dritte Beteiligung GmbH, Stuttgart, Porsche Vierte Beteiligung GmbH, Stuttgart, Porsche Fünfte Beteiligung GmbH, Stuttgart, and Porsche Sechste Beteiligung GmbH, Stuttgart. The investments in Volkswagen AG, Porsche AG, European Transport Solutions S.à r.l., Luxembourg, Luxembourg ("ETS"), INRIX Inc., Kirkland, Washington, USA ("INRIX"), Isar Aerospace SE, Ottobrunn ("Isar Aerospace"), as well as Incharge Capital Partners GmbH, Hamburg ("Incharge Capital Partners"), Incharge Team I SCSp, Luxembourg, Luxembourg, and Incharge Fund I SCSp SICAV-RAIF, Luxembourg, Luxembourg ("Incharge Fund I"), are included in Porsche SE's IFRS consolidated financial statements as associates.

The management report for Porsche SE and the group management report for the Porsche SE Group are combined in this report ("combined group management report").

All figures and percentages are rounded according to customary business practice, so discrepancies may arise from the addition of these amounts. Amounts smaller than €0.5 million are stated at zero. Amounts of €0.00 are not reported. The comparative prior-year figures are presented in parentheses alongside the figures for the current reporting period.

Goals and strategy

Porsche SE pursues the overarching goal of creating sustainable value for its shareholders. This requires investing in companies that contribute to the mid- and long-term profitability of the Porsche SE Group as well as securing sufficient liquidity. As a result of the long-term focus on the core investments, the capital gains from these investments are primarily realized in the form of dividend income, whereas in the case of portfolio investments, they are primarily realized through the sale of investments.

In order to strengthen the basis for creating sustainable value with a balanced risk/return profile, investment activities are to be expanded in the long term and the existing investment platform scaled further. By further diversifying the investment portfolio Porsche SE aims to increase its resilience. This does not rule out the evaluation of a possible reallocation both between the core investments and the portfolio investments and within the two categories.

Measures to strengthen Porsche SE's resilience also include the mitigation of potential risks in connection with the negative effects of business activities on the environment and society. Porsche SE therefore pursues the goal of sustainable corporate governance and the implementation of environmental, social and governance ("ESG" or sustainability) aspects both for its holding operations and with regard to its investment decisions.

An additional strategic goal of Porsche SE is to position itself as a partner of choice for investment partners. Porsche SE has access to an extensive network of experts in the mobility and industrial sectors. The benefit for Porsche SE lies in the identification and assessment of investment opportunities and in the development of the individual investments. It also makes Porsche SE attractive for investment partners.

A key success factor for Porsche SE in implementing its corporate strategy are its employees. Porsche SE has therefore set itself the strategic goal of further positioning itself as a top employer.

Investment strategy

Porsche SE currently intends to make annual investments in the low three-digit million-euro range to expand its portfolio investments. Acquisitions of core investments are also continually evaluated for opportunities. The sector focus on mobility and industrial technology has been expanded to include related areas.

A central component of the investment strategy is the cooperation with strong investment partners and co-investors.

With the investment in Porsche AG in September 2022, an important step was taken towards diversifying the investment portfolio. This was continued by making further investments in portfolio companies (see section "Business development with regard to the portfolio investments" in chapter "Business development"). In the past few years, Porsche SE has also already gained strong investment partners in Bridgepoint Advisers Limited London, UK ("Bridgepoint"), Digital Transformation Capital Partners GmbH, Hamburg ("DTCP"), and EQT Partners AB, Stockholm, Sweden ("EQT").

Financing strategy

The aim of Porsche SE's financing strategy is to maintain a robust financial profile in order to strengthen its financial flexibility and preserve its ability to act strategically. The focus here is on securing sufficient liquidity, broad access to the capital market at attractive conditions and limiting financial risks. In order to ensure this, Porsche SE is geared towards an investment grade profile. In the long term, Porsche SE aims to achieve a loan-to-value ratio (see section "Core management and financial indicator system") in the low double-digit percentage range. Porsche SE also continues to strive to reduce the group net debt – subject to possible acquisitions and taking into account the dividend policy.

Since raising debt capital of €7.1 billion in September 2022, the group net debt has been significantly reduced, amounting to €5.2 billion as of 31 December 2024. The loan-to-value ratio stands at 23.3% (19.7%) as of 31 December 2024.

Dividend policy

Porsche SE's dividend policy is geared toward distributing a reliable and attractive dividend, with the shareholders participating appropriately in Porsche SE's financial development. Porsche SE's dividend distribution depends in particular on the dividend received from the core investments. At the same time, sufficient liquidity is to be secured, in particular for the purpose of future acquisitions. A noticeable increase in the group net debt for the purpose of paying dividends is not considered.

Sustainability strategy

Sustainability aspects are an important part of corporate governance and strategy at the Porsche SE Group. The Porsche SE Group's responsibility to act sustainably is set out in its Code of Conduct.

As a pure holding company without control over any of its operating investments as defined by IFRS, Porsche SE distinguishes in its sustainability strategy between its holding operations ("holding level") and its core and portfolio investments ("investment level").

The holding level comprises Porsche SE and the companies fully consolidated in the consolidated financial statements of Porsche SE, all of which are intermediate holding companies. Porsche SE pursues and implements its own sustainability strategy at holding level.

Due to the importance of the qualification, motivation and performance of Porsche SE's employees as key success factors, employee-related matters are a central aspect of the sustainability strategy at holding level. In addition to promoting health and advanced training, the primary aim is to attract and retain qualified employees. Accordingly, Porsche SE intends to further establish itself as a top employer.

Compliance is also considered to be particularly relevant at holding level. This includes the aspects of respecting human rights, anti-corruption and bribery matters, anti-money laundering and countering the financing of terrorism, avoiding conflicts of interest, tax honesty, information security, data protection, foreign trade and investment control as well as selecting and dealing with business partners. Porsche SE is fully committed to compliance as part of its corporate culture. Compliance with laws, other legal standards, the Code of Conduct, company guidelines and other internal company regulations is a basic principle of Porsche SE's corporate activities.

At investment level, on the other hand, the individual investment companies develop and implement their own sustainability strategies. Porsche SE's strategy is therefore limited to taking sustainability aspects into account in its investment decisions and subsequently exercising its role as a responsible investor accordingly.

Prior to acquiring investments, due diligence reviews are regularly carried out with the help of external consultants (including specialized sustainability consultants). Consideration of sustainability aspects is an integral part of the investment process and is enshrined in an internal policy. Porsche SE invests in sustainable business models and thus provides growth capital for its portfolio companies, which can contribute to the transition to a sustainable economy. Besides the two core investments, the Porsche SE Group has invested over the past few years in several companies that have significant sustainability aspects built into their business models.

Due to a lack of control as defined by IFRS, Porsche SE can only encourage sustainable corporate governance of its investments through the shareholder dialog and board work. Porsche SE assumes the role of a responsible investor in order to strengthen the resilience of its investment portfolio in cooperation with its partners, also with regard to potential sustainability risks.

Porsche SE supports the sustainability strategies of its core investments.

Core management and financial indicator system

Porsche SE pursues the overarching goal of creating sustainable value for its shareholders. This requires investing in companies that contribute to the mid- and long-term profitability of the Porsche SE Group as well as securing sufficient liquidity. As a result of the long-term focus on the core investments, the capital gains from these investments are primarily realized in the form of dividend income, whereas in the case of portfolio investments, they are primarily realized through the sale of investments.

Financial indicator system

In order to pursue these corporate goals, the group result after tax and group net debt had previously served as the core management indicators in the Porsche SE Group. At the end of the fiscal year 2024, Porsche SE's management system was further developed. For management purposes, the adjusted group result after tax will now be used instead of the group result after tax (see section "Changes to the core management and financial indicator system in the reporting year"). There were no changes with regard to the group net debt.

The group net debt and the adjusted group result after tax are the most significant performance indicators at the Porsche SE Group.

Net debt of the Porsche SE Group is defined as follows:

Group net debt

	Financial liabilities	
–	Securities	Group gross liquidity
–	Time deposits	Group gross liquidity
–	Cash and cash equivalents	Group gross liquidity
=	**Group net debt**	

The financial liabilities, securities, time deposits and cash and cash equivalents correspond to the amounts recognized in the consolidated balance sheet of Porsche SE.

The adjusted group result after tax is derived from the group result after tax by adjusting for the following items relating to the core investments:

Adjusted group result after tax

	Group result after tax	
–/+	Income/expenses from impairment tests and remeasurements	with regard to the core investments
–	Profits from bargain purchases	with regard to the core investments
–/+	Profits/losses from the sale of shares	with regard to the core investments
–/+	Income/expenses from deferred tax effects due to the above-mentioned items	with regard to the core investments
=	**Adjusted group result after tax**	

The reconciliation of the adjusted group result after tax to the group result after tax is shown in the consolidated income statement of Porsche SE.

The item “Income/expenses from impairment tests and remeasurements” includes, on the one hand, income/expenses from write-ups/write-downs to the recoverable amount – i.e., the higher of the value in use and the fair value less costs of disposal – as part of the regular impairment tests in accordance with IAS 36, in each case with regard to the core investments.

On the other hand, the item includes expenses from measurements at fair value less costs to sell as a result of a plan to sell as of the reporting date in accordance with IFRS 5 and income from remeasurements within the scope of IFRS 5, in each case with regard to the core investments.

The item “Profits from bargain purchases” relates to income from first-time at equity accounting of acquired or newly acquired shares in core investments within the meaning of IAS 28 in conjunction with IFRS 3. Profits from bargain purchases are recognized if the pro rata remeasured equity of the investee exceeds its acquisition costs. Any (higher) expenses in subsequent periods arising from the amortization of hidden reserves identified in the course of a purchase price allocation that have resulted in a profit from bargain purchases are not corrected due to the lack of clear identifiability.

The item “Profits/losses from the sale of shares” comprises profits from the sales of shares within the meaning of IAS 28 that arise when the sales price is higher than the carrying amount of the investment accounted for using the equity method, as well as losses from the sale of shares within the meaning of IAS 28 that arise when the sales price is lower than the carrying amount of the investment accounted for using the equity method, in each case with regard to the core investments.

The item “Income/expenses from deferred tax effects due to the above-mentioned items” relates to both changes in deferred tax liabilities due to changes in the carrying amounts of the investments in the core investments and the resulting changes in deferred tax assets on tax loss and interest carryforwards, the amount of which in the Porsche SE Group depends on the amount of deferred tax liabilities.

Management system

In line with its investment strategy, the Porsche SE Group differentiates for management purposes between the two segments “core investments” and “portfolio investments”. Porsche SE’s holding operations, comprising Porsche SE’s corporate functions, including the holding financing function, are all allocated to the “core investments” for the purpose of managing resources. Transactions between the segments, i.e., in particular intragroup financing transactions, are not managed separately and are therefore eliminated so that consolidated figures are always used for management purposes. For this reason, net debt is only relevant as a management indicator at the level of the “core investments” segment or the group as a whole.

Because the company is managed on the basis of consolidated figures, there is no separate management and forecast of the core performance indicators for Porsche SE as an individual entity.

The planning and budgeting process implemented in the Porsche SE Group is designed to enable management to take its decisions on the basis of the development of these performance indicators. In this context, an integrated multi-year plan is prepared for the results of operations, financial position and net assets of the Porsche SE Group.

In the course of the year, the development of the indicators is continuously tracked and made available to the board of management and supervisory board in regular reports.

Changes to the core management and financial indicator system in the reporting year

The impairment losses recognized in the reporting period on the carrying amounts of the core investments – Volkswagen AG and Porsche AG – to their respective value in use as of 31 December 2024 have a significant impact on Porsche SE's group result after tax for the fiscal year 2024 (see also the sections "Significant events and developments" and "Results of operations of the Porsche SE Group" in the "Report on economic position"). It is expected that future changes in the value in use of the core investments will also have a direct and full impact on their carrying amounts in subsequent periods and will be reflected in the group result after tax within the limits for reversal of impairment losses. As a result, the group result after tax will most likely continue to be significantly influenced by the determination of the value in use for the two core investments and only to a lesser extent by the proportionate result of the core investments attributable to Porsche SE by way of equity accounting (see section "Function of at equity accounting and its impact on the group result after tax" in this chapter). The group result after tax is therefore significantly influenced by the terminal value of the core investments and therefore no longer fully suitable for assessing the operating performance in relation to the current or past reporting period.

Against this backdrop, the management system was further developed at the end of the fiscal year 2024. For management purposes, the adjusted group result after tax will now be used instead of the group result after tax.

Other financial indicators

In addition to the most important performance indicators – the adjusted group profit after tax and group net debt – there are other financial indicators that are used by investors and analysts in particular to assess Porsche SE. These are the loan-to-value ratio and the net asset value.

Loan-to-value is the ratio of group net debt in relation to the total market value of the core and portfolio investments. The market value of the core investment in Volkswagen AG is derived from the stock market prices on the respective reporting date. The market value of the core investment in Porsche AG is derived from the stock market price of the preference shares as of the respective reporting date plus an ordinary share premium of 7.5% derived from the acquisition of the investment. For simplification purposes, the market values of the portfolio investments are based on the IFRS group carrying amounts which may differ from the fair values of the investments accounted for at equity.

The net asset value is regularly used to measure holding companies. The net asset value is calculated as the difference between the sum of the market values of the core and portfolio investments and group net debt. The market values of the core and portfolio investments are calculated in the same way as the loan-to-value ratio.

Use of alternative performance indicators

Both the most important performance indicators – the adjusted group result after tax and group net debt – and the other financial indicators – loan-to-value and net asset value – are alternative performance indicators. These are not defined by IFRS. Their calculation methods may therefore differ from those of other companies.

Forecast of the most important key performance indicators

With regard to the adherence to the prior-year forecast, see also “Overall statement on the economic situation of the Porsche SE Group” in the “Report on economic position”. With regard to the forecast for the fiscal year 2025, see “Anticipated development of the Porsche SE Group” in “Forecast report and outlook”.

Function of at equity accounting and its impact on the group result after tax

In contrast to the adjusted group result after tax, the group result after tax also includes in particular effects from impairment losses on the carrying amounts of shares in core investments. The amount of the impairment losses to be recognized depends on the carrying amount of the investment rolled forward using the equity method and on the development of the recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of disposal.

Equity method

The carrying amount accounted for at equity is adjusted pro rata for the changes in net assets at the level of the associate during the period under review (equity method). Changes in net assets also include proportionate hidden reserves and liabilities recognized at the level of Porsche SE at the time of acquisition of the respective stake.

The Porsche SE Group’s share of changes in the net assets of associated companies is recognized in the consolidated financial statements of Porsche SE in the same way as at the level of the associated companies:

- The result after tax of the associated companies less the share of the result of non-controlling interests and hybrid investors of the investment is recognized pro rata in the income statement of the Porsche SE Group within the item “result from ongoing at equity accounting”.
- The other comprehensive income of associates less the share of non-controlling interests is recognized pro rata in other comprehensive income of the Porsche SE Group.
- Transactions recognized directly in equity at the level of the associates are also recognized directly on a pro rata basis in equity at the Porsche SE Group.
- Distributions received by the Porsche SE Group lead to a reduction of the carrying amount of the investment accounted for at equity with no effect on the income statement or equity.

Notes [1], [4], [5] and [13] of the notes to the consolidated financial statements for the fiscal year 2024 contain additional disclosures on investments accounted for at equity.

The proportionate allocation of the changes in net assets described above is continued under the equity method regardless of whether impairment losses have already been recognized on the carrying amount accounted for at equity.

Determination of the recoverable amount

The recoverable amount is the higher of value in use and fair value less costs of disposal.

Fair value generally corresponds to the market value determined on the basis of stock market prices. Value in use is determined in accordance with IAS 36 using a discounted cash flow method. The use of such a valuation method is based on a large number of assumptions. For example, assumptions and estimates are required for future cash flows in the planning period and the discount rate (see also notes [2] and [4] of the notes to the consolidated financial statements for the fiscal year 2024). The assumptions for determining the terminal value by extrapolating the cash flows beyond the detailed planning period are of particular relevance.

Due to the existing uncertainties with regard to future developments, the parameters and estimates to be used are also subject to considerable uncertainty. To illustrate the estimation uncertainties, please refer to the sensitivity analyses on the impairment tests for the core investments in note [4] of the notes to the consolidated financial statements for the fiscal year 2024. With regard to the core investments, even isolated changes in the assumed operating returns on sales in the terminal value or the weighted average cost of capital by plus/minus one percentage point can lead in total to value ranges in the double-digit billion euro range.

Correlation between the equity method and impairment test

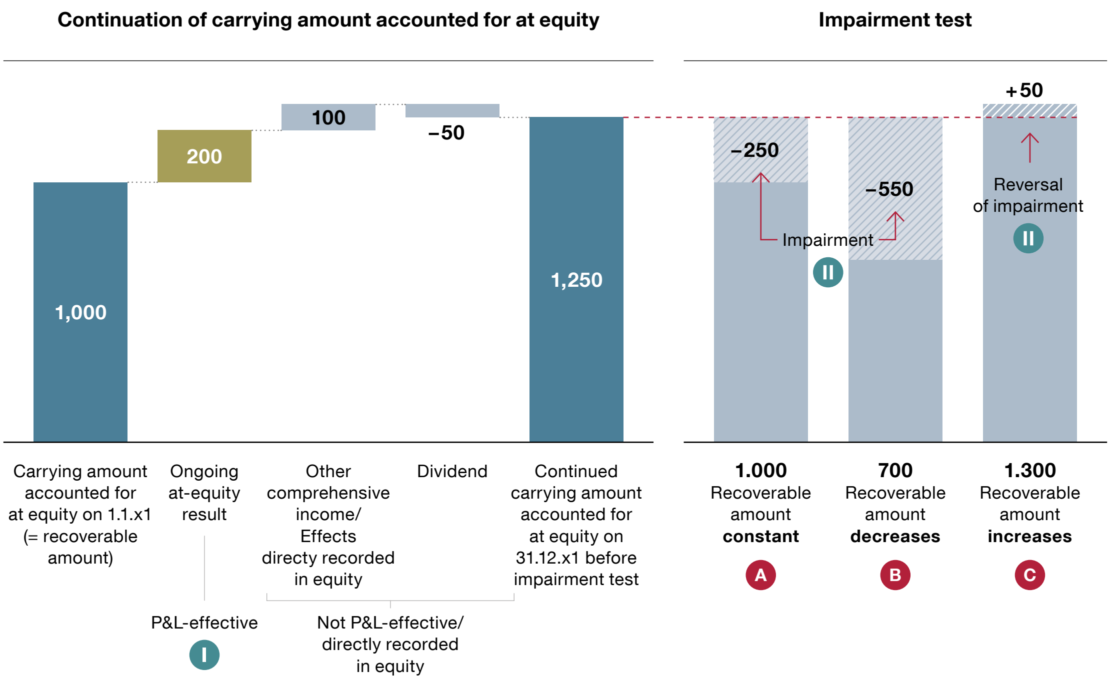
If the recoverable amount is below the amortized carrying amount accounted for at equity as of the respective assessment date, an impairment loss must be recognized in the consolidated income statement. If impairment losses have already been recognized in the past and the recoverable amount is higher than the amortized carrying amount accounted for at equity, a reversal of the impairment must be recognized in the consolidated income statement. Impairments may be reversed up to the amount that would have resulted if the equity method had been continued without prior impairment.

The amount of the impairment or reversal of impairment to be recognized depends not only on changes in the recoverable amount, but also on the development of the carrying amount accounted for at equity. When using the equity method, this changes on the one hand because of the result from the ongoing at-equity valuation recognized in the consolidated income statement and, on the other, because of the result from investments accounted for at equity recognized in other comprehensive income, other pro rata changes in the equity of the associate recognized directly in equity and because of dividends paid by the associate, which reduce the carrying amount of the investment without affecting profit or loss.

Due to the use of the equity method and the changing measurement parameters for determining the value in use or stock market prices over time, deviations between the carrying amount of the associate accounted for using the equity method and its recoverable amount are also typically to be expected on future reporting dates, which again lead to – positive or negative – value adjustments.

Due to the fact that changes in the carrying amount accounted for at equity are only recognized in part in the consolidated income statement, while impairment losses are recognized in full, changes in the carrying amount recognized in other comprehensive income and directly in equity at the level of the Porsche SE Group and dividend distributions may have an effect on the consolidated income statement via the impairment loss.

The interrelations between the equity method and the impairment test, including the effects on the consolidated income statement, is depicted in the schematic chart below:



Scenarios

	P&L	A	B	C
I	Result from ongoing at equity accounting	200	200	200
II	Impairment/Reversal of impairment	–250	–550	50
	Result from investments accounted for at equity	**–50**	**–350**	**250**

Core investments

Volkswagen AG

With its stake of 53.3% of the ordinary shares and 1.3% of the preference shares and thus 31.9% of the subscribed capital of Volkswagen AG, Porsche SE is the single largest shareholder of the Wolfsburg-based company. Porsche SE sees itself as a long-term anchor investor of Volkswagen AG.

The Volkswagen Group comprises ten brands from five European countries: Volkswagen, Volkswagen Commercial Vehicles, ŠKODA, SEAT, CUPRA, Audi, Lamborghini, Bentley, Porsche and Ducati. In addition, the Volkswagen Group offers a wide range of other brands and business areas, including financial services, involving dealer and customer financing, leasing, banking and insurance activities as well as fleet management.

Headquarters
Wolfsburg / Germany

Investment since
2005

Porsche AG

Porsche SE directly holds 25.0% plus one share of the ordinary shares and thus around 12.5% of the subscribed capital of Porsche AG. Volkswagen AG indirectly holds, via Porsche Holding Stuttgart GmbH, 75.0% of the ordinary shares less one ordinary share and 75.4% of the subscribed capital of Porsche AG.

Porsche AG is one of the world's most successful luxury automotive manufacturers. The “Porsche” brand is synonymous with design and engineering heritage, performance, modern and sustainable luxury, prestige, innovation, technological achievement and reliability.

Headquarters
Stuttgart / Germany

Investment since
2022

Volkswagen AG

Volkswagen AG is the parent company of the Volkswagen Group. Volkswagen AG's subscribed capital of €1,283 million is made up of 59% ordinary shares and 41% non-voting preference shares. The ordinary and preference shares issued by Volkswagen AG have been admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard). The preference shares of Volkswagen AG are also included in the German Share Index ("DAX"). Volkswagen AG develops vehicles and components for the group brands, but also produces and sells vehicles, in particular passenger cars and light commercial vehicles for the Volkswagen Passenger Cars and Volkswagen Commercial Vehicles brands. In its capacity as parent company, Volkswagen AG holds direct or indirect interests in AUDI AG, SEAT S.A., ŠKODA AUTO a.s., Porsche AG, TRATON SE, Volkswagen Financial Services AG, Volkswagen Financial Services Overseas AG and a large number of other companies in Germany and abroad.

The Volkswagen Group is one of the leading multibrand groups in the automotive industry. The company's business activities comprise the automotive and financial services divisions.

Volkswagen's automotive division comprises the passenger cars, commercial vehicles and power engineering business areas.

Activities focus on the development of vehicles, engines, vehicle software and batteries, the production and sale of passenger cars and light commercial vehicles, and the genuine parts business. The product portfolio ranges from compact cars to luxury vehicles and also includes motorcycles, and is supplemented by mobility solutions.

The commercial vehicles business area primarily comprises the development of vehicles, engines, the production and sale of trucks and buses, the genuine parts business and related services. The commercial vehicles portfolio ranges from light vans to heavy trucks and buses. The collaboration between the commercial vehicle brands is coordinated within TRATON SE.

The power engineering business area combines the large-bore diesel engines, turbomachinery and propulsion components businesses.

The activities of Volkswagen's financial services division comprise dealer and customer financing, leasing, direct banking and insurance activities, fleet management and mobility services.

With its brands, the Volkswagen Group mainly serves individual, corporate and fleet customers in all markets around the world that are relevant for the group, including Europe and other markets, North America, South America and Asia-Pacific.

In the fiscal year 2024, the Volkswagen Group developed its new group strategy "The Group Strategy – Mobility for generations", addressing important topics from previous strategies and taking these to the next level.

The main requirements and overarching targets include resilience, so that Volkswagen positions its global business robustly in times of geopolitical tensions; adaptivity, so that it has the capacity to respond quickly to changes in the course of the transformation of the mobility industry; and financial robustness, so that it can finance the necessary investments in product innovations.

From these Volkswagen derives its strategic vision of being "The Global Automotive Tech Driver". This aggregates the material areas for action for the Volkswagen Group in three fields:

- Resilient positioning in all relevant regions in order to leverage global synergies;
- Refocusing areas of expertise within the value chain, also increasingly in conjunction with partners
- Strong brands with profitable product and service offerings, to be managed by the group in efficient brand groups

To realize its vision of becoming “The Global Automotive Tech Driver”, Volkswagen defined clearly delineated corporate goals in the form of nine imperatives as part of the group strategy assigned to three core topics:

- Excite customers globally Volkswagen aims to excite customers globally by offering a strong product portfolio, an attractive range of services throughout the entire customer and product life cycle and competitive technologies.
- Unleash our full potential Volkswagen intends to unleash its full business potential by consciously deciding between synergies and implementation speed, making its company more attractive to talented individuals and unlocking the opportunities provided by artificial intelligence.
- Focus on fundamentals Volkswagen is focusing on creating a robust company base with reduced cost structures and resilient structures, and it sees sustainability as a basic maxim for its actions.

Core topics and imperatives of the VW Group Strategy

The VW Group Strategy | Strategic Imperatives

Excite customers globally	Focus on iconic and profitable portfolio	Drive life-cycle customer excitement	Boost technology leadership
Unleash our full potential	Balance speed and scale	Empower talent across organization	Spearhead AI transformation
Focus on fundamentals	Drive cost disruption	Increase global resilience	Elevate sustainability

The Volkswagen Group reports in detail on its strategy in its annual report for the fiscal year 2024 that is published on the Volkswagen website.

Porsche AG

Porsche AG is the parent company of the Porsche AG Group (Porsche AG and its fully consolidated subsidiaries). Porsche AG's subscribed capital of €911 million is made up of 50% no-par value voting ordinary shares and 50% no-par value non-voting preference shares. The preference shares issued by Porsche AG have been admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard) and are included in the DAX.

The business purpose of the Porsche AG Group is to manufacture and sell luxury sports cars and engines of all kinds as well as other parts and components for these and other technical products. In addition, the purpose of the company includes performing development work and design engineering, including vehicle and engine construction; consulting and development in the field of data processing as well as the production and distribution of data-processing products; sale of merchandise and commercial exploitation of brand rights, including those containing the word "Porsche". Also included are all other activities that are technically or economically related, including the commercial exploitation of intellectual property rights. Financial services are another business purpose, which include finance and mobility services for customers and dealers.

The Porsche AG Group consists of the automotive and financial services segments. The activities of the automotive segment cover the vehicles business field as well as the other business fields services and design. The vehicles business field includes the procurement, production, development and sale of vehicles as well as related services. The financial services segment of the Porsche AG Group includes the leasing business, dealer and customer financing, the service and insurance brokerage business as well as mobility services for Porsche brand vehicles. Within selected markets, the segment's services are also offered for other brands of the Volkswagen Group, in particular the Bentley and Lamborghini brands.

Porsche AG aims to further expand its strong position as a profitable manufacturer of exclusive sports cars. Strategy 2030 already pursued the goal of sustainably strengthening the Porsche AG Group's position in global competition – with attractive products, successful motor sport, special customer experiences and a clear plan for how the company can actively shape the transformation of the automotive industry. The Porsche AG Group takes account of the rapid developments in the industry and incorporates them into the further development of its strategy. Strategy 2030 Plus is the Porsche AG Group's response to the changed and highly challenging market environment. With the launch of Strategy 2030 Plus, the previous six cross-functional strategies have been consolidated into four cross-functional strategies: Customers, Products, Sustainability and Transformation. Digitalization and Organization, which were independent cross-functional strategies in the prior year, have been subsumed under the Transformation cross-functional strategy. Each of these cross-functional strategies has three strategic focus topics. These focus topics are intended to underscore the strategic direction and increase transparency. Together, they contribute to the group's corporate goals. The Porsche AG Group reports in detail on its strategy in its annual report for the fiscal year 2024 that is published on the Porsche AG website.

Portfolio investments

ABB E-mobility

ABB E-mobility is a supplier of charging solutions for electric vehicles.

The company has already sold over 50,000 DC fast chargers.

Headquarters
Zurich / Switzerland

Investment since
2023

AEVA

AEVA develops laser-based sensors (LiDAR light detection and ranging) sensors for environmental perception.

AEVA has been listed on the New York Stock Exchange since March 2021.

Headquarters
Mountain View / USA

Investment since
2018

Aurora Labs

Aurora Labs is a provider of remote software management, remote diagnostics and over-the-air updates.

Using its machine learning-based technology, the software can detect errors in the source code and transmit system updates to cars with zero downtime.

Headquarters
Tel Aviv / Israel

Investment since
2020

Celestial AI

Celestial AI develops optical interconnect technology that allows for the disaggregation of compute and memory.

The technology can make high-performance computing for AI models faster and more efficient.

Headquarters
Santa Clara / USA

Investment since
2023

DTCP Growth Equity III

The investment focus of the DTCP Growth Equity III fund is on business-to-business software-as-a-service companies.

DTCP's investment approach is characterized in particular by a data-based valuation process and focuses on companies in the growth phase.

Headquarters
Hamburg / Germany

Investment since
2023

Ethernovia

Ethernovia develops ethernet technology based on advanced semiconductor processes for in-vehicle data transmission.

The technology allows for higher transmission rates, improved energy efficiency and additional security features.

Headquarters
San Jose / USA

Investment since
2023

European Transport Solutions (ETS)

ETS is a holding company of Bridgepoint and Porsche SE, which combines the brands PTV Logistics and Umovity.

Investment since
2017

PTV Logistics

PTV Logistics is a provider of logistics software. The product portfolio of PTV Logistics includes modern software solutions for route planning and optimization with powerful algorithms and data, as well as for additional use cases to save logistics costs and emissions.

Headquarters
Karlsruhe / Germany

Umovity

The products and services of Econolite and PTV Mobility are integrated under the mobility brand Umovity. Umovity's product portfolio includes hardware and software solutions in the field of traffic management as well as state-of-the-art software solutions for traffic planning, simulation and optimization.

Headquarters
Anaheim / USA

EQT Future

The EQT Future Fund was launched by EQT in 2021 as a dedicated fund for private equity investments in companies with a strong sustainability focus.

The EQT Future fund invests in profitable companies with a strong growth profile in the areas of Climate & Nature as well als Health & Wellbeing, whose business model and growth is supported by macro-trends in sustainability.

Headquarters
Stockholm/Sweden

Investment since
2024

Flix

Flix operates a mobility platform for long-distance bus and train travel. Flix is active in more than 40 countries and serves over 5,600 destinations worldwide.

Flix's business model focuses particularly on technology development, network planning, operations management, marketing & sales, and quality management. For the provision of its mobility services Flix largely relies on external partners.

Headquarters
Munich/Germany

Investment since
2024

Incharge

Headquarters
Hamburg/Germany

Investment since
2024

Incharge Capital Partners

Incharge Capital Partners is a joint venture between Porsche SE and the investment firm DTCP. Incharge Capital Partners combines mobility excellence and startup scaling expertise to provide unique value to mobility innovators.

Incharge Fund I

The "Incharge Fund I" jointly launched by Porsche SE and DTCP invests early in technology companies that redefine how goods and people move.

Porsche SE is also an anchor investor in the fund with an investment volume of 100 Mio. EUR. In addition to Porsche SE, other investors including Deutsche Telekom are also participating in the fund.

INRIX

INRIX is a global provider of real-time traffic data. For this purpose, INRIX draws on an extensive network of data sources comprising vehicles, smartphones and road sensors.

The cloud-based INRIX IQ software application suite provides customers with the ability to analyze the data from INRIX in a simple and targeted manner.

Headquarters
Kirkland / USA

Investment since
2014

Isar Aerospace

Isar Aerospace develops and produces launch vehicles for the transport of small and medium-sized satellites into Earth orbit, thereby providing the basis for novel business models in commercial space.

Isar Aerospace aims to serve the steadily growing demand for cost-effective and flexible launches.

Headquarters
Ottobrunn / Germany

Investment since
2021

proteanTecs

proteanTecs' technology enables the health and performance monitoring of semiconductors over their entire life cycle from design to operation.

The technology can be used to increase the quality and reliability of new semiconductor generations and extend their lifespan.

Headquarters
Haifa / Israel

Investment since
2021

Quantum Motion Technologies

Quantum Motion Technologies is developing quantum computers based on the so called "silicon electron spin approach".

This approach enables a significantly more compact system with which quantum computers can be implemented on a microchip in the future.

Headquarters
London / UK

Investment since
2023

Quantum-Systems

Quantum Systems develops and produces drones for sensor-based data capturing as well as surveillance and reconnaissance purposes.

The areas of application include, for example, aerial monitoring of infrastructure, use in disaster control and other areas requiring the acquisition, evaluation and further processing of sensor data from the air.

Headquarters
Gilching / Germany

Investment since
2024

Seurat Technologies

Seurat Technologies is developing a novel technology in 3D printing.

This technology enables a significant increase in the speed of 3D metal printing and thus promotes the use of 3D printed components in series production.

Headquarters
Wilmington / USA

Investment since
2017

Waabi Innovation

Waabi develops an AI-based solution for self-driving trucks.

For the development and training of its proprietary Generative AI model, Waabi relies on its self-developed simulation platform “Waabi World”. With its high level of realism, the simulator allows for a significant reduction of test drives in the physical world for validation of the system.

Headquarters
Toronto / Canada

Investment since
2024

Xanadu Quantum Technologies

Xanadu Quantum Technologies develops quantum computers and software for quantum programming.

Xanadu Quantum Technologies applies a photonics technology approach which offers considerable advantages in scaling computing power as well as its commercialization.

Headquarters
Toronto / Canada

Investment since
2022

Report on economic position

Significant events and developments

Significant events and developments at the Porsche SE Group

Incharge Fund I

In March 2024, Porsche SE announced that it would set up a venture capital fund together with the investment company DTCP with an investment focus on software companies in the area of connected mobility. In this context, Porsche SE acquired a 49% interest in Incharge Capital Partners in March 2024. In April 2024, Porsche SE committed to invest €100 million in Incharge Fund I. The committed capital is expected to be drawn down up by the fund successively over several years. By 31 December 2024, Porsche SE had paid in a mid-single-digit million euro amount. Incharge Capital Partners acts indirectly as an advisor to Incharge Fund I. Other investors, including Deutsche Telekom, are participating in the fund alongside Porsche SE. The shares held by Porsche SE in connection with this fund are included in the IFRS consolidated financial statements of Porsche SE using the equity method. As of 31 December 2024, this did not have any significant impact on the results of operations, financial position and net assets of the Porsche SE Group.

Porsche SE issues bonds

In April 2024, Porsche SE issued two bonds with a total volume of €1.6 billion. The five-year bond with a term until September 2029 and a volume of €750 million has a coupon of 3.750% and the eight-year bond with a term until September 2032 and a volume of €850 million has a coupon of 4.125%. The bonds were oversubscribed several times. The transaction was one of the largest unrated bond placements in the world up to that time. By issuing the bonds, Porsche SE was able to further prolong the maturity profile of its financial liabilities even. The financial liabilities have remaining terms of up to around eight years as of the reporting date. The proceeds were used to build up strategic liquidity for potential investments and to partially repay existing bank loans by an amount of €0.8 billion.

Significant developments with regard to the investment in Volkswagen AG accounted for at equity

Due to its share in capital of Volkswagen AG, Porsche SE is significantly influenced by the developments at the level of the Volkswagen Group.

The group result after tax and non-controlling interests of the Volkswagen Group decreased to €10.7 billion in the fiscal year 2024 compared to €16.0 billion in the prior-year period. For details on the development in the result at the Volkswagen Group, please refer to the sections “Business development” and “Results of operations of the Volkswagen Group”.

As of 31 December 2024, based on an impairment test, an impairment loss of €19.9 billion was identified for the carrying amount of the investment in Volkswagen AG accounted for at equity to its value in use of €33.0 billion. At €14.7 billion, the market value of the investment calculated on the basis of stock market prices remains below its carrying amount.

In particular, sustained declines in earnings may continue to have a significant impact on the recoverability of the carrying amount of Porsche SE’s investment. This may also have consequences for the dividend policy of Volkswagen AG and therefore for the cash inflows at the level of Porsche SE. For explanations of the risks in connection with the investment in Volkswagen AG, please refer to the explanations in the section “Opportunities and risks of future development”.

On 29 May 2024, the annual general meeting of Volkswagen AG resolved to distribute a dividend for the fiscal year 2023 of €9.00 per ordinary share and €9.06 per preference share. The shares of Volkswagen AG held by Porsche SE thus entitled the latter to a dividend of €1.4 billion, which was paid out on 4 June 2024 without deduction of capital gains tax.

The board of management and supervisory board of Volkswagen AG are proposing a dividend of €6.30 per ordinary share and €6.36 per preference share for the fiscal year 2024. Porsche SE assumes that dividend payments from Volkswagen AG to Porsche SE will be subject to deduction of capital gains tax from the fiscal year 2025 onwards. A refund or credit of any capital gains tax paid would be expected from the tax assessment in a subsequent year.

Significant developments with regard to the investment in Porsche AG accounted for at equity

Due to its share in capital of Porsche AG, Porsche SE is also influenced by the developments at the level of the Porsche AG Group.

The group result after tax and non-controlling interests of the Porsche AG Group decreased to €3.6 billion in the fiscal year 2024 compared to €5.2 billion in the prior-year period. For details on the development in the result at the Porsche AG Group, see section “Results of operations of the Porsche AG Group”.

As of 31 December 2024, based on an impairment test, an impairment loss of €3.4 billion was identified for the carrying amount of the investment in Porsche AG accounted for at equity to its value in use of €7.2 billion. The market value of the investment, calculated on the basis of the market price of the preference shares plus an ordinary share premium of 7.5% derived from the acquisition of the investment, is €7.2 billion, on par with its carrying amount.

In particular, sustained declines in earnings may continue to have an impact on the recoverability of the carrying amount of the investment. This may also have consequences for the dividend policy of Porsche AG and therefore for the cash inflows at the level of Porsche SE. For explanations of the risks in connection with the investment in Porsche AG, please refer to the explanations in the section “Opportunities and risks of future development”.

On 7 June 2024, the annual general meeting of Porsche AG resolved to distribute a dividend for the fiscal year 2023 of €2.30 per ordinary share and €2.31 per preference share. The ordinary shares of Porsche AG held by Porsche SE thus entitled the latter to a dividend of €262 million, which was paid out on 12 June 2024 without deduction of capital gains tax.

The board of management and supervisory board of Porsche AG are proposing a dividend of €2.30 per ordinary share and €2.31 per preference share for the fiscal year 2024. Porsche SE currently assumes that dividend payments from Porsche AG to Porsche SE will continue to be subject to no deduction of capital gains tax.

Dividend proposal

Porsche SE's dividend policy is geared toward distributing a reliable and attractive dividend, with the shareholders participating appropriately in Porsche SE's financial development. Porsche SE's board of management therefore proposes a resolution for the distribution of a dividend of €1.904 (€2.554) per ordinary share and €1.910 (€2.560) per preference share, i.e., a total distribution of €584 million (€783 million).

Significant developments and current status relating to litigation risks and legal disputes

Porsche SE is involved in various legal proceedings. The significant developments are outlined below. with Porsche SE still having no reliable findings or assessments that would lead to a different evaluation of the legal risks.

Legal proceedings and legal risks in connection with the increase of the investment in Volkswagen AG

A model case according to the Capital Markets Model Case Act ("KapMuG") against Porsche SE initiated by an order of reference of the Regional Court of Hanover dated 13 April 2016 was pending with the Higher Regional Court of Celle. Subject of those actions were alleged damage claims based on alleged market manipulation and alleged inaccurate information in connection with Porsche SE's increase of the investment in Volkswagen AG. In part these claims were also based on alleged violations of antitrust regulations. In the six initial proceedings suspended with reference to the model case, a total of 40 plaintiffs are asserting alleged claims for damages of about €5.4 billion (plus interest). By decision of 30 September 2022, all of the establishment objectives requested by the plaintiffs were dismissed or declared groundless by the Higher Regional Court of Celle. The Higher Regional Court of Celle substantiates its decision on the opinion that Porsche SE cannot be deemed liable under any legal aspect and that the opposed pleading of the plaintiffs is inconclusive. With this decision, Porsche SE considers its legal position justified that the claims asserted in the suspended initial proceedings are without merit. The decision of the Higher Regional Court of Celle is not yet final. The plaintiffs filed an appeal on points of law against the decision with the Federal Court of Justice.

In a proceeding pending before the Regional Court of Frankfurt against an incumbent and a former, meanwhile deceased, member of the supervisory board of Porsche SE, Porsche SE joined as intervener in support of the defendants. In this proceeding the same alleged claims are asserted that are already subject of an action currently suspended with regard to the KapMuG proceedings now before the Federal Court of Justice with alleged damages of about €1.8 billion (plus interest) pending against Porsche SE before the Regional Court of Hanover. No new developments occurred in this proceeding during the reporting period. Porsche SE considers these claims to be without merit and sees itself justified in this legal position by the decision of the Higher Regional Court of Celle of 30 September 2022.

Since 2012, Porsche SE and two companies of an investment fund have been in dispute over the existence of alleged claims in the amount of about US$195 million and have filed lawsuits in Germany and England respectively. On 6 March 2013, the English proceedings were suspended at the request of both parties until a decision had been reached in the proceedings commenced in the Regional Court of Stuttgart concerning the question of which court is the court first seized. On 19 September 2024, the Higher Regional Court of Stuttgart issued a final decision that the Regional Court of Stuttgart is the court first seized. An objection against this decision by the opposing parties claiming a violation of their right to be given an effective and fair legal hearing has been dismissed by the Higher Regional Court of Stuttgart on 29 October 2024. The Regional Court of Stuttgart will now hear Porsche SE's claim for a negative declaratory judgement. Porsche SE considers the claim for a negative declaratory judgement to be admissible and with merit and the action filed in England to be inadmissible and the asserted claims to be without merit.

Legal proceedings and legal risks in connection with the diesel issue

In connection with the diesel issue, Porsche SE is a model case defendant in two KapMuG proceedings. The starting point of both KapMuG proceedings are legal disputes against Porsche SE, which are predominantly pending at the Regional Court and Higher Regional Court of Stuttgart and to a lesser extent at the Regional Court of Braunschweig ("initial proceedings"). The total value involved in the initial proceedings against Porsche SE (according to the current assessment of the partially unclear head of claims) amounts to approximately €927 million (plus interest). In addition, some of the initial proceedings aim for establishment of liability for damages. The plaintiffs accuse Porsche SE of alleged nonfeasance of capital market information or alleged incorrect capital market information in connection with the diesel issue. Some of the initial proceedings are directed against both Porsche SE and Volkswagen AG. Porsche SE considers the initial proceedings to be inadmissible in part, but in any case to be without merit.

A substantial part of the initial proceedings pending against Porsche SE, with a total value of approximately €91.4 million are currently suspended, with the majority of the suspended initial proceedings being suspended with reference to a KapMuG proceeding currently pending before the Federal Court of Justice. Initial proceedings in the first instance amounting to approximately €701 million and in the second instance amounting to approximately €135 million are currently not suspended. Regardless of the outcome of the KapMuG proceedings, Porsche SE is of the opinion that these proceedings should be dismissed for plaintiff-specific reasons. For these reasons, the initial proceedings pending in the second instance, insofar as they are not suspended, were dismissed in the first instance. Furthermore, lawsuits amounting to approximately €160 million have already been withdrawn or finally dismissed.

One of the KapMuG proceedings against Porsche SE was pending before the Higher Regional Court of Stuttgart. In a model case ruling of 29 March 2023, the Higher Regional Court of Stuttgart found among other things that, in principle, an ad-hoc disclosure obligation of Porsche SE can also exist with respect to circumstances at Volkswagen AG. A requirement for any ad-hoc disclosure obligation is that a member of the board of management of Porsche SE must either be aware of the alleged insider information or the board of management of Porsche SE must have breached an obligation to ensure that insider information can reach the board of management. The Higher Regional Court of Stuttgart also ruled that any knowledge of confidential circumstances at Volkswagen AG of board members of Volkswagen AG who are also members of the board of management of Porsche SE cannot be attributed to Porsche SE. In addition, the Higher Regional Court of Stuttgart ruled that any knowledge of circumstances at Volkswagen AG on the level below the board of management of Volkswagen AG cannot be attributed to Porsche SE. Finally, the Higher Regional Court of Stuttgart ruled that the members of the board of management of Porsche SE at the time, Dr. Wendelin Wiedeking and Holger P. Härter, had no knowledge of the diesel issue and such missing knowledge was also not based on gross negligence on their side. The establishment objectives sought by the plaintiffs against Porsche SE were therefore overwhelmingly not made by the Higher Regional Court of Stuttgart. On the basis of the establishment objectives made in the 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 ruling is not yet final. The model case plaintiff, several plaintiffs and Porsche SE have filed an appeal on points of law against the model case ruling to the Federal Court of Justice.

The second KapMuG proceeding is pending before the Higher Regional Court of Braunschweig. In this proceeding, no establishment objectives against Porsche SE have been admitted yet. On 7 July 2023 the Higher Regional Court of Braunschweig issued an order to take evidence. The requested gathering of evidence focuses initially on the question whether or not Volkswagen AG's board of management, individual members thereof and/or members of its ad-hoc clearing committee had knowledge of the installation of switch functions in Volkswagen AG vehicles that are inadmissible pursuant to US law. Furthermore, evidence will be gathered on expectations of the persons responsible for ad-hoc publications within Volkswagen AG regarding possible effects on the share price resulting from the information available to each of them. Witness hearings have been taking place in this legal proceeding since autumn of 2023.

During the reporting period, no significant new developments occurred with regard to claims asserted out of court and not yet brought to court against Porsche SE with a total amount of approximately €63 million and in some cases without defined amounts as well as with regard to the waiver of the statute of limitations defense granted by Porsche SE to the United States of America for alleged claims for damages.

In connection with the diesel issue, in April 2021, two plaintiffs filed a derivative action against Porsche SE, current and former members of the management and supervisory boards of Volkswagen AG, current and former executives of Volkswagen AG and its subsidiaries, four Volkswagen AG subsidiaries and others in the Supreme Court of the State of New York, County of New York. The plaintiffs claim to be shareholders of Volkswagen AG and allege claims of Volkswagen AG on its behalf. The action is based, inter alia, on an alleged violation of duties vis-à-vis Volkswagen AG pursuant to the AktG ["Aktiengesetz": German Stock Corporation Act] and the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK). The plaintiffs request, inter alia, a declaration that the defendants have breached their respective duties vis-à-vis Volkswagen AG, and an award to Volkswagen AG as compensation for the alleged damages it sustained as a result of the alleged violation of duties, plus interest. In September 2021, the parties filed a stipulation, which is subject to court approval, accepting service on behalf of certain defendants including Porsche SE, staying all discovery and setting a motion to dismiss briefing schedule.

Significant events and developments at the Volkswagen Group

Restructuring measures at the Volkswagen Group

In fiscal year 2024, the Volkswagen Group recognized restructuring costs of €3.0 billion, which are primarily attributable to Volkswagen AG and the Audi Group.

To bring about a long-term reduction in personnel costs in the administrative areas of Volkswagen AG, the board of management resolved in April 2024 to support the downsizing activities by offering selective severance agreements. Expenses of €0.9 billion were recognized for this at the level of the Volkswagen Group.

Against the backdrop of trends in demand for the Audi Q8 e-tron model family, which is manufactured in Brussels, the board of management of Audi Brussels S.A./N.V., Brussels, Belgium (“Audi Brussels”), conducted an information and consultation process with the competent social partners under Belgian law for the restructuring of the site from July to December 2024. The process plans to discontinue the operations as of 28 February 2025. A social plan was approved in January 2025. Expenses totaling €1.6 billion were recognized in fiscal year 2024 at the level of the Volkswagen Group in connection with this restructuring. They include, among other items, anticipated amortization and depreciation charges on inventories and non-current assets, expenses from a change in the production process, legal and consulting costs, as well as employee-related expenses for the social plan.

Furthermore, restructuring programs were also introduced in other Volkswagen Group companies.

Effects of the collective bargaining agreement

On the basis of the collective bargaining agreement entered into between Volkswagen AG and the employee representatives in December 2024, it was necessary to adjust the calculation of various personnel-related provisions at the level of the Volkswagen Group. This resulted in income of around €1 billion. In addition, various assumptions about expected developments had to be adjusted when measuring pension obligations. This resulted in an actuarial gain of €0.2 billion, which was recognized in other comprehensive income.

Material transactions

Cooperation with Rivian

Volkswagen Group and US electric vehicle manufacturer Rivian Automotive, Inc., Irvine, USA (“Rivian”), announced their intention to establish a joint venture in June 2024. After reaching technical milestones and obtaining the necessary official approvals, Rivian and VW Group Technology, LLC, Palo Alto, USA (“Rivian and Volkswagen Group Technologies”), commenced activities on 13 November 2024. The two partners hold equal shares in the joint venture, which functions as an independent company. It is included in the consolidated financial statements of Volkswagen AG as a joint venture using the equity method.

The aim of the partnership is to develop next generation software-defined vehicle (“SDV”) architectures to be used in future vehicles of both companies. The joint venture builds on Rivian’s software and electronic architecture to facilitate the joint development of best-in-class architectures and software for the SDVs of both partners.

Volkswagen is planning to invest up to US$5.8 billion in Rivian and the Rivian and Volkswagen Group Technologies joint venture by no later than January 2028. An initial investment in Rivian was made in June 2024, taking the form of an unsecured convertible note of US$1 billion, which was converted into 95,377,269 ordinary shares of Rivian on 3 December 2024. The Volkswagen Group thus holds around 8.6% of the outstanding class A shares of Rivian, representing a share of around 8% of the voting rights. The investment in Rivian is measured at fair value through other comprehensive income in Volkswagen's consolidated financial statements. When Rivian and Volkswagen Group Technologies commenced operations, Volkswagen invested a further US$1.3 billion, in particular for the acquisition of the licenses in Rivian's existing architecture technology and for the 50% share of the joint venture. When certain financial and technical milestones are reached in 2025, 2026 and 2027, Volkswagen expects to make further investments of up to US$3.5 billion in the form of equity and debt, of which up to US$2.5 billion will be for ordinary shares of Rivian; these investments are expected to be made in two tranches of US$1 billion each in 2025 and 2026 and a third tranche of US$0.5 billion in 2027 or, at the latest, at the beginning of January 2028. The price of the shares is to be determined ahead of each purchase date on the basis of a defined average market price for the ordinary shares of Rivian plus a premium. In 2026, an additional amount of US$1 billion can be drawn as a loan by Rivian and Volkswagen Group Technologies and passed on to Rivian.

In fiscal year 2024, the conditional commitment to purchase additional ordinary shares of Rivian resulted in an expense from the measurement of a derivative of €409 million at the level of the Volkswagen Group. This was set against a gain of €126 million on the measurement of the convertible note due to the positive performance of the Rivian share price. These were non-cash amounts.

Argo AI

The process of winding down Argo AI, LLC, Pittsburgh, USA ("Argo AI"), initiated in the third quarter of 2022 was completed in the third quarter of 2024. The inclusion of the investment in Volkswagen's consolidated financial statements using the equity method was ended as of 30 September 2024. This resulted in a gain of €265 million at the level of the Volkswagen Group. The gain is the result of realizing currency translation effects, which had previously been recognized in other comprehensive income within equity. They were reclassified from other reserves attributable to equity-accounted investments to the share of the result of equity-accounted investments.

Northvolt AB

The Swedish company Northvolt AB, Stockholm, Sweden ("Northvolt"), in which the Volkswagen Group holds an equity investment, filed for bankruptcy protection under US law in November 2024. This had been preceded by reports regarding financial difficulties at the company. When the bankruptcy protection proceedings opened, the remaining net carrying amounts of the equity investment and the loan receivables from Northvolt were written down in full. Exempted are loan receivables from funds granted to Northvolt only after the opening of bankruptcy protection proceedings and backed by separate collateral. The write-down resulted in a non-cash expense totaling €661 million in the fiscal year 2024 at the level of the Volkswagen Group.

Assets of the Volkswagen Group held for sale

In accordance with the requirements of IFRS 5, the consolidated subsidiaries OOO Volkswagen Group Finanz, Moscow, Russia, OOO Volkswagen Financial Services RUS, Moscow, Russia, and OOO Volkswagen Bank RUS, Moscow, Russia, have been classified as a disposal group held for sale since the fiscal year 2022. In this context, impairment losses of €186 million were recognized in the fiscal year 2023 at the level of the Volkswagen Group.

The shares in OOO Volkswagen Group Finanz, Moscow, Russia, and OOO Volkswagen Financial Services RUS, Moscow, Russia, were sold to an external investor on 18 January 2024. In particular due to the reclassification of foreign exchange differences to the income statement, the deconsolidation of the two companies resulted in a loss of €62 million at the level of the Volkswagen Group.

In addition, impairment losses of €29 million were recognized for OOO Volkswagen Bank RUS, Moscow, Russia, in the fiscal year 2024. The company was deconsolidated as of 30 June 2024. Deconsolidation resulted in a loss of €184 million at the level of the Volkswagen Group; the amount includes in particular the reclassification of foreign exchange differences to the income statement.

In its ruling of 3 July 2024, the German Federal Ministry for Economic Affairs and Climate Action prohibited the sale of the MGT gas turbine business to CSIC Longjiang GH Gas Turbine Co. Ltd., Harbin, China. The Federal Cabinet approved the prohibition ruling. Following the prohibition, MAN Energy Solutions SE, Augsburg, discontinued the development, manufacture and sales of MGT gas turbines. It will continue its service activities for MGT gas turbines. The prohibition of the planned sale and the discontinuation of the new-build business means that these activities are no longer presented in line with IFRS 5, and led to the recognition of an impairment loss on the capitalized development costs and inventories for MGT gas turbines as of 30 June 2024. This resulted in an expense of €86 million at the level of the Volkswagen Group. There are three further types of gas turbines (THM, FT8 and S class) in addition to the MGT gas turbines. Business with these is not affected by this development.

In accordance with the requirements of IFRS 5, two Russian sales companies in the Automotive segment, OOO Porsche Russland, Moscow, Russia, and OOO Porsche Center Moscow, Moscow, Russia, and one Russian company assigned to the financial services segment, OOO Porsche Financial Services Russland, Moscow, Russia, have been classified as a disposal group held for sale since September 2022. An impairment loss of €25 million was recognized for the disposal group at the level of the Volkswagen Group in the fiscal year 2022; another impairment loss and offsetting currency translation effects were identified in the fiscal year 2023. No further material adjustments were made in the first nine months of 2024. The Russian companies were deconsolidated in the fourth quarter of 2024. Deconsolidation resulted in a loss of €54 million at the level of the Volkswagen Group; the amount includes in particular the classification of foreign exchange differences to the income statement.

Diesel issue at the level of the Volkswagen Group

On 18 September 2015, the US Environmental Protection Agency ("EPA") publicly announced in a notice of violation that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. In this context, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA 189 diesel engines and that this engine type had been installed in roughly eleven million vehicles worldwide. On 2 November 2015, the EPA issued a notice of violation alleging that irregularities had also been discovered in the software installed in US vehicles with type V6 3.0 l diesel engines.

The so-called diesel issue is rooted in a modification of parts of the software of the relevant engine control units – which, according to Volkswagen AG's legal position, is only unlawful under US law – for the type EA 189 diesel engines that Volkswagen AG was developing at that time. This software function was developed and implemented from 2006 on without knowledge at the level of Volkswagen's board of management. Members of Volkswagen's board of management did not learn of the development and implementation of this software function until the summer of 2015.

No material special items in connection with the diesel issue were recognized in the fiscal year 2024 at the level of the Volkswagen Group. For further explanations on the legal risks in connection with the diesel issue, reference is made to the section "Opportunities and risks of future development" and to note [2] of the notes to the consolidated financial statements for the fiscal year 2024.

Antitrust investigations at the level of the Volkswagen Group

In 2011, the European Commission conducted searches at European truck manufacturers for suspected unlawful exchange of information during the period from 1997 to 2011; in November 2014, the Commission issued a statement of objections to MAN, Scania, and the other truck manufacturers concerned. In its settlement decision of July 2016, the European Commission assessed fines against five European truck manufacturers. MAN's fine was waived in full as the company had informed the European Commission about the irregularities as a key witness. In September 2017, the European Commission fined Scania €0.88 billion. In a judgment rendered in February 2022, the European General Court (Court of First Instance) rejected in its entirety the appeal filed by Scania in this connection. Scania's April 2022 appeal against this judgment was rejected in full by the ECJ, the court of last resort, in February 2024.

Furthermore, antitrust lawsuits seeking damages have been received from customers. As is the case in any antitrust proceedings, this may result in further lawsuits for damages. No provisions have been recognized at the level of the Volkswagen Group for a large number of these legal disputes as they are not expected to result in final damage awards at the highest appeals level. For those actions in which, after reassessing the risks, the final outcome at the highest appeals level appears more likely than not to result in the payment of damages by MAN or Scania, provisions have been recognized in an amount of €162 million at the level of the Volkswagen Group.

In March 2022, the European Commission and the Competition and Markets Authority (“CMA”), the English antitrust authorities, searched the premises of various automotive manufacturers and automotive industry organizations and/or served them with formal requests for information. In the Volkswagen Group, the investigation affects Volkswagen Group UK, which was searched by the CMA, and Volkswagen AG, which has received a group-wide information request from the European Commission. The investigation relates to European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization European Automobile Manufacturers’ Association (“ACEA”), which are suspected of having agreed from 2001/2002 to the initiation of the proceedings to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (“ELV”) (specifically passenger cars and light utility vehicles). Also alleged is an agreement to refrain from competitive use of ELV issues, that is, not to publicize relevant recycling data (recyclates, recyclability, recovery) for competitive purposes. The violation under investigation is alleged to have taken place in particular in the ACEA Working Group Recycling and related sub-groups thereof. Volkswagen AG is responding to the European Commission’s information requests. In June 2024, the Chinese competition authorities also served Volkswagen AG with a request for information in this matter. The Korean competition authority (“KFTC”) also carried out a search of Volkswagen Group Korea in the same context. Volkswagen Group UK is cooperating with the CMA. In this matter, CMA furthermore issued requests for information to Volkswagen AG. In July 2022, Volkswagen AG filed an action for judicial review challenging the CMA’s requests for information in particular because Volkswagen AG believes that they exceed the CMA’s jurisdiction. In February 2023, the court granted the claim. The CMA appealed this judgment in April 2023, and in January 2024 the appellate court ruled in the CMA’s favor. Volkswagen AG has appealed this decision to the Supreme Court. Concurrent therewith, Volkswagen AG continues to examine the possibilities for reasonable cooperation with the CMA.

In addition, a few national and international authorities initiated antitrust investigations. Volkswagen is cooperating closely with the responsible authorities in these investigations. An assessment of the underlying situation by Volkswagen is not possible at this early stage.

Business development

The business development of the Porsche SE Group is largely shaped by its core investments, in particular the investment in Volkswagen AG. The following statements therefore mainly take into consideration factors influencing operating developments in the passenger cars and light commercial vehicles, commercial vehicles, power engineering and financial services business areas at the Volkswagen Group, which include the development of the Porsche AG Group. Developments relating to the portfolio investments in the reporting period are also presented. In addition, reference is made to the section "Significant events and developments at the Porsche SE Group", in particular with regard to the development of the actions pending.

General economic developments

The global economy remained on a growth path in 2024 with somewhat slower momentum than in the prior year. This trend was seen in both the advanced economies and the emerging markets. Declining but in some cases still relatively high inflation rates in many countries, combined with restrictive monetary policies introduced by some central banks, continued to put a damper on economic growth in many places. Since around the middle of the reporting year, a number of these central banks have started to gradually bring down key rates from their comparatively high level.

Business development with regard to the core investments

Sector-specific environment

Along with fiscal policy measures, the sector-specific environment was affected by the economic situation, which contributed to the mixed trends in unit sales in the markets in the fiscal year now ended. The fiscal policy measures included tax cuts or increases, the introduction, expiry and adjustment of incentive programs and sales incentives, as well as import duties. In addition, non-tariff trade barriers to protect the respective domestic automotive industries made the movement of vehicles, parts and components more difficult.

Trends in the markets for passenger cars and light commercial vehicles

In 2024, the volume of the passenger car market worldwide was slightly up on the prior-year figure, with most regions developing favorably. Western Europe was on a level with the prior year, while the Middle East region came in slightly lower. The supply situation continued to return to normal levels and the affordability of vehicles improved in some regions of the world.

The global volume of new registrations of light commercial vehicles in the fiscal year 2024 was similar to the prior year.

Trends in the markets for commercial vehicles

In the markets that are relevant for the Volkswagen Group, demand for mid-sized and heavy trucks with a gross weight of more than six tonnes experienced slightly weaker growth in the fiscal year 2024 versus the comparison period. Global truck markets were likewise slightly below the prior-year level.

Demand in the bus markets relevant for the Volkswagen Group was on a level with 2023.

Trends in the markets for power engineering

The markets for power engineering are influenced by varying regional and economic factors. Consequently, the business growth trends of the respective markets develop mostly independently of one another.

In 2024, the marine market increased to a slightly higher level than in the prior year. There was still reticence in the market for energy generation in the fiscal year 2024, particularly in Europe. This was due to the fact that policymakers have not yet completely finalized the strategy and regulations regarding future investments in this area. There was slightly less movement in the turbomachinery market than in the prior year.

Trends in the markets for financial services

There were high levels of demand for automotive financial services in 2024. The financial services business for heavy commercial vehicles was slightly up on the prior-year level in the fiscal year 2024. The long delivery times for commercial vehicles normalized over the course of the year thanks to improvements in supply chains.

Volkswagen Group deliveries

The Volkswagen Group delivered 9.0 million vehicles to customers worldwide in the fiscal year. This was 2.3% or 212 thousand units less than in the prior year. Sales of both passenger cars and commercial vehicles were down year on year.

Deliveries of electrified Volkswagen Group vehicles were slightly lower than the prior-year figure due in particular to industry-wide buyer reluctance: worldwide 745 thousand all-electric vehicles (including heavy commercial vehicles) were handed over to customers in the reporting year. This was 26 thousand fewer units or 3.4% less than in the prior year. Their share of the Volkswagen Group's total deliveries remained stable at 8.3% (8.3%). Deliveries to customers of plug-in hybrid models rose to 270 thousand (up 5.0%) units. Although total electrified vehicle deliveries fell by 1.3%; their share of total Volkswagen Group deliveries remained steady year on year at 11.2% (11.1%).

While Škoda, SEAT/CUPRA and Lamborghini increased vehicle deliveries and Volkswagen Commercial Vehicles maintained its prior-year level, Volkswagen Passenger Cars, Audi, Bentley and Porsche did not achieve their respective prior-year figures. At a regional level, Volkswagen saw demand rise for passenger cars and light commercial vehicles from the Volkswagen Group in Central and Eastern Europe, North America, South America, Africa and the Middle East. Deliveries to customers in Western Europe were on a level with the prior year, while they fell short of the prior-year figures in Asia-Pacific.

In an overall global market that saw noticeable growth, the Volkswagen Group achieved a passenger car market share of 10.5% (11.1%).

In the fiscal year 2024, the Volkswagen Group delivered 1.2% fewer commercial vehicles to customers worldwide than in the prior year.

Volkswagen Group deliveries from 1 January to 31 December[1]

	2024	2023	Change %
Regions			
Europe/Other markets	4,152,897	4,133,754	0.5
North America	1,056,989	993,092	6.4
South America	594,264	518,184	14.7
Asia-Pacific	3,223,274	3,594,504	−10.3
Worldwide	**9,027,424**	**9,239,534**	**−2.3**
by brands			
Volkswagen passenger cars	4,796,931	4,866,803	−1.4
ŠKODA	926,567	866,820	6.9
SEAT/CUPRA	558,159	519,176	7.5
Volkswagen commercial vehicles	408,285	409,418	−0.3
Audi	1,671,218	1,895,240	−11.8
Lamborghini	10,687	10,112	5.7
Bentley	10,643	13,560	−21.5
Porsche	310,718	320,221	−3.0
Passenger cars and light commercial vehicles total	**8,693,208**	**8,901,350**	**−2.3**
Scania	102,120	96,568	5.7
MAN	95,705	115,653	−17.2
International (formerly Navistar)	90,562	88,890	1.9
Volkswagen Truck & Bus	45,829	37,073	23.6
Commercial vehicles total	**334,216**	**338,184**	**−1.2**

1 The figures include the equity-accounted Chinese joint ventures. Prior-year deliveries have been updated to reflect subsequent statistical trends.

Sales, production and inventories at the Volkswagen Group

The Volkswagen Group's unit sales to the dealer organization[1] decreased in the reporting year by 3.5% to 9.0 million units (including the equity-accounted Chinese joint ventures) in a challenging market environment. Unit sales outside Germany declined by 4.2% to 7.8 million vehicles. Fewer vehicles were sold primarily in China and in other countries in the Asia-Pacific region. The Volkswagen Group's unit sales to the dealer organization excluding the equity-accounted companies in China amounted to 6.3 million vehicles (6.3 million vehicles) and was on a level with the prior year. Brazil, France and Mexico in particular reported growth. Unit sales in Germany increased by 1.4% year on year. The proportion of the group's total unit sales attributable to Germany increased to 13.2% (12.6%).

The Volkswagen Group produced 9.0 million vehicles (including the equity-accounted Chinese joint ventures) in the period from January to December 2024, a decrease of 3.8% compared with the prior-year period. Production in Germany declined by 11.9% to 1.7 million vehicles. The proportion of the group's total production accounted for by Germany decreased to 18.8% (20.6%). The Volkswagen Group's production excluding the equity-accounted companies in China totaled 6.2 million units (6.2 million units) and remained at similar levels to the prior year.

Global inventories of new vehicles at Volkswagen Group companies and in the dealer organization were lower at the end of the reporting year than at year-end 2023.

Volkswagen Group financial services

There was high demand for the products and services of the Volkswagen Group's financial services division in the fiscal year 2024. The number of new financing, leasing, service and insurance contracts signed worldwide amounted to 11.1 million contracts. Since 1 January 2024, other types of insurance contracts have been taken into account; the number of contracts as of 31 December 2023 has been adjusted. The ratio of leased and financed vehicles to Volkswagen Group deliveries (penetration rate) increased to 34.1% (32.8%) in the financial services division of Volkswagen markets in the reporting year. The total number of contracts stood at 28.5 million (28.1 million) on 31 December 2024.

[1] The dealer organization comprises all VW Group external dealer companies that are supplied by the Volkswagen Group.

Business development with regard to the portfolio investments

The market for M&A transactions was challenging in 2024. The global M&A transaction volume fell by 17%, due in particular to a decline in the area of small to medium-sized transactions. With regard to transactions with a value of more than US$1 billion, there was an increase from 430 to over 500 transactions compared to the prior year. The number of large transactions with a value of over US$5 billion also increased by 18% to 72 transactions.

The number of venture capital transactions in Europe fell by 23% in 2024 compared to the prior year. The focus of investors was predominantly on follow-up investments in existing investments. In addition, the time between financing rounds has increased across all financing phases.

In the fiscal year 2024, Porsche SE made the following additional investments in the portfolio investments segment:

Together with DTCP, Incharge Fund I – a venture capital fund with an investment focus on investments in companies in the field of connected mobility – was launched and Porsche SE subscribed for shares with a volume of €100 million. In May 2024, Porsche SE acquired shares in the Canadian company Waabi Innovation Inc., Toronto, Canada. Waabi develops an AI-based solution for self-driving trucks. In the third quarter of 2024, Porsche SE acquired a stake in Flix SE, Munich, as part of a co-investment with the EQT Future Fund. The company operates a global mobility platform for long-distance bus and train travel. In the fourth quarter of 2024, Porsche SE acquired a stake in Quantum-Systems GmbH. Based in Gilching near Munich, the company develops and produces drones for sensor-based data acquisition.

In addition, Porsche SE participated in a subsequent financing round for the existing portfolio investment Celestial AI Inc, Santa Clara, USA. There were also investments in connection with called-up capital at existing fund investments.

In connection with investments in portfolio companies, payments of around €75 million were made in the reporting year. In addition, there were outstanding investment commitments amounting to €126 million as of the reporting date.

Results of operations, financial position and net assets

In the following explanations, the significant results of operations as well as the financial position and net assets of the Porsche SE Group are presented for the fiscal year 2024 and as of 31 December 2024. While the prior-year figures for the results of operations relate to the period from 1 January to 31 December 2023, the financial position and net assets use figures as of 31 December 2023 as comparative figures.

Based on its investment strategy, the Porsche SE Group differentiates between the two segments “core investments” and “portfolio investments”. Porsche SE’s holding operations, comprising Porsche SE’s corporate functions, including the holding financing function, are all allocated to the “core investments” area for the purpose of managing resources. Transactions between the segments, i.e., in particular intragroup financing transactions, are not managed separately and are therefore eliminated so that consolidated figures are always used for management purposes.

At the level of the Volkswagen Group, it was found during the reporting year that obligations for granting fringe benefits had not been included in full when determining the provision for time credits. The error was corrected at the level of the Volkswagen Group in accordance with IAS 8 by adjusting the affected items accordingly in the consolidated financial statements for the prior years. A retrospective correction was made to the consolidated balance sheet of the Volkswagen Group as of 1 January 2023. As a result of applying the equity method to the investment in Volkswagen AG for the consolidated financial statements of Porsche SE, the restatement pursuant to IAS 8 at the level of the Volkswagen Group also has an indirect impact on Porsche SE’s consolidated financial statements. The restatement had an impact on the prior-year comparative figures, in particular with an amount of minus €232 million on the investments accounted for at equity and minus €230 million on equity in the consolidated balance sheet of Porsche SE. The other effects are immaterial and can be found in note [1] of the notes to the consolidated financial statements for the fiscal year 2024.

Results of operations of the Porsche SE Group

The adjusted result after tax of the Porsche SE Group (see also the explanations in section “Core management and financial indicator system” in chapter “Fundamental information about the group”) amounted to €3,151 million (€5,074 million) in the fiscal year 2024. Of the adjusted result after tax, €3,176 million (€5,086 million) relates to the core investments segment and minus €25 million (minus €12 million) to the portfolio investments segment.

The result after tax of the Porsche SE Group came to minus €20,017 million (€5,074 million) in the fiscal year 2024. In the reporting year, the group result after tax was significantly influenced by the non-cash impairment losses on the carrying amounts of the investments in Volkswagen AG amounting to minus €19,912 million and Porsche AG amounting to minus €3,375 million (see also section “Significant events and developments at the Porsche SE Group”). The impairment losses are offset by income from deferred taxes of €119 million.

To determine the adjusted group result after tax, the group result after tax is adjusted for these impairment losses on the core investments and the deferred taxes attributable to them (see the explanations in section “Core management and financial indicator system” in chapter “Fundamental information about the group”).

Adjusted group result after tax
in € million

	Group result after tax	**–20,017**	
–	Result from impairment tests and remeasurements	23,287	with regard to the core investments
–	Deferred taxes attributable to impairment tests	–119	with regard to the core investments
=	**Adjusted group result after tax**	**3,151**	

Other comprehensive income of the Porsche SE Group of €736 million (€1,132 million) mainly contains effects resulting from the investment in Volkswagen AG accounted for at equity totaling €835 million (minus €1,033 million) after taking deferred taxes into account. These relate in particular to actuarial gains from the remeasurement of pension provisions amounting to €508 million (minus €368 million) and currency translation amounting to minus €430 million (minus €370 million) and offsetting effects from the measurement of cash flow hedges under hedge accounting amounting to minus €191 million (€80 million) after taking deferred taxes into account in each case. Effects resulting from the at-equity accounting of the investment in Porsche AG totaling minus €78 million (minus €42 million) relate in particular to effects from the measurement of cash flow hedges under hedge accounting amounting to minus €136 million (€20 million) and offsetting effects from currency translation amounting to €32 million (minus €27 million) as well as actuarial gains from the remeasurement of pension provisions amounting to €24 million (minus €35 million). At the level of Porsche SE, other comprehensive income primarily contains effects from the measurement of interest rate hedging instruments concluded by Porsche SE under hedge accounting in an amount of minus €12 million (minus €72 million) after taking deferred taxes into account.

Consolidated income statement of Porsche SE by segment

€ million	Core investments	Portfolio investments	**Group 2024 adjusted**	Impairment core investments	**Group 2024**	Group 2023[1]
Result from investments accounted for at equity[3]	3,432	–7	3,425	–23,287	–19,861	5,208[2]
Result from ongoing at equity accounting	3,432	–2	3,430		3,430	5,208[2]
thereof Volkswagen AG	2,961		2,961		2,961	4,828[2]
thereof Porsche AG	472		472		472	391
thereof portfolio investments		–2	–2		–2	–10
Result from impairments		–5	–5	–23,287	–23,292	–1
thereof Volkswagen AG				–19,912	–19,912	
thereof Porsche AG				–3,375	–3,375	
thereof portfolio investments		–5	–5		–5	–1
Income from investment valuation		13	13		13	1
Expenses from investment valuation		–29	–29		–29	–1
Adjusted investment result	**3,432**	**–23**	**3,409**	**–23,287**	**–19,878**	**5,208[2]**
Other operating income	5	0	5		5	220
Personnel expenses	–17		–17		–17	–17
Amortization and depreciation	–1		–1		–1	–1
Other operating expenses	–17	0	–18		–18	–18
Adjusted result before financial result	**3,402**	**–24**	**3,378**	**–23,287**	**–19,909**	**5,391[2]**
Financial result	–241	0	–241		–241	–269
Adjusted result before tax	**3,161**	**–24**	**3,137**	**–23,287**	**–20,150**	**5,122[2]**
Income taxes	15	–1	14	119	133	–47[2]
Adjusted result after tax	**3,176**	**–25**	**3,151**	**–23,167**	**–20,017**	**5,074[2]**
Other comprehensive income after tax	734	1	736		736	–1,132
Adjusted other comprehensive income after tax	**3,910**	**–24**	**3,887**	**–23,167**	**–19,281**	**3,943[2]**

1 The adjusted result after tax of the Porsche SE Group for the fiscal year 2023 corresponds to the group result after tax for the fiscal year 2023.
2 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group (see note [1] of the notes to the consolidated financial statements for the fiscal year 2024).
3 Notes [4], [5] and [13] of the notes to the consolidated financial statements for the fiscal year 2024 contain additional disclosures on investments accounted for at equity.

The adjusted result after tax in the core investments segment was significantly influenced by the result from the ongoing at equity accounting of investments in Volkswagen of €2,961 million (€4,828 million). This contains subsequent measurement effects from purchase price allocations at the level of Porsche SE of minus €460 million (minus €262 million). Of these, minus €421 million (minus €232 million) relates to impairment losses on amortized hidden reserves as a result of impairment tests at the level of the Volkswagen Group in relation to investments of the Volkswagen Group accounted for at equity. With regard to the development in the result at the level of the Volkswagen Group, please also refer to the sections “Significant events and developments at the Volkswagen Group” and “Results of operations of the Volkswagen Group”.

The result from the ongoing at equity accounting of shares in the second core investment, Porsche AG, amounted to €472 million (€391 million) in the reporting period. This contains subsequent measurement effects from purchase price allocations at the level of Porsche SE of €23 million (minus €252 million). These relate to effects from the subsequent measurement of the hidden reserves and liabilities identified at the time of the investment acquisition of minus €40 million (minus €353 million) as well as offsetting effects from the subsequent measurement of other reserves (OCI) in connection with cash flow hedges of €63 million (€100 million). The prior-year figure mainly comprised higher amortization and depreciation on assets with short remaining useful lives, most of which had already reached the end of their useful lives in the prior year. With regard to the development in the result at the level of the Porsche AG Group, reference is made to the section “Results of operations of the Porsche AG Group”.

Other operating income, personnel expenses, amortization and depreciation, other operating expenses, the financial result and income tax income of the core investments segment virtually match the amounts for the group as a whole.

Other operating income from the comparative period included income of €218 million from a claim for compensation against Volkswagen AG. This resulted from regulations on a tax compensation mechanism in the contribution agreement, in connection with the contribution of the holding business operations of Porsche SE to Volkswagen AG in the fiscal year 2012.

The financial result of minus €241 million (minus €269 million) contains interest expenses and other finance costs totaling minus €319 million (minus €293 million), mainly from financing. Interest income and other finance income of €78 million (€24 million) largely from fixed-term deposits had an opposite effect. The improvement in the financial result is primarily due to the lower group net debt.

The result after tax in the portfolio investment segment largely corresponds to its investment result, which contains the result from investments accounted for at equity of minus €7 million (minus €11 million) as well as income of €13 million (€1 million) and expenses of €29 million (€1 million) from the fair value measurement of portfolio investments. The negative segment result is primarily due to revaluations of two portfolio investments measured at fair value.

Financial position of the Porsche SE Group

Net debt of the Porsche SE Group decreased to €5,160 million (€5,717 million) compared to 31 December 2023.

Group net debt as of 31 December 2024
in € million

	Financial liabilities	**7,562**
–	Securities	576
–	Time deposits	140
–	Cash and cash equivalents	1,686
=	**Group net debt**	**5,160**

Cash inflow from operating activities amounted to €1,431 million (€1,873 million) in the reporting period and largely contains the dividends received from the investment in Volkswagen AG totaling €1,441 million (€1,415 million) and in Porsche AG of €262 million (€114 million). Furthermore, cash inflow from operating activities in the reporting period primarily contains interest received in the amount of €76 million (€17 million), in particular from fixed-term deposits. This was offset by cash outflows in the fiscal year 2024 of €317 million (€248 million) primarily for interest paid including transaction costs in connection with the financial liabilities. In the prior year, cash inflows from the payment by Volkswagen AG of €209 million from a contractual compensation claim, payments from the termination of interest rate derivatives (€97 million) and from income tax received (€316 million) were included. In addition, both the reporting and the comparative period mainly included cash outflows for expenses relating to holding business operations.

There was a cash outflow from investing activities of €277 million (€243 million) in the fiscal year 2024. This largely resulted from the change in investments in securities and time deposits of minus €203 million (minus €178 million). Cash outflow from investing activities also includes payments for investments in portfolio companies totaling €75 million (€64 million).

In the fiscal year 2024, there was a cash inflow from financing activities of €37 million (cash outflow: €1,222 million). This cash inflow resulted primarily from the issue of two bonds in April 2024 with a total volume of €1,591 million less the partial repayment of existing bank loans of €770 million and less the dividend payment to shareholders of Porsche SE of €783 million. In the prior year, in addition to the dividend payment made to the shareholders of Porsche SE of €783 million, the cash outflow largely resulted from the repayment of bank loans of €439 million in excess of the refinancing.

Interest rate risks associated with the group net debt are mitigated through the use of interest rate derivatives with a volume of €2,002 million.

Cash and cash equivalents increased to €1,686 million (€494 million) compared to 31 December 2023.

Porsche SE has an undrawn credit line of €1.0 billion with a term until 17 September 2027.

As of the reporting date, there were outstanding investment commitments in connection with portfolio investments amounting to €126 million.

Net assets of the Porsche SE Group

Compared to 31 December 2023, the Porsche SE Group's total assets decreased by €19.3 billion to €42.8 billion as of 31 December 2024.

The Porsche SE Group's non-current assets of €40.4 billion (€61.1 billion) primarily relate to the core investments accounted for at equity. This relates in particular to the carrying amount of the investment in Volkswagen AG accounted for at equity, which saw a net decrease of €17.5 billion to €33.0 billion. Of the decrease in the carrying amount, €19.9 billion is attributable to an impairment loss on the value in use as of 31 December 2024 (see also section "Significant events and developments at the Porsche SE Group") and €1.4 billion to the dividend received in the fiscal year 2024. By contrast, the result from ongoing at equity accounting increased the carrying amount by €3.0 billion. The market value of the shares derived from the stock market prices amounted to €14.7 billion as of 31 December 2024 (€18.9 billion).

The carrying amount of the core investment in Porsche AG accounted for at equity saw a net decrease of €3.2 billion to €7.2 billion. Of this decrease, €3.4 billion is attributable to an impairment loss on the value in use as of 31 December 2024 (see also section "Significant events and developments at the Porsche SE Group") and €0.3 billion to the dividend received in the fiscal year 2024. The result from ongoing at equity accounting of €0.5 billion led to an increase in the carrying amount. The market value of the investment, calculated on the basis of the stock price of the preference shares plus an ordinary share premium of 7.5% derived from the acquisition of the investment, amounted to €7.2 billion as of 31 December 2024 (€9.8 billion).

Non-current other financial assets of €150 million (€103 million) mainly include investments in portfolio companies measured at fair value of €149 million (€98 million).

Current assets of €2.4 billion (€1.0 billion) mainly consist of cash and cash equivalents, time deposits and securities. The increase is primarily due to the raising of non-current financial liabilities.

The equity of the Porsche SE Group decreased to a total of €35.1 billion as of 31 December 2024 (€55.1 billion) due to the negative total comprehensive income. The equity ratio (percentage of total assets attributable to equity) of 81.9% (88.7%) decreased noticeably compared to the end of the fiscal year 2023.

Non-current financial liabilities increased from €6.6 billion to €7.4 billion in the reporting period. The change resulted from the placements of two bonds with a volume of €1.6 billion in April 2024. Of the funds raised, €0.8 billion was used to repay part of the existing bank loans. Non-current financial liabilities mainly relate to liabilities from bonds, Schuldschein loans and bank loans denominated in euros and have remaining terms of between around two and around eight years as of the reporting date. Around €1.0 billion is due in the fiscal year 2026, around €5.5 billion in the fiscal years 2027 to 2030 and around €1.0 billion after the fiscal year 2030 year.

The net asset value of Porsche SE amounted to €17.0 billion as of 31 December 2024 (€23.2 billion). The loan-to-value ratio stands at 23.3% (19.7%) as of the reporting date.

Results of operations of the Volkswagen Group

The following statements relate to the original profit/loss figures of the Volkswagen Group in the fiscal year 2024. It should be noted that the result of the Volkswagen Group, where it relates to the shareholders of Volkswagen AG, is only reflected in the group result of Porsche SE in the course of at equity accounting. Furthermore, effects from at equity accounting in the consolidated financial statements of Porsche SE, particularly relating to the subsequent measurement of the hidden reserves and liabilities identified in the course of the purchase price allocations, are not taken into consideration in the explanations below.

In the period from January to December 2024, the Volkswagen Group generated revenue of €324.7 billion (€322.3 billion) and therefore reached the prior-year level, mainly driven by the positive revenue performance of the financial services division. 80.9% (81.5%) of the Volkswagen Group's revenue came from outside Germany. Gross profit (revenue less cost of sales) decreased by €1.5 billion to €59.5 billion. As a consequence, the gross margin (percentage of revenue attributable to gross profit) declined to 18.3% (18.9%).

In the fiscal year 2024, the Volkswagen Group's operating result amounted to €19.1 billion (€22.5 billion). The operating return on sales (ratio of operating result to revenue) was 5.9% (7.0%). The lower result was mainly due to a slightly negative effect from mix and pricing trends, as well as to higher depreciation and upfront expenditures for new products. In the reporting year, the passenger cars business area also incurred restructuring expenses, which were set against the reversal of personnel-related provisions of around €1 billion as a result of the outcome of the collective bargaining at Volkswagen AG. The power engineering business area incurred expenses in connection with the planned closure of the MGT gas turbine business of MAN Energy Solutions. In the period from January to December 2024, a rise in interest expenses, higher risk costs and foreign exchange losses in connection with the deconsolidation of Volkswagen Bank Rus had an additional adverse impact on the financial services division's operating result. In the prior year, the fair value measurement of derivatives to which hedge accounting is not applied had reduced the Volkswagen Group's operating result by €3.2 billion.

The financial result was down on the prior year, at minus €2.3 billion (€0.6 billion). The share of the result of equity-accounted investments was lower than in the prior-year period due to the decline in the result of the Chinese joint ventures, amongst other factors. The final winding-down of Argo AI resulted in a gain in the third quarter of 2024. The other financial result was down on the prior year, mainly because of the impairment losses recognized in connection with Northvolt.

In the fiscal year 2024, the Volkswagen Group's result before tax decreased by €6.3 billion to €16.8 billion. Income tax resulted in an expense of €4.4 billion (€5.2 billion). At €12.4 billion, the result after tax declined by €5.5 billion on the prior year.

The result after tax and non-controlling interests decreased by €5.3 billion to €10.7 billion.

Results of operations of the Porsche AG Group

The following statements relate to the original profit/loss figures of the Porsche AG Group in the fiscal year 2024. It should be noted that the group result of Porsche SE only reflects its capital share in the result of the Porsche AG Group – in addition to being included via the result of the Volkswagen Group – in the course of at equity accounting.

Furthermore, effects from at equity accounting in the consolidated financial statements of Porsche SE, particularly relating to the subsequent measurement of the hidden reserves and liabilities identified in the course of the purchase price allocation, are not taken into consideration in the explanations below.

The Porsche AG Group generated revenue of €40.1 billion in the fiscal year 2024. This is a decrease of 1.1% on the prior year (€40.5 billion) and is largely due to lower vehicle sales coupled with positive price and equipment effects.

Cost of sales increased by €0.8 billion to €29.8 billion (€28.9 billion) and, in proportion to revenue, was up on the prior-year level at 74.2% (71.4%). This is mainly due to higher cost of materials as well as higher development costs recognized in the income statement and start-up costs in connection with the renewal of the model range.

At €10.3 billion (€11.6 billion), gross profit decreased accordingly by 11.0%, with the gross margin standing at 25.8% (28.6%).

Distribution expenses increased by €230 million to €3.1 billion. In proportion to revenue, this is an increase of 7.7% (7.1%). This increase is due, among other things, to higher expenses in the context of digitalization and higher costs for strengthening customer-oriented services. At €1.9 billion, administrative expenses were up slightly on the prior-year period (€1.8 billion) and, in proportion to revenue, remained virtually unchanged at 4.6% (4.4%).

Net other operating result decreased by €66 million to €268 million (€335 million).

Accordingly, the operating profit of the Porsche AG Group decreased by €1.6 billion to €5.6 billion in the fiscal year 2024 (€7.3 billion). The operating return on sales of the Porsche AG Group stood at 14.1% (18.0%).

In the fiscal year 2024, the financial result decreased to minus €409 million (€91 million). The decrease is mainly due to current earnings effects from equity-accounted investments as well as special effects from other investments in the area of batteries and connectivity.

Income tax did not decrease at the same rate as the result before tax, falling to €1.6 billion (€2.2 billion).

The result after tax decreased by €1.6 billion to €3.6 billion in the current reporting period.

Subsequent events

A restructuring program has been announced for the development area of Cariad SE; implementation is expected to commence in April 2025. At the level of the Volkswagen Group, these measures are expected to result in expenses in the low triple-digit million euro range, which will be recognized in the first quarter of 2025.

On 17 March 2025, Audi management and the works council agreed on key points for a future-oriented realignment of AUDI AG’s German sites. These include socially responsible layoffs of up to 7,500 jobs by 2029.

In addition, the rating agency Moody's announced on 17 March 2025 that it had downgraded Volkswagen AG’s rating from “A3” to “BAA1”.

Volkswagen Group announced on 19 March 2025 the successful placement of €360 million in shares of TRATON SE for a price of €32.75 per TRATON SE share. The placement corresponds to 2.2% of the outstanding share capital of TRATON SE, which reduces Volkswagen Group’s direct interest from 89.7% to 87.5%. The TRATON SE shares were sold via a private placement in an accelerated bookbuild offering with institutional investors.

Otherwise, there were no events with a significant effect on net assets, financial position and results of operations after 31 December 2024.

Overall statement on the economic situation of the Porsche SE Group

For the core investments of Porsche SE, the fiscal year 2024 was associated with an increasingly changed and highly challenging economic and political environment, particularly with regard to the intensifying competition in the automotive sector, market developments in China, the slower ramp-up of electromobility and further rising geopolitical tensions and protectionist tendencies. At Porsche AG, business development was also shaped in particular by start-up costs in connection with an extensive renewal of the product portfolio.

In particular, changes in future expectations with regard to the core investments led to significant non-cash impairment losses totaling €23.3 billion at the Porsche SE Group (please refer to the section "Significant events and developments at the Porsche SE Group").

Both core investments have responded to the changed and very challenging market environment by developing their strategies further. Porsche SE also welcomes the measures to sustainably optimize the cost structure of both core investments, including the "Zukunft Volkswagen" agreement reached between Volkswagen AG and its employee representatives at the end of 2024 and the program recently announced by Porsche AG with immediate measures to ensure competitiveness. The board of management of Porsche SE is still fully committed to the company's role as Volkswagen AG's long-term anchor shareholder and remains convinced of the Volkswagen Group's potential for increasing value.

Porsche SE continued on its path to becoming a diversified investment platform in the fiscal year 2024. The portfolio investments segment was expanded further in the fiscal year 2024. In connection with investments in portfolio companies, payments of around €75 million were made in the reporting year. In addition, there were outstanding investment commitments amounting to €126 million as of the reporting date.

Porsche SE's financial position remains very solid. This is reflected in particular in the group net debt, which continued to decrease as planned in the past fiscal year.

Against this background, the board of management of Porsche SE considers the economic situation of the company and its significant investments in Volkswagen AG and Porsche AG to be solid despite the challenging environment.

The Porsche SE Group's result after tax of minus €20.0 billion is negative as a result of the impairment losses totaling €23.3 billion recognized in the fiscal year 2024 and is below the prior-year figure. This also follows from the content of Porsche SE's ad hoc announcements dated 13 December 2024, 6 February 2025 and 7 March 2025, according to which, in particular, impairment losses totaling €23.3 billion and a group result after tax of around minus €20.0 billion were communicated. Due in particular to these impairment losses, the group result after tax is below the profit corridor of €3.8 billion to €5.8 billion forecast in the combined management report for the fiscal year 2024 and the adjusted profit corridors of €3.5 billion to €5.5 billion and €2.4 billion to €4.4 billion announced on 9 July 2024 and 27 September 2024, respectively. The same applies for the result for the core investments segment.

Adjusted for impairment losses on the core investments, including the associated tax implications, the adjusted group result after tax amounted to €3.2 billion (€5.1 billion) and was below the prior-year figure, in particular due to a lower allocation of earnings as part of the ongoing at equity accounting of the two core investments.

A slightly negative result was achieved in the portfolio investments segment, which is in line with the expectations formulated in the combined management report 2023.

The net debt of the Porsche SE Group decreased from €5,717 million in the prior year to €5,160 million and is within the corridor forecast in the prior year with a range of between €5.0 billion and €5.5 billion.

Opportunities and risks of future development

Risk management and internal control system of the Porsche SE Group

Overview of the risk management system

The risk management system of the Porsche SE Group was set up to ensure a structured approach to risks and also in particular to identify at an early stage any potential risks to the ability of the group to continue as a going concern as well as any risks that could have a significant and long-term negative impact on the results of operations, financial position and net assets of the group and to avoid these by means of appropriate countermeasures.

The risk management system of the Porsche SE Group monitors both the direct risks at the level of Porsche SE as well as the significant indirect and direct risks from investments described below. The investments generally have their own independent risk management system and are responsible for managing their own risks. The risk management system can therefore be divided into the sphere of Porsche SE as holding company and the sphere of its investments.

In its risk management system, Porsche SE focuses on risks that may cause the company to negatively deviate from its targets. However, on occasion potential opportunities are also analyzed and presented.

The risk management system is designed to ensure that the management of Porsche SE is always informed of significant risk drivers and able to assess the potential impact of the identified risks in order to take appropriate countermeasures at an early stage.

The Porsche SE Group's risk management system is updated on an ongoing basis and adapted to the company's changing requirements. Porsche SE's auditor examines the Porsche SE Group's risk early warning system annually with respect to its fundamental suitability of being able to identify risks at an early stage that might jeopardize the continued existence and assesses the functionality of the risk early warning and monitoring systems in accordance with Sec. 317(4) HGB. Assessing the probability and extent of future events and developments is, by its nature, subject to uncertainty. A risk management system cannot foresee all potential risks, nor can it completely prevent or uncover irregular acts.

Risk management system of Porsche SE

The risk management system of the Porsche SE Group monitors and manages the direct risks at the level of the holding operations of Porsche SE. Moreover, the holding level considers in particular the significant indirect risks from investments.

The risk management system of Porsche SE is significantly shaped by the existing risk culture and is subdivided into three lines of defense: "operational risk management", "strategic risk management" and "review-based risk management".

The risk culture as part of the corporate culture comprises the fundamental attitude to risks and the way they are dealt with. It strongly influences the company's risk awareness. The risk culture within the Porsche SE Group is significantly shaped by the practiced behavior of the management, the creation and promotion of a company-wide risk awareness and open and transparent risk communication.

As the first line of defense, "operational risk management" comprises analysis, management, monitoring, communication and documentation of risks at an operational level. Porsche SE distinguishes between two types of risk. The first type of risk comprises risks from business activities which are entered into consciously as part of entrepreneurial decisions ("entrepreneurial risks"). The second type of risk comprises risks resulting from the lack of a definition or insufficient compliance with processes ("organizational risks"). The two types of risk may generally also include sustainability aspects. Every single department within Porsche SE is responsible for identifying, evaluating, managing, monitoring and documenting risks in its area and reporting significant risks to the finance department. In particular, this means that measures for managing risks are derived and implemented immediately at this level in all areas of the company, with the aim of preventing these risks from spreading to other areas or even to the company as a whole. With regard to the organizational risks, operational risk management is performed using the internal control system, which is described in the section "Internal control system including internal control system of Porsche SE relevant for the financial reporting process". In addition to operational management of the specific individual risk areas at department level, the finance department also creates a complete view of the significant risks in order to take into consideration the overall risk exposure of the group. Risks are aggregated to appropriately take into account potential combined effects of risks. In this context, risk-bearing capacity is regularly determined based on Porsche SE's net assets. To assess the potential existence of any developments that may jeopardize the ability of the company to continue as a going concern, the aggregated risks are compared to Porsche SE's net assets based on scenarios.

The second line of defense, "strategic risk management", is responsible for the conceptual design and control of the proper implementation of the entire risk management system. In addition to creating a risk map, deriving generic risk strategies, defining a general process structure for the operational management of risks and allocating risk areas to their respective risk owners, this includes in particular also control of the operation, effectiveness and documentation of operational and strategic risk management by the board of management and the supervisory board of Porsche SE.

The third line of defense, “review-based risk management”, aims to ensure the appropriateness and effectiveness of the risk management system and therefore in particular that the operational and strategic risk management are in line with externally and internally defined standards. “Review-based risk management” is the responsibility of the internal audit, which, as an independent and objective body, reviews on the basis of an annual risk oriented audit plan whether operational risk management is firmly embedded in all areas and regularly performed. Furthermore, the strategic level is reviewed to determine whether there is a structured systems approach and whether the respective controls and reviews are performed in strategic risk management. The internal audit reports the audit findings to the board of management and the supervisory board’s audit committee.

Internal control system including internal control system of Porsche SE relevant for the financial reporting process

The aim of Porsche SE’s internal control system is to manage the organizational risks as part of operational risk management. Hence, it serves in particular to ensure the definition of and compliance with processes and is essentially based on the principles, guidelines and measures introduced by the board of management. The scope of the internal control system covers Porsche SE and its fully consolidated subsidiaries. These are exclusively intermediate holding companies. The investment companies of Porsche SE, in particular Volkswagen AG and Porsche AG, do not fall within the scope of the internal control system of Porsche SE and must in turn ensure the establishment and monitoring of an appropriate and effective internal control system.

The internal control system defines uniform measures to manage the organizational risks. Based on a comprehensive process map, a suitable organizational structure is derived for the entire company and the individual process steps, responsibilities and interfaces are derived by the respective process owner for the key processes. Controls are defined for processes and interfaces of particular relevance, compliance with which is generally monitored using the dual control principle. These measures are documented in process overviews, guidelines and checklists.

The accounting-related internal control system aims to ensure the compliance and legality of internal and external accounting and financial reporting. It comprises measures aimed at ensuring complete, correct and timely preparation and transmission of the information required for the preparation of the separate and consolidated financial statements as well as the combined group management report for Porsche SE (see also the explanations on the risk area “Reporting” in the subsection “Organizational risks”).

The board of management has overall responsibility for the internal control system. Based on regular reporting, the board of management, the audit committee and the supervisory board are informed of risks within the Porsche SE Group. In principle, these also include organizational risks, including any weaknesses in the internal control system to the extent that these may have a significant effect on the risk situation of Porsche SE. As part of the risk management system, the internal control system in the Porsche SE Group is continuously tested for effectiveness (see also the section on “review-based risk management” in the section “Risk management system of Porsche SE”) and continually optimized to reflect changed conditions.

In the fiscal year 2024, the board of management did not have any information that could indicate insufficient adequacy and effectiveness of the risk management system and internal control system as of 31 December 2024.

Risk management at the level of the investments

The core investments of Porsche SE have their own independent risk management system to monitor and manage risks at their level.

Management of the risks of the Volkswagen Group is located at the level of Volkswagen AG. The task of Volkswagen AG's risk management is to identify, manage and monitor existing risks at the level of the Volkswagen Group. Volkswagen AG has implemented its own group-wide risk management system and is responsible for handling its own risks. The same applies for Porsche AG. At the same time, however, both Volkswagen AG and Porsche AG are required to ensure that Porsche SE as the holding company – within the scope of the legally permissible exchange of information – is informed at an early stage of any risks potentially jeopardizing the investment's ability to continue as a going concern. This information is provided, inter alia, in management meetings and by forwarding risk reports. Volkswagen AG's auditor examines the Volkswagen Group's risk early warning system annually with respect to its fundamental suitability of being able to identify risks that might jeopardize the continued existence and assesses the functionality of the risk early warning and monitoring systems in accordance with Sec. 317 (4) HGB. The same applies for Porsche AG. For additional information on the structure of the risk management system at the level of the Volkswagen Group, reference is made to the explanations in the section "Risk management and control system of the Volkswagen Group".

In addition to the core investments in Volkswagen AG and in Porsche AG, Porsche SE indirectly holds additional portfolio investments in the mobility and industrial technology sector in the form of non-controlling interests. The risks at the level of these investments are also managed and controlled along decentralized lines by the respective investments themselves. Regular reports on the economic situation, management meetings as well as in some cases observation and delegation rights on advisory and monitoring boards aim – within the scope of the legally permissible exchange of information – to ensure that Porsche SE is informed about any significant risks at the level of the portfolio investments.

Opportunities and risks of the Porsche SE Group

Organizational risks

Organizational risks comprise risks resulting from the lack of a definition or insufficient compliance with processes. The internal control system serves to manage these risks. Porsche SE distinguishes between the risk areas “Reporting”, “Business operations”, “Digital security” and “Compliance”.

The risk area “Reporting” relates to internal and external reporting, and in particular to financial reporting. The accounting-related part of the internal control system relevant for the financial reporting process comprises measures intended to ensure that the financial information is complete, accurate and available in a timely manner. These measures are designed to minimize the risk of material misstatement in the accounts and in external reporting. The IFRS accounting manual of Porsche SE ensures uniform recognition and measurement. Accounting duties are performed by the investment companies included in the consolidated financial statements. The financial statements of Porsche SE and its fully consolidated subsidiaries are prepared using standard software. The issuance of formal instructions such as a time schedule as well as set reporting packages ensures the timely and uniform reporting to Porsche SE. The components of the reporting packages required to be prepared for the Porsche SE Group are set out in detail and updated regularly. Upon receipt, they are subjected to an analysis and plausibility check. Depending on the matter at hand, significant developments are addressed in discussions with the reporting companies.

The reporting packages are processed in a certified consolidation system. Extensive checks performed manually and by the system aim to ensure the completeness and reliability of the information processed in the consolidated financial statements. For all accounting-related processes, the principle of dual control and plausibility checks form the basis of the internal control system. Furthermore, the consolidated financial statements as well as the figures and information contained in the reporting packages are subjected to variance analyses and analyses are performed of the composition of individual items. The same also applies in principle for the separate financial statements in accordance with HGB of Porsche SE. Suitable selection processes and regular training measures aim to ensure that employees involved in the accounting process are appropriately qualified.

The combined group management report is prepared – in accordance with the applicable requirements and regulations – centrally but with the involvement of and in consultation with the investments that are significant for preparing the management report.

With regard to the risk area “Business operations”, all departments of Porsche SE have analyzed each of their operating processes and interfaces and also defined controls for processes and interfaces of particular relevance and monitor that they are being complied with.

In light of increasing digitalization of business processes, Porsche SE is facing growing demands for ensuring information security. As part of Porsche SE's risk management system, risks from information security are captured by the risk area "Digital security". Porsche SE operates an ISO/IEC 27001-certified information security management system ("ISMS"), which covers the provision and management of IT services for Porsche SE's business processes.

With regard to the management of risks from the risk area "Compliance", Porsche SE has established a compliance management system, that is specifically tasked with preventing breaches of laws, other legal standards, the Code of Conduct, company guidelines or other internal company regulations.

The compliance management of Porsche SE comprises the compliance organization with defined roles and responsibilities as well as measures and processes set up in the company. These aim to preemptively ensure that employee conduct is in line with the rules and to avoid compliance breaches as well as to identify, to put an end to and to sanction potential instances of misconduct. A binding Code of Conduct for employees, including the board of management of Porsche SE, sets out the most important principles for acting in accordance with the law and rules and thus serves as a guide for employees in their day-to-day work in their dealings with colleagues, business partners and third parties. The Code of Conduct is supplemented and specified by the internal company guideline on compliance and other company guidelines on selected topics, as amended from time to time.

In addition, Porsche SE has implemented a tax compliance management system certified in terms of appropriateness in accordance with IDW AsS 980, the aim of which is to ensure compliance and monitoring of tax obligations at Porsche SE.

To identify significant compliance topics and potential compliance risks resulting from them, Porsche SE performs risk analyses as part of its compliance management.

Risk assessment for organizational risks

The organizational risks of the Porsche SE Group are regularly subjected to an overall risk assessment using the categories low, medium or high. As of the reporting date, the four identified risk areas "Reporting", "Business operations", "Digital security" and "Compliance" are each classified as low.

Entrepreneurial risks

In the area of entrepreneurial risks, the Porsche SE Group primarily faces opportunities and risks from investments, risks from financing and financial instruments as well as legal and tax opportunities and risks. These are considered in terms of their potential influence on the results of operations, financial position and net assets of the Porsche SE Group, in particular – but not exclusively – with regard to their potential influence on the earnings and liquidity situation. Risk management focuses in particular on negative deviations from expected developments.

In the reporting year, no significant non-financial risks were identified at the level of Porsche SE's holding operations.

Opportunities and risks from investments

In connection with any existing and potential future investments, Porsche SE generally faces opportunities and risks regarding the effects on its results of operations, financial position and net assets. With regard to the results of operations, this includes the risk of burdens on profits attributed to Porsche SE in the consolidated financial statements under the equity method, as well as the risk of burdens on profits from changes in the market value of equity instruments accounted for at fair value, with regard to the financial position the risk of a decrease in dividend inflow and with regard to the net assets the impairment risk. Porsche SE is currently exposed to significant risks from the core investments in Volkswagen AG and in Porsche AG and from the portfolio investments. However, there are also corresponding opportunities from positive development in these areas.

To detect potential risks with regard to Porsche SE's investments at an early stage, the company regularly analyzes key figures on the business development of the core investments in Volkswagen AG and in Porsche AG in particular and also monitors market data and analysts' opinions with regard to the core investments.

With regard to the investment in Volkswagen AG, there is an increased risk concerning the results of operations of the Porsche SE Group, of the Volkswagen Group's result attributable to Porsche SE as part of equity accounting falling short of expectations (referred to below as the risk area "Result contribution Volkswagen"). According to Volkswagen, the most significant risks at the level of the Volkswagen Group arise from a negative trend in markets and unit sales – driven by increasing trade restrictions, protectionist tendencies and intensifying competition –, failure to meet CO_2-related requirements, the development of products that are not in line with demand and requirements, in particular with regard to e-mobility and software and in relation to cybersecurity, and the underutilization of sites. For 2025, there may be negative impacts from limited availability of parts, energy and other raw materials as well as from geopolitical tensions and conflicts – such as the Russia-Ukraine war, confrontations in the Middle East, and increasing uncertainties regarding the future political orientation of the USA. Furthermore, there are residual risks for the Volkswagen Group from the diesel issue. There are also other factors that cannot be predicted and whose repercussions are therefore difficult to control. If they were to occur, they could impair the further development of the Volkswagen Group and lead to adverse effects at the level of Porsche SE. Such risks could include natural disasters, climate-induced extreme events, pandemics, violent conflicts, terrorist attacks and interruptions to the energy supply. The assessment of risks at the level of Volkswagen AG is generally based on the report on risks and opportunities in the 2024 group management report of Volkswagen AG.

The risks described above of a development below plan also exist with regard to the recoverability of the investment in Volkswagen AG (risk area "Impairment risk Volkswagen AG") and thus the net assets of the Porsche SE Group. Impairment testing was performed in the fiscal year 2024 due to the proportionate market capitalization being below the carrying amount accounted for at equity. As a result, the carrying amount of the investment in Volkswagen AG was written down by €19.9 billion to its recoverable amount as of 31 December 2024 (see explanations in note [4] of the notes to the consolidated financial statements for the fiscal year 2024).

There is also the general risk of a significant decrease in expected dividend inflow from Volkswagen AG (referred to below as the risk area "Dividend inflow Volkswagen"), which would in turn affect the net debt and thus the financial position of the Porsche SE Group. Such developments are currently not expected. The dividends paid by Volkswagen AG to Porsche SE in the fiscal year 2024 were made without deduction of capital gains tax. Against the background of a court ruling issued in the first quarter of 2024 without reference to Porsche SE, dividend income of Porsche SE could be subject to capital gains tax deduction in the future. Porsche SE assumes that dividend payments from Volkswagen AG to Porsche SE will be subject to deduction of capital gains tax from the fiscal year 2025 onwards. A refund or credit of any capital gains tax paid would be expected from the tax assessment in a subsequent year.

With regard to the direct investment in Porsche AG, there is an increased risk in terms of the results of operations of the Porsche SE Group, of Porsche AG's result attributable to Porsche SE as part of equity accounting falling short of expectations (risk area "Result contribution Porsche AG"). According to Porsche AG, the greatest risks at the level of the Porsche AG Group relate to sales risks, supply risks and operational risks from an increasingly volatile global regulatory environment. Sales risks relate to trade barriers, in particular the possibility of import tariff increases by the USA, and to general market developments, in particular the risk of an increasing decline in demand due to the dynamic market and competitive situation in China and the risk of a delayed transition of sales markets towards electromobility. Supply risks also include risks related to geopolitical events that may increasingly arise from the trade conflict between China and the USA and tensions in Asia. There are also other factors that cannot be predicted and whose repercussions are therefore difficult to control. If they were to occur, they could impair the further development of the Porsche AG Group and lead to adverse effects at the level of Porsche SE. Such risks could include natural disasters, climate-induced extreme weather events, pandemics, violent conflicts, terrorist attacks and interruptions to the energy supply. The assessment of risks at the level of Porsche AG is generally based on the report on risks and opportunities in the 2024 group management report of Porsche AG.

The risks described above of a development below plan also exist with regard to the recoverability of the investment in Porsche AG (risk area "Impairment risk Porsche AG") and thus the net assets of the Porsche SE Group. Impairment testing was performed in the fiscal year 2024 due to the proportionate market capitalization being below the carrying amount of the investment in Porsche AG accounted for at equity as of 31 December 2024. As a result, the carrying amount of the investment in Porsche AG was written down by €3.4 billion to its recoverable amount (see explanations in note [4] of the notes to the consolidated financial statements for the fiscal year 2024).

There is also the general risk of a significant decrease in expected dividend inflow from Porsche AG (risk area "Dividend inflow Porsche AG"), which would in turn have a corresponding impact on the net debt and thus the financial position of the Porsche SE Group. Such developments are currently not expected. The dividends paid by Porsche AG to Porsche SE in the fiscal year 2024 were made without deduction of capital gains tax. Against the background of a court ruling issued in the first quarter of 2024 without reference to Porsche SE, dividend income of Porsche SE could be subject to capital gains tax deduction in the future. However, Porsche SE currently assumes that dividend payments from Porsche AG to Porsche SE will continue to be subject to no deduction of capital gains tax. A refund or credit of any capital gains tax paid would be expected from the tax assessment in a subsequent year.

Opportunities and risks from the portfolio investments of Porsche SE mainly arise from changes in market value, which in the case of investments measured at fair value have a direct and full impact on the results of operations and net assets of the Porsche SE Group. In the case of portfolio investments accounted for at equity, in addition to the risk of impairment losses, there are also opportunities and risks arising from the result of the respective investments that is attributable proportionately to Porsche SE. In particular, the performance of technology companies in disruptive markets is in general subject to increased uncertainty.

Risks from financing and financial instruments

In its business activities Porsche SE is exposed to risks with regard to its results of operations, financial position and net assets arising from raising debt capital and the use of financial instruments. Significant risks resulting from such activities are referred to below as the risk area “Financing/ financial instruments”.

Risks from financing and liquidity management are regularly monitored, reported and, if necessary, managed using financial instruments, such as interest rate hedging instruments. The primary aim is to limit the financial risk exposures of the Porsche SE Group.

The principles and responsibilities for managing the risks from the use of financial instruments are generally defined by the board of management and monitored by the supervisory board. Internal guidelines exist within the Porsche SE Group that clearly define the risk management and control processes with regard to the use of financial instruments. These guidelines regulate, among other things, necessary control procedures such as the requirement of a hedged item or the segregation of functions relating to trades into trading and settlement. The underlying guidelines and the supporting systems are checked regularly and brought into line with current market developments.

Derivatives such as interest rate swaps are used to control interest rate risks from variable-rate financing instruments. For this purpose, individual nominal value tranches of the financing elements are always hedged using an interest rate hedging instrument with essentially identical valuation-relevant features. The risk of a divergence between actual risk and accounting risk position is largely mitigated by the use of hedge accounting. Other financial instruments currently used at Porsche SE in particular comprise cash and cash equivalents, time deposits and securities.

The financing activities may generally result in risks for Porsche SE. The envisaged repayments of loans and the payment of interest will mainly be made from dividend inflows from Volkswagen AG and Porsche AG and from refinancing activities. If there are significant negative divergences from the medium-term planning of the dividend receipts, this may give rise to risks relating to the repayment of debt financing and from associated refinancing needs. The bank financing is subject to standard market financial covenants relating in particular to the market value of Porsche SE’s shares in Volkswagen AG and in Porsche AG as well as to the interest cover. A breach of financial covenants can in principle lead to the outstanding credit volume falling due and therefore to liquidity risks. Such developments are not foreseeable at present and are considered to be unlikely. Furthermore, market price risks can arise from changes in market interest rates. To hedge interest rate risks, there are interest rate hedges in place with a nominal volume of €2.0 billion and residual terms of up to some five years at the time this report was prepared and as of the reporting date.

The use of financial instruments as part of liquidity and financial management also gives rise to counterparty risks. The creditworthiness of the counterparties of financial instruments is monitored regularly, mainly to assess any potential default. To mitigate the counterparty risks, Porsche SE also diversifies the investment of liquidity and enters into interest rate hedges with various counterparties.

A hold harmless declaration to the deposit guarantee fund agency of the Association of German Banks is in place for the benefit of Volkswagen Bank GmbH, which Porsche SE issued in 2009.

Legal risks

Porsche SE is involved in legal disputes both nationally and internationally. As of 31 December 2024, this primarily relates to actions for damages concerning the increase of the investment in Volkswagen AG and the allegation of alleged market manipulation and alleged inaccurate capital market information as well as legal proceedings because of alleged nonfeasance of capital market information or alleged incorrect capital market information in connection with the diesel issue. Where such risks are foreseeable, adequate provisions are made in order to account for any ensuing risks. The amount of the provisions for legal risks recognized in the reporting year corresponds to the attorneys' fees and litigation expenses anticipated for the proceedings. The company believes that thus far these risks have not had a sustained effect on the economic position of the group. However, due to the fact that the outcome of litigation can be estimated only to a limited degree, it cannot be ruled out that very serious losses may eventuate that are not covered by the provisions already made, which could result in a corresponding negative impact on the results of operations, financial position and net assets.

For the status of the legal proceedings and for current developments, reference is made to the section “Significant events and developments at the Porsche SE Group”.

Tax opportunities and risks

The contribution of the holding business operations of Porsche SE to Volkswagen AG as of 1 August 2012 is generally associated with tax risks. To safeguard the transaction from a tax point of view, and thus avoid tax back payments for the spin-offs performed in the past, rulings were obtained from the competent tax authorities. Porsche SE implemented the necessary measures to execute the contribution transaction in accordance with the rulings received and is monitoring compliance with them.

During the assessment periods 2006 to 2009, Porsche SE was initially the legal successor of Porsche AG and later the ultimate tax parent and thus liable for tax payments. As part of the contribution of the business operations, Volkswagen AG agreed to refund to Porsche SE any tax benefits – for example, in the form of a refund, tax reduction or tax saving, a reversal of tax liabilities or provisions or an increase in tax losses – of Porsche Holding Stuttgart GmbH, Porsche AG and its legal predecessors and subsidiaries which pertain to assessment periods up to 31 July 2009. In return, under certain circumstances Porsche SE holds Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors harmless from tax disadvantages that exceed the obligations from periods up until and including 31 July 2009 recognized at the level of these entities. If the total tax benefits exceed the total tax disadvantages, Porsche SE has a claim against Volkswagen AG to payment of the amount by which the tax benefits exceed the tax disadvantages. However, the provisions in the contribution agreement do not cover all matters and thus not all tax risks of Porsche SE from the tax field audits for the assessment periods 2006 to 2009.

The tax field audit Is still being performed for the assessment periods 2009 to 2013. It therefore cannot be ruled out that new findings of the tax field audit for the periods 2009 to 2013 as well as legal changes may result in an increase or decrease in tax provisions and interest or any refunds already received might have to be partially paid back, which would have a corresponding negative impact on the results of operations, financial position and net assets.

Risk assessment for entrepreneurial risks

The methodology for regularly assessing entrepreneurial risks was adjusted in the past fiscal year due to the further development of the management system (see also section “Core management and financial indicator system” in the chapter “Fundamental information about the group”). While previously the effect of the identified risk areas on the key performance indicators “group result after tax” and “net debt” was considered in the assessment, more explicit reference is now made to the impact of the individual risk areas on the results of operations, financial position and net assets. For the risk assessment, the group result after tax has been replaced by the adjusted group result after tax as the measurement base. A risk assessment continues to be performed for each of the significant entrepreneurial risks of the Porsche SE Group using the risk categories “Low”, “Moderate” and “High”. The risk of negative deviations from expectations with regard to the development of the results of operations, financial position and net assets of the Porsche SE Group is assessed.

The risk assessment of a risk area includes the potential impact of the risk area as well as its likelihood of occurrence. A risk area being analyzed is allocated to one of the categories low, moderate or high based on its potential impact. The allocation is generally based on the potential impact that a risk area being analyzed can have on the results of operations, financial position and net assets of the Porsche SE Group following potential countermeasures that are integrated into the process in terms of whether it negatively deviates from the corresponding forecast value. Considered individually as of the reporting date, risk areas with a potential impact categorized as high generally have the potential to impair the results of operations of the Porsche SE Group in terms of the adjusted result after tax and/or the financial position in terms of net debt of the Porsche SE Group by more than half of the forecast corridor. In line with the assessment of risk areas relating to the results of operations, risk areas with regard to the net assets are categorized as high based on their potential impact if, when considered individually as of the reporting date, they generally have the potential to have a negative impact on the equity of the Porsche SE Group amounting to half of the forecast corridor of the adjusted result after tax.

The likelihood of occurrence is allocated using the categories unlikely, moderately likely and highly likely.

The risk assessment of the significant entrepreneurial risks of the Porsche SE Group based on the risk categories has changed with regard to the risk area “Result contribution Porsche AG”. The likelihood of occurrence of the risk area “Result contribution Porsche AG” is now assessed as moderate (prior year: unlikely).

As of the reporting date, the risk assessment is as follows:

Presentation of the risk assessment

Potential impact	unlikely	moderately likely	highly likely
high	• Dividend inflow Volkswagen • Financing/ financial instruments • Legal risks • Tax risks	• Result contribution Volkswagen • Impairment risk Porsche AG • Impairment risk Volkswagen	
moderate	• Dividend inflow Porsche AG	• Result contribution Porsche AG	
low	• Result contribution venture portfolio		

Likelihood of occurrence

Risk category "Low" Risk category "Moderate" Risk category "High"

Overall statement on the risks faced by the Porsche SE Group

The overall risk exposure of the Porsche SE Group is made up of the individual risks relating to the significant investments and the specific risks of Porsche SE presented. The risk management system aims to ensure that these risks are addressed adequately. Based on the information currently available, the board of management has not identified any risks which could endanger the ability of the Porsche SE Group to continue as a going concern, either individually or in combination with other risks.

Risk management and control system of the Volkswagen Group

In this section, the objective and structure of the Volkswagen Group's risk management system ("RMS") and standardized internal control system ("ICS") are explained and these systems described, also with regard to the financial reporting process. Volkswagen AG has implemented its own group-wide risk management system and is therefore responsible for handling its own risks. The following is based on extracts from the "Report on risks and opportunities" in the 2024 group management report of Volkswagen AG.

Objective of the risk management system and internal control system at Volkswagen

Only by promptly identifying, accurately assessing and effectively and efficiently managing the risks and opportunities arising from its business activities can Volkswagen ensure the Volkswagen Group's long-term success. The aim of the standardized RMS and ICS is to identify potential risks at an early stage so that suitable countermeasures can be taken to avert the threat of loss to the company, and any risks that might jeopardize its continued existence can be ruled out.

Assessing the likelihood of occurrence and extent of future events and developments is, by its nature, subject to uncertainty. The Volkswagen Group is therefore aware that even the best RMS cannot foresee all potential risks and even the best ICS can never completely prevent irregular acts.

Structure of the risk management system and internal control system at Volkswagen

The organizational design of the Volkswagen Group's RMS and ICS is based on the internationally recognized COSO framework for enterprise risk management (COSO: Committee of Sponsoring Organizations of the Treadway Commission). The purpose of structuring the RMS/ICS in accordance with the COSO framework for enterprise risk management is so that potential risk areas are covered in full. Uniform group principles are used as the basis for managing risks in a standardized manner. Opportunities are not recorded in the RMS processes.

Another key element of the RMS and ICS at Volkswagen is the Three Lines Model, which is required by, among other bodies, the European Confederation of Institutes of Internal Auditing (ECIIA). In line with this model, the Volkswagen Group's RMS and ICS have three lines designed to protect the company from significant risks occurring.

The minimum requirements for the RMS and ICS, including the Three Lines Model, are set out in guidelines for the entire Volkswagen Group and are regularly reviewed and refined. In addition, Volkswagen offers regular training on the RMS and ICS.

A separate Volkswagen Group Board of Management Committee for Risk Management deals with the key aspects of the RMS and ICS every quarter. Its tasks are as follows:

- to further increase transparency in relation to significant risks to the Volkswagen Group and their management,
- to discuss specific issues where these constitute a significant risk to the Volkswagen Group,
- to make recommendations on the further development of the RMS and ICS,
- to support the open approach to dealing with risks and promote an open risk culture.

**First line:
Operational risk management and ICS**

The first line comprises the operational risk management and internal control systems at the individual Volkswagen Group companies and business units. The RMS and ICS are integral parts of the Volkswagen Group's structure and workflows. Events that may give rise to risk are identified and assessed locally in the divisions and at the Volkswagen Group companies. Countermeasures are introduced, the remaining potential impact is assessed, and, if necessary, the information incorporated into the planning in a timely manner. Material risks are reported to the relevant committees on an ad hoc basis. The results of the operational risk management process are incorporated into planning and financial control on an ongoing basis. The targets agreed by Volkswagen in its planning rounds are therefore continually reviewed in revolving planning updates. At the same time, the results of risk mitigation measures are promptly incorporated into the regular forecasts regarding further business development.

This means that the board of management of Volkswagen AG also has access to an overall picture of the current risk situation via the documented reporting channels during the year.

Calculation of risk score

$$\text{Risk score} = \text{Likelihood of occurence} \times \text{Potential extent of damage}$$

$$= \text{Score}_{\text{Wkt}} \times \left[\text{Score}_{\text{Mat}} + \frac{\text{Score}_{\text{Immat}} + \text{Score}_{\text{Vorg}}}{2} \right]$$

**Second line:
Group risk management and ICS**

Each quarter, in addition to the ongoing operational risk management, the Volkswagen Group Risk Management department sends standardized surveys regarding the risk situation and the implementation of countermeasures – through the quarterly risk process (QRP) – to all group brands and significant group companies. The risks are identified and approved in a multiple-party verification process and then checked for plausibility by Volkswagen Group Risk Management.

A score is calculated for each risk by multiplying the likelihood of occurrence (Prob) by the potential extent of the damage. This enables comparison of the risks. The potential extent of the damage is calculated from the criteria of financial loss (Mat) and reputational damage (Rep) and the potential threat to adherence to external legal requirements (Req). A score between 0 and 10 is assigned to each of these criteria. The measures taken to manage and control risk are taken into account in the risk assessment (net perspective).

The score for a likelihood of occurrence of more than 50% in the analysis period is classified as high; for a medium classification, the likelihood of occurrence is at least 25%. For the criterion of financial loss, the score rises in line with the loss; the highest score of 10 is reached when the potential loss is upwards of €1 billion. The criterion of reputational damage can have characteristics ranging from local erosion of confidence and loss of trust at local level to loss of reputation at regional or international level. The potential threat to adherence to external legal requirements is classified based on the potential impact on the local company, the brand or the Volkswagen Group.

In addition to strategic, operational and reporting risks, risks arising from potential compliance violations (compliance risks) and from sustainability issues (ESG) are also integrated into this process.

Volkswagen Financial Services AG and Volkswagen Financial Services Overseas AG have implemented their own RMS and ICS processes and regularly report to Volkswagen Group Risk Management.

To review the Volkswagen Group's risk-bearing capacity, Volkswagen Group Risk Management uses the risk reports for a regular comparison of the aggregated risk situation and risk-bearing capacity. A simulation is used to check whether individual risks might become a going-concern risk if they are aggregated. There were no indications of insufficient risk-bearing capacity at the Volkswagen Group in the fiscal year 2024.

Risk reporting to the committees of Volkswagen AG depends on materiality thresholds. Risks with a risk score of 40 or more or potential financial loss of €1 billion or more are presented quarterly to the board of management of Volkswagen AG and the audit committee of the supervisory board of Volkswagen AG. In addition, the reporting includes all risks from the QRP with a risk score of 20 or more.

In addition, significant changes to the risk situation that can arise in the short term, for instance from unexpected external events, are reported to the board of management of Volkswagen AG as required. This is necessary if the risk may lead to potential financial loss of €1 billion or more and the likelihood of occurrence is estimated at greater than 50% in the next 24 months.

In recent years, a standardized ICS to better protect against process risks has also been developed by Volkswagen and put in place in significant companies of the Volkswagen Group. A risk-driven review of the companies to be included in the standardized ICS is performed annually. The ICS thereby goes significantly beyond the requirements for the accounting-related ICS. In 26 catalogs of controls, the group companies within its scope are presented with requirements in respect of the process risks and control objectives to be covered in order to protect the value chain in a standardized manner.

In addition to financial reporting issues, they address matters such as process risks in development or production, as well as in the areas of compliance and sustainability. The catalogs of controls are checked at regular intervals to verify that they are up to date and are regularly expanded.

Key controls to cover process risks and control objectives are also tested for their effectiveness; any significant weaknesses identified are reported to the responsible bodies at Volkswagen AG and resolved in the departments. Like the QRP, the standardized ICS is supported by the RiskRadar IT system.

Volkswagen regularly optimizes the RMS and ICS as part of its continuous monitoring and improvement processes. In the process, Volkswagen gives equal consideration to both internal and external requirements. In addition to the RMS and the ICS, the Compliance Management System ("CMS") of the Volkswagen Group is also subject to these control and adjustment mechanisms. External experts assist in the continuous enhancement of the Volkswagen Group's RMS, ICS and CMS on a case-by-case basis.

Third line:
Review by Volkswagen Group Internal Audit

Volkswagen Group Internal Audit helps the board of management of Volkswagen AG to monitor the various divisions and corporate units within the Volkswagen Group. It regularly checks the risk early warning system and the structure and implementation of the RMS, ICS and CMS as part of its independent audit procedures. The audit plan adopted by the board of management of Volkswagen AG includes the first and second lines, i.e., the risk-mitigating functions in addition to the operational units.

Risk early warning system at Volkswagen

The requirements for a risk early warning system are met by means of the RMS and ICS elements described above (first and second line). The Volkswagen Group's risk situation is ascertained, assessed and documented and therefore also complies with legal requirements. Independently of this, the external auditor of Volkswagen AG checks both the processes and procedures implemented in this respect and the adequacy of the documentation on an annual basis. The plausibility and adequacy of the risk reports are examined via spot checks in detailed interviews with the divisions and companies concerned. Volkswagen AG's auditor examines the Volkswagen Group's risk early warning system integrated in the risk management system with respect to its fundamental suitability to being able to identify risks that might jeopardize the continued existence at an early stage and assesses the functionality of the risk early warning and monitoring system in accordance with Sec. 317(4) of the HGB.

In addition, scheduled examinations as part of the audit of the annual financial statements are conducted at companies in the Volkswagen Group's financial services division. Volkswagen Financial Services AG as a financial holding company is subject to supervision by the European Central Bank, while Volkswagen Versicherung AG as an insurance undertaking is subject to supervision by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin" – the German Federal Financial Supervisory Authority). As part of the scheduled supervisory process and unscheduled audits, the competent supervisory authority assesses whether the requirements, strategies, processes and mechanisms ensure solid risk management and solid risk cover. Furthermore, the Prüfungsverband deutscher Banken (Auditing Association of German Banks) audits Volkswagen Bank GmbH – as part of Volkswagen Financial Services AG – from time to time.

Volkswagen Financial Services Overseas AG operates a risk early warning and management system. Its aim is to ensure that the locally applicable regulatory requirements are adhered to and at the same time to enable appropriate and effective risk management at group level. Important components of it are regularly reviewed as part of the audit of the annual financial statements.

Monitoring the effectiveness of the risk management system and the internal control system

Reporting to the board of management and supervisory board of Volkswagen AG includes the results of the continuous monitoring and improvement of the RMS and ICS along with the evaluation of the company-wide risk situation based on the QRP and the presentation of the results of the internal control process based on the standardized ICS and downstream control systems at individual brands.

On this basis, an overall conclusion is reached once a year on the adequacy and effectiveness of the Volkswagen Group's RMS, CMS and ICS at a Volkswagen AG board of management meeting. The board of management of Volkswagen AG has received no information to indicate that the Volkswagen Group's RMS or ICS as a whole were inadequate or ineffective in the fiscal year 2024. Furthermore, the board of management of Volkswagen AG receives regular status updates on the Volkswagen Group's CMS and the topics within the remit of the Group Integrity & Compliance organization – prevention of corruption, money laundering, embezzlement and breach of trust. Here, too, the board of management of Volkswagen AG has received no information to indicate that the Volkswagen Group's CMS as a whole was inadequate or ineffective.

Nevertheless, there are inherent limits to the effectiveness of any risk management, compliance management and internal control system. Even a system judged to be adequate and effective cannot, for example, ensure that all actually materializing risks will be identified in advance or that any process disruptions will be ruled out under all circumstances.

The risk management and integrated internal control system in the context of the financial reporting process at the Volkswagen Group.

The accounting-related part of the RMS and ICS that is relevant for the financial statements of Volkswagen AG and the Volkswagen Group as well as its subsidiaries comprises measures intended to ensure that the information required for the preparation of the financial statements of Volkswagen AG, the consolidated financial statements and the combined management report of the Volkswagen Group and Volkswagen AG is complete, accurate and transmitted in a timely manner. These measures are designed to minimize the risk of material misstatement in the accounts and in external reporting.

Main features of the risk management and integrated internal control system in the context of the financial reporting process

The Volkswagen Group's accounting is essentially organized along decentralized lines. For the most part, accounting duties are performed by the consolidated companies themselves or entrusted to the Volkswagen Group's shared service centers. In principle, the financial statements of Volkswagen AG and its subsidiaries prepared in accordance with the IFRSs and the Volkswagen IFRS Accounting Manual are transmitted to the Volkswagen Group in encrypted form. A standard market product is used for encryption.

The aim of the Volkswagen IFRS Accounting Manual, which has been prepared taking into consideration external expert opinions, is to ensure the application and assessment of uniform accounting policies based on the requirements applicable to the parent of the Volkswagen Group. In particular, it includes more detailed guidance on the application of legal requirements and industry-specific issues. Components of the group companies' reporting packages that are necessary to prepare Volkswagen's consolidated financial statements are also set out in detail there, and requirements have been established for the presentation and settlement of intragroup transactions and the balance reconciliation process that is based on these.

Control activities at Volkswagen Group level include analyzing and, if necessary, adjusting the data reported in the financial statements presented by the subsidiaries of the Volkswagen Group, taking into account the reports submitted by the auditors of Volkswagen AG and the outcome of the meetings on the financial statements with representatives of the individual companies. These discussions address both the plausibility of the separate financial statements and specific significant issues at the subsidiaries. Alongside plausibility checks, other control mechanisms applied during the preparation of the separate and consolidated financial statements of Volkswagen AG include the clear delineation of areas of responsibility and the application of the "four eyes" principle.

The effectiveness of the internal control system of the Volkswagen Group in the context of the accounting process is systematically assessed in significant Volkswagen Group companies as part of the standardized ICS. This begins with a risk analysis and definition of controls with the aim of identifying significant risks for the financial reporting process. Regular tests based on samples are performed to evaluate the effectiveness of the controls. These form the basis for a self-evaluation of whether the controls are appropriately designed and effective.

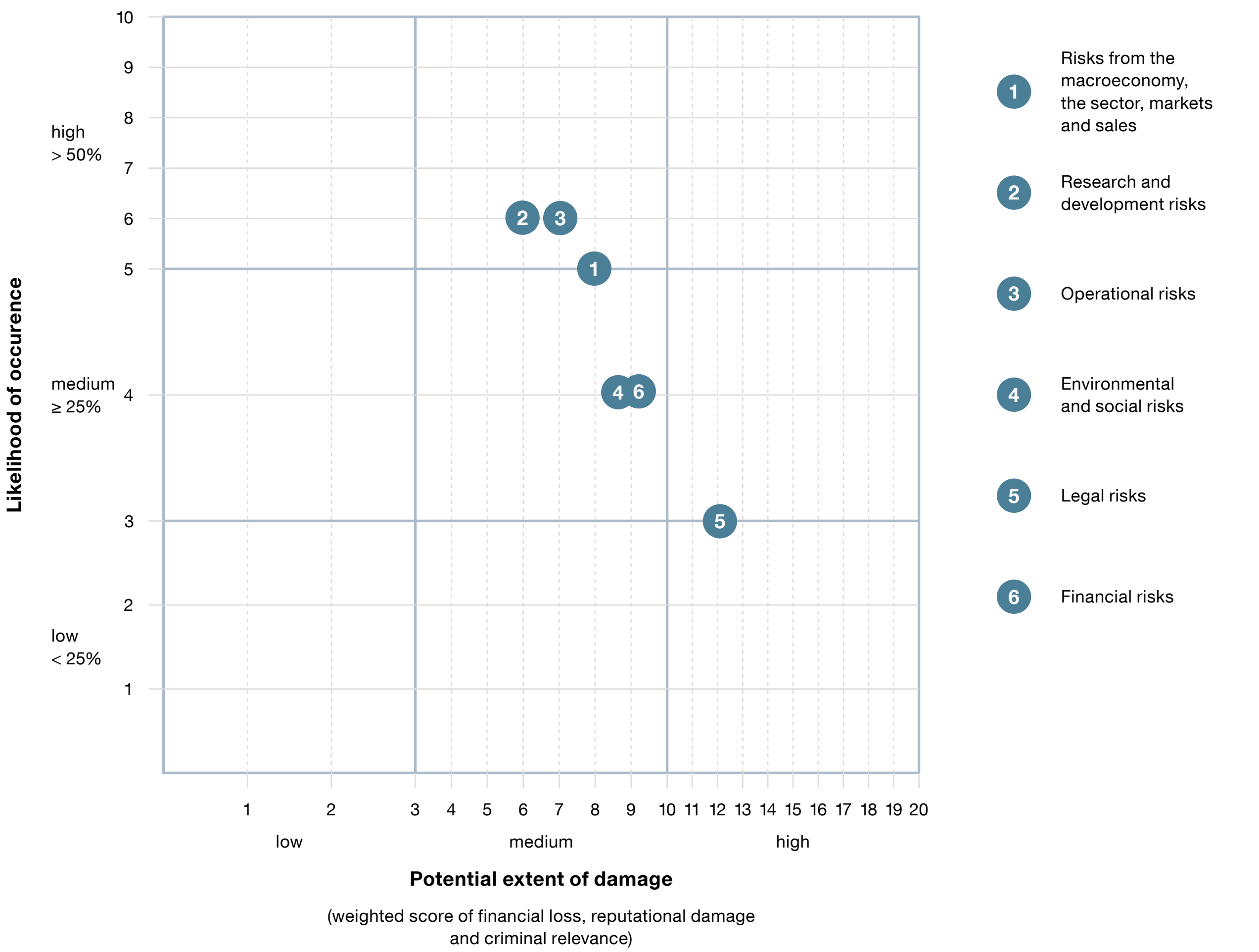
The combined management report of the Volkswagen Group and Volkswagen AG is prepared – in accordance with the applicable requirements and regulations – centrally but with the involvement of and in consultation with the Volkswagen Group units and companies. Specific systems are used for data collection in the group departments.

In addition, the accounting-related internal control system is independently reviewed by Volkswagen Group Internal Audit in Germany and abroad.

Integrated consolidation and planning system

The Volkswagen Financial Accounting Controlling Tax System ("FACTS") rolled out in the reporting year enables the Volkswagen Group to consolidate and analyze both Financial Reporting's backward-looking data and Controlling's forward-looking data. FACTS offers centralized master data management, uniform reporting, an authorization concept and the required flexibility with regard to changes to the legal environment, providing a technical platform that benefits Volkswagen Group Financial Reporting and Volkswagen Group Controlling in equal measure. To verify data consistency, FACTS has a multi-level validation system that primarily checks content plausibility between the balance sheet, the income statement and the notes.

Average scores of the risk categories



Opportunities and risks of the Volkswagen Group

This section presents the main risks and opportunities from the perspective of the Volkswagen Group that arise in the course of the Volkswagen Group's business activities. The opportunities and risks presented include in particular those from the Porsche AG Group. In order to provide a better overview, the risks and opportunities have been grouped into categories. Each risk category of the Volkswagen Group states the most significant risks in order of their importance as identified by Volkswagen using the risk score from the QRP.

The assessment of the Volkswagen Group's risk categories and the reports to the board of management of Volkswagen AG incorporate all risks with a risk score of 20 or more reported to the Volkswagen Group Risk Management department by the units included in the QRP. The risk categories are plotted based on the average scores. No risks with such scores were reported for the "Risks from mergers & acquisitions and/or other strategic partnerships/investments" risk category at Volkswagen as of the reporting date.

The Volkswagen Group uses analyses of the competition and the competitive environment in addition to market studies to identify not only risks but also opportunities that have a positive impact on the design of its products, the efficiency with which they are produced, their success in the market and its cost structure. Where they can be assessed, risks and opportunities that are expected to occur are already reflected in the Volkswagen Group's medium-term planning and its forecast. The Volkswagen Group therefore reports on internal and external developments as risks and opportunities that, based on the information known to the Volkswagen Group at the time the management report was prepared, may result in a negative or positive deviation from its forecast or targets.

Risk categories at the Volkswagen Group

The category "Risks and opportunities from the macroeconomy, the sector, markets and sales" comprises macroeconomic risks and opportunities including possible effects from geopolitical and geoeconomic tensions and conflicts, industry risks and market opportunities/potential, risks in the area of power engineering, sales risks and risks from other influences. For this risk category, the likelihood of occurrence is classified as high (prior year: high) and the potential extent of damage is classified as medium (prior year: medium) by Volkswagen. From the perspective of the Volkswagen Group, the most significant risks from the QRP in this category arise from a negative influence on markets and unit sales driven among other factors by trade restrictions, increasing protectionist tendencies and intensifying competition.

The category "Research and development risks" includes risks from research and development as well as risks and opportunities from the modular toolkit strategy. For this risk category, the likelihood of occurrence is classified as high (prior year: high) and the potential extent of damage is classified as medium (prior year: medium) by Volkswagen. The most significant risks from the QRP result from the inability to develop products in line with demand and requirements, in particular with regard to e-mobility, software and digitalization.

“Operational risks and opportunities” summarizes risks from procurement and technology, production risks, risks arising from long-term production, quality risks, IT risks and risks arising from media impact. For this risk category, Volkswagen classifies the likelihood of occurrence is classified as high (prior year: medium) and the potential extent of damage is classified as medium (prior year: medium). The most significant risks from the QRP lie particularly in cybersecurity and new regulatory requirements regarding IT, as well as in tight procurement markets and in underutilization of sites.

The risk category “Environmental and social risks” includes personnel risks and risks from environmental protection regulations. For this risk category, Volkswagen classifies the likelihood of occurrence as medium (prior year: high) and the potential extent of damage is classified as medium (prior year: medium). The most significant risks from the QRP arise from non-fulfillment of CO_2-related requirements and transformation-related programs for the future.

“Legal risks” include risks arising from litigation and legal risks in connection with the diesel issue as well as tax and tariff risks. For this risk category, Volkswagen classifies the likelihood of occurrence as medium (prior year: low) and the potential extent of damage is classified as high (prior year: high). The most significant risks from the QRP are associated with the diesel issue.

The Volkswagen Group’s “financial risks” category includes financial risks, in particular from changes in interest rates, exchange rates, raw material prices or share and fund prices, liquidity risks as well as risks and opportunities in the financial services business. For this risk category, the likelihood of occurrence is classified as medium (prior year: high) and the potential extent of damage is classified as medium (prior year: medium). The most significant risks from the QRP arise mainly from the deterioration of financing opportunities.

Under “Opportunities and risks from mergers & acquisitions and/or other strategic partnerships/investments”, the Volkswagen Group summarizes opportunities and risks from partnerships, risks from the recoverability of goodwill or brand names and from equity investments as well as risks from the disposal of equity investments. As of the reporting date, Volkswagen had not reported any risks with a score above 20 for this risk category.

Volkswagen AG’s assessment of the legal risks arising from the diesel issue

An amount of around €0.6 billion (€0.9 billion) has been included in the provisions of the Volkswagen Group for litigation and legal risks as of 31 December 2024 to account for the legal risks related to the diesel issue known to the Volkswagen Group at the time the management report was prepared based on the presently available information and Volkswagen’s current assessments. Where adequately measurable by Volkswagen at this stage, contingent liabilities relating to the diesel issue have been disclosed in the Volkswagen’s notes to the consolidated financial statements in an aggregate amount of €4.0 billion (€4.0 billion), whereby roughly €3.8 billion (€3.8 billion) of this amount results from lawsuits filed by investors in Germany. The provisions recognized at the Volkswagen Group, the contingent liabilities disclosed, and the other latent legal risks in the context of the diesel issue are in part subject to substantial estimation risks given the complexity of the individual relevant factors, the ongoing coordination with the authorities, and the fact that the fact-finding efforts have not yet been concluded. Should these legal or estimation risks materialize, this could result in further substantial financial charges. In particular, adjustment of the provisions recognized by Volkswagen in light of knowledge acquired or events occurring in the future cannot be ruled out. For further explanations on the legal risks in connection with the diesel issue, reference is made to note [2] of the notes to the consolidated financial statements for the fiscal year 2024.

In line with IAS 37.92, no further statements have been made by Volkswagen concerning estimates of the financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to the diesel issue. This is so as to not compromise the results of the proceedings or the interests of Volkswagen.

Summary of the risk and opportunity situation of the Volkswagen Group

The overall risk and opportunity situation of the Volkswagen Group is derived from the individual risks and opportunities presented above. To ensure that these risks are controlled, Volkswagen has established a comprehensive risk management system. The most significant risks across all risk categories for the Volkswagen Group arise from a negative trend in markets and unit sales – driven by increasing trade restrictions, protectionist tendencies and intensifying competition –, failure to meet CO_2-related requirements, the development of products that are not in line with demand and requirements, in particular with regard to e-mobility and software and in relation to cybersecurity, and the underutilization of sites. For 2025, there may be negative impacts from limited availability of parts, energy and other raw materials as well as from geopolitical tensions and conflicts – such as the Russia-Ukraine war, confrontations in the Middle East, and increasing uncertainties regarding the political orientation of the USA. Furthermore, there are residual risks for the Volkswagen Group from the diesel issue. Based on the information available to the Volkswagen Group at the time the management report was prepared, there are no risks that could endanger the continued existence of material Volkswagen Group companies or the Volkswagen Group.

Forecast report and outlook

General economic development 2025

The planning is based on the assumption that global economic output will grow overall in 2025 at a slightly slower pace than in 2024. Declining inflation in major economic regions and the resulting easing of monetary policy are expected to boost consumer demand. Risks continue to be seen from increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects; risks are associated in particular from the Russia-Ukraine war and the confrontations in the Middle East, and the increasing uncertainties regarding the political orientation of the USA. The assumption is that both the advanced economies and the emerging markets will record somewhat weaker momentum on average than that of the reporting year.

Although almost all major western industrialized countries and many emerging markets made their first key interest rate cuts in 2024, further changes in key interest rates in 2025 in the respective countries will depend firstly on further inflation developments and secondly on the scale of a possible economic downturn. Overall, a somewhat lower interest rate level is expected on average in 2025 compared to 2024.

Market developments in 2025 with regard to the core investments

Development of exchange rate trends and commodity prices

For 2025, the euro is expected to appreciate slightly against the US dollar and the pound sterling. The Chinese renminbi is expected to remain at a similar level against the euro as in the reporting year. The Brazilian real, the Mexican peso, the South African rand and the Turkish lira are expected to depreciate against the European single currency to varying degrees; the Argentinian peso is expected to depreciate strongly due to the ongoing critical economic situation in Argentina.

Volkswagen anticipates prices for almost all raw materials to rise in 2025 given the expected growth of the global economy and the associated demand.

Trends in the markets for passenger cars and light commercial vehicles

The trend in the automotive industry closely follows global economic developments. Volkswagen assumes that competition in the international automotive markets will intensify further. Crisis-related disruption to the global supply chain and the resulting impact on vehicle availability may weigh on the volume of new registrations. Moreover, a sudden outbreak of political tension and conflicts or the intensification of existing ones could lead to rising prices for materials and declining availability of energy. Volkswagen predicts that trends in the markets for passenger cars in the individual regions will be mixed but predominantly positive in 2025. Overall, the global volume of new car sales is expected to be slightly higher than the prior-year level.

Trends in the markets for light commercial vehicles in the individual regions will be mixed; on the whole, Volkswagen expects the sales volume for 2025 to be similar to the prior-year figure.

Trends in the markets for commercial vehicles

For 2025, Volkswagen expects that new registrations for mid-sized and heavy trucks with a gross weight of more than six tonnes will be down noticeably on the prior year in the markets that are relevant for the Volkswagen Group, with variations from region to region.

A noticeable year-on-year increase in demand is anticipated for 2025 in the bus markets relevant for the Volkswagen Group, whereby this will vary depending on the region.

Trends in the markets for financial services

Volkswagen assumes that automotive financial services will prove highly important to global vehicle sales in 2025 in synergy with the development of the vehicle markets. The Volkswagen Group expects demand to rise in emerging markets where market penetration has so far been low. Regions with already established automotive financial services markets will probably see a continuation of the trend towards achieving mobility at the lowest possible total cost. The shift from financing to lease contracts that has begun in the European financial services business with individual customers will continue. Integrated end-to-end solutions, which include mobility-related service modules such as insurance and innovative packages of services, are likely to become even more important. Additionally, Volkswagen expects that demand will increase for new forms of mobility, such as rental and car subscription services, and for integrated mobility services, for example refueling and charging. Dealers will remain important strategic partners. The seamless integration of financial services into the online vehicle offering will become increasingly important.

In the mid-sized and heavy commercial vehicles category, Volkswagen is seeing robust demand for financial services products in the emerging markets. In these countries in particular, financing solutions support vehicle sales and are thus an essential component of the sales process. In the developed markets, Volkswagen expects to see increased demand for telematics services and services aimed at reducing total cost of ownership in 2025.

Market developments in 2025 with regard to the portfolio investments

Trends in the markets for M&A and venture capital

The activity of the global M&A and venture capital markets is closely linked to macroeconomic and geopolitical factors. The global investment environment is increasingly characterized by large differences in valuation levels in various markets and ongoing uncertainty in the interest rate environment. Following a phase of restraint, Porsche SE expects M&A activity to recover in 2025. Key drivers for this include the existing backlog in the sale of private equity portfolio companies, investments in digital infrastructure and the increasing focus of companies on growth and transformation, including through M&A measures.

In the global venture capital market, Porsche SE continues to expect a relative recovery compared to prior years, despite a selective financing environment and existing macroeconomic uncertainties. At the same time, increasing market differentiation and attractive valuation levels can lead to targeted investment opportunities.

Overall, the outlook for the M&A and venture capital markets in 2025 is cautiously optimistic.

Anticipated development of the Volkswagen Group

In a challenging market environment, the Volkswagen Group anticipates that the number of deliveries to customers in 2025 will be similar to the prior year.

Challenges will arise in particular from an environment of political uncertainty, expanding trade restrictions and geopolitical tensions, the increasing intensity of competition, volatile commodity, energy and foreign exchange markets, and more stringent emissions-related requirements.

Volkswagen expects the revenue of the group and the passenger cars and light commercial vehicles segment to exceed the prior-year figure by up to 5% in 2025. The operating return on sales is projected to be between 5.5% and 6.5% for the Volkswagen Group and between 6% and 7% for the passenger cars and light commercial vehicles segment. For the commercial vehicles segment, Volkswagen anticipates an operating return on sales of 7.5% to 8.5% amid sales revenue on a level with the prior year. For the financial services division, Volkswagen forecasts an increase of up to 5% in revenue compared with the prior year and an operating result in the range of €4.0 billion.

In its planning for 2025, the Porsche AG Group assumes slightly weaker global economic growth and a slight average increase in global demand for passenger cars compared to the reporting year. However, there are uncertainties in this regard, particularly due to the global geopolitical environment. Difficult market conditions due to protectionist tendencies and intensified competition in the important markets of the USA and China, coupled with a continuing high level of costs, amortization and depreciation, will make the fiscal year 2025 a challenging one for the Porsche AG Group, in which high one-off burdens are also expected as a result of additional planned measures. These measures include the expansion of the product portfolio to include additional models with combustion engines or plug-in hybrids, the expansion of special and exclusive manufacturing and adjustments to the company organization. Expenditure, particularly on vehicle development and the battery activities of the group's own companies, will lead to significant additional costs. Due to the aforementioned measures, the total impact on the result and automotive net cash flow in the fiscal year 2025 is expected to come to around €0.8 billion. At the same time, the Porsche AG Group expects these activities to strengthen its earnings power in the short and medium term. Furthermore, the Porsche AG Group believes it is well positioned to exploit market potential with its existing product range – in line with demand in individual regions – and to further strengthen the Porsche brand worldwide.

For the fiscal year 2025, based on the aforementioned assumptions, the Porsche AG Group expects a significantly lower return on sales of between 10% and 12%. This forecast is based on estimated revenue in a range of €39 billion to €40 billion.

Anticipated development of the Porsche SE Group

The adjusted result after tax of the Porsche SE Group (see the explanations in section "Core management and financial indicator system" in the chapter "Fundamental information about the group") is largely affected by the result from investments accounted for at equity that is attributable to Porsche SE and therefore on the earnings situation of the Volkswagen Group.

The forecast adjusted result after tax of the Porsche SE Group is therefore largely based on the Volkswagen Group's expectations regarding its future development. While the result after tax of the Volkswagen Group is included in the forecast of the Porsche SE Group, the forecast of the Volkswagen Group is based only on its operating result. As a result, effects outside of the operating result at the level of the Volkswagen Group do not affect its forecast, although they do have a proportionate effect on the amount of the Porsche SE Group's forecast adjusted result after tax.

The expectations of the Volkswagen Group regarding future development were therefore expanded on by the board of management of Porsche SE. This also includes the expectations of the board of management of Porsche SE regarding the profit contributions from investments that are contained in the financial result of the Volkswagen Group.

The adjusted result after tax of the Porsche SE Group is also affected by the result from investments accounted for at equity with regard to Porsche AG that is attributable to Porsche SE and therefore on the earnings situation of the Porsche AG Group. The forecast of Porsche SE therefore also takes into account the expectations of the Porsche AG Group regarding its future development.

The forward-looking statements of the forecast are based in large parts on estimates and expectations of the Volkswagen Group and the Porsche AG Group, which can be influenced by unforeseeable events. As a result of this, the actual business development may deviate, both positively and negatively, from the expectations. Risks that could lead to deviations largely relate to protectionist tendencies, further intensifying competition, turbulence in the financial markets and structural deficits in individual countries. In addition, continuing geopolitical tensions and conflicts are weighing on growth prospects.

The following aspects are also taken into account in the forecast: For the fiscal year 2025, Porsche SE expects expenses for holding operations in the core investments segment as well as finance costs to be generally comparable to those in the reporting year. In addition, a slightly negative investment result is expected for the portfolio investments segment – excluding changes in market value – which will essentially correspond to the segment result after tax. With regard to the financial position, Porsche SE expects cash inflows from dividend distributions totaling €1.0 billion in the fiscal year 2025 (after deduction of capital gains tax and solidarity surcharge of an expected total of €0.3 billion, which will only lead to a corresponding tax refund in subsequent years) and dividend distributions to its shareholders totaling €584 million. Investments in portfolio companies in the low three-digit million-euro range are also planned. The plans do not include any divestments.

In particular on the basis of the expectations of the Volkswagen Group and the Porsche AG Group regarding their future development, Porsche SE expects an adjusted group result after tax of between €2.4 billion and €4.4 billion for the fiscal year 2025. The same applies for the adjusted result after tax for the core investments segment.

The group result after tax for the fiscal year 2025 depends in particular on the changes in the carrying amounts of the core investments and possible changes in their recoverable amounts. With regard to the factors influencing the group result after tax, reference is made to section “Function of at equity accounting and its impact on the group result after tax” in the chapter “Fundamental information about the group”. Porsche SE expects a very strong improvement in the group result after tax for 2025 compared to the reporting year.

As of 31 December 2024, the Porsche SE Group has net debt of €5.2 billion. As of 31 December 2025, net debt of between €4.9 billion and €5.4 billion is expected for the Porsche SE Group.

Declaration of compliance

Pursuant to Secs. 289f and 315d HGB ["Handelsgesetzbuch": German Commercial Code], listed stock corporations must issue a declaration of compliance in the management report, and parent companies that are listed stock corporations in the group management report. We have published the declaration of compliance on our website at

https://www.porsche-se.com/en/company/corporate-governance

In accordance with the legal requirements and recommendations of the German Corporate Governance Code ("GCGC" or "Code"), Porsche Automobil Holding SE ("Porsche SE" or the "company") makes the following disclosures:

I. Basic principles of corporate governance

1. General corporate information

Porsche SE, with registered offices in Stuttgart, is entered in the commercial register of the local court of Stuttgart under HRB no. 724512.

The purpose of the company is the management of companies and the management of investments in companies operating in the following business fields or parts thereof:

- The development, design, manufacture and distribution of vehicles, engines of all kinds and other technical or chemical products as well as of parts and assemblies thereof;
- The provision of advice in the area of development and production, especially in the area of vehicle and engine construction;
- The provision of advice on and development of data processing as well as the creation and distribution of data processing products;
- The marketing of products using trademark rights;
- The provision of financial and mobility services;
- The exploitation, procurement, processing and distribution of raw materials used in the automobile industry;
- The generation and procurement of energy, especially of renewable energies, as well as trading with energy;
- The acquisition, holding and management as well as the disposal of real estate.

The purpose of the company includes, in particular, the acquisition, holding and management as well as the sale of investments in such companies, their combination under uniform control and the provision of support and advice to them, including the provision of services on behalf of such companies.

The corporate statutes of Porsche SE are based mainly on the European SE provisions, the SEAG ["SE-Ausführungsgesetz": German SE Implementation Act], the SEBG ["SE-Beteiligungsgesetz": German SE Investment Act], the AktG ["Aktiengesetz": German Stock Corporation Act] as well as the provisions of the articles of association and the requirements of the GCGC. Like German stock corporations, Porsche SE applies the dual management system, providing for a strict separation of the board of management and supervisory board. The board of management and supervisory board work hand in hand in the interest of the company.

The articles of association of Porsche SE, as amended from time to time, can be found on our website at

https://www.porsche-se.com/en/company/corporate-governance

2. Company and group structure

Porsche SE is a listed holding company with investments in the areas of mobility and industrial technology. The investments of Porsche SE fall into the categories core investments and portfolio investments.

In the core investments category, Porsche SE holds the majority of ordinary shares in Volkswagen AG, the parent company of the Volkswagen Group[1], one of the world's leading automobile manufacturers. Also included in the core investments category is the investment of 25% plus one share of the ordinary shares of Porsche AG, one of the world's most successful manufacturers of sports and luxury cars.

In the portfolio investments category, Porsche SE holds non-controlling interests in technology companies in North America, Europe and Israel. Investments in private equity and venture capital funds are also allocated to this category. Porsche SE generally holds these investments for a limited period of time. Typically, such investments are characterized by their high potential for growth and for increasing value during the holding period.

3. Declaration regarding the German Corporate Governance Code (Sec. 161 AktG)

Pursuant to Sec. 161 (1) AktG in conjunction with Art. 9 (1) lit. c) ii) SE-VO ["SE-Verordnung": SE Regulation], the board of management and supervisory board of a listed SE having its registered office in Germany are obliged to make an annual declaration of compliance as to whether they have complied, and continue to comply, with the recommendations of the GCGC, as amended from time to time, or which of the recommendations contained in the Code have not been or are not applied, and why. In the event of changes during the year between two regular declarations, the declaration must be updated.

In the fiscal year 2024, Porsche SE submitted the annual declaration on conformity pursuant to Sec. 161 AktG in December 2024.

Wording of the declaration issued by Porsche SE in accordance with Sec. 161 (1) AktG in December 2024:

The board of management and supervisory board of Porsche Automobil Holding SE declare in accordance with Sec. 161 (1) AktG that, since the most recent declaration on conformity in December 2023, the company has complied with, and will also in the future comply with, the recommendations of the GCGC published by the Federal Ministry of Justice in the official section of the German Federal Gazette in the version of the GCGC of 28 April 2022 published in the Federal Gazette on 27 June 2022, with the exception of the following deviations:

Recommendation B.5 GCGC:
B.5 GCGC recommends that an age limit be specified for members of the board of management and disclosed in the declaration of compliance.

[1] In the following, the term "group" refers to a group as defined in the IFRS.

As there is no maximum age limit for members of the board of management, this recommendation has not been and will not be complied with. The supervisory board appoints members of the board of management based exclusively on their qualifications and their ability to conduct the company's business in the company's best interest. The suitability of the members of the board of management in this regard does not depend on their age. An age limit would also impose a general limitation on the selection of qualified candidates and may appear discriminatory.

Recommendation C.2 GCGC:
C.2 GCGC recommends that an age limit be specified for members of the supervisory board and disclosed in the declaration of compliance. This recommendation has not been and will not be complied with. The supervisory board is still of the opinion that the ability of a supervisory board member to monitor and advise the board of management in its management of the company does not cease upon having reached a certain age. A fixed age limit may also appear discriminatory.

Recommendation C.13 sentence 1 GCGC:
C.13 sentence 1 GCGC recommends that, in its election proposals to the annual general meeting, the supervisory board disclose the personal and business relationships of every candidate with the company, the governing bodies of the company and any shareholders with a material interest in the company. As regards this recommendation, a deviation has been and is declared as a precautionary measure. The requirements of the GCGC are not specific and their limits and scope are unclear. The supervisory board has endeavored in the past and will continue to endeavor in the future to meet the requirements of C.13 sentence 1 GCGC; however, in light of the lack of specificity as well as the unclear scope and limits of the recommendation, the supervisory board cannot rule out that the recommendation has not been or will not be fully complied with.

Recommendation G.1, 1st indent GCGC:
G.1, 1st indent GCGC recommends that the remuneration system define how the target total remuneration is determined for each member of the board of management and stipulate the amount that the total remuneration must not exceed (maximum remuneration). Some interpret this recommendation to mean that the supervisory board is to individually set the maximum remuneration for each member of the board of management in the remuneration system. In compliance with the provisions of the AktG, the supervisory board of Porsche Automobil Holding SE has determined a collective maximum remuneration for the full board of management. As before, the board of management service agreements will not necessarily provide for a contractually agreed maximum remuneration in the future either. The background to this is that, during the standard four-year term of validity of the remuneration system, it should be possible to decide on the individual maximum remuneration on a case-by-case basis within the framework of the defined maximum remuneration for the full board of management. As a precautionary measure, it is therefore declared that the recommendation of G.1, 1st indent GCGC has not been and will not fully be complied with in that no maximum remuneration has been individually defined in the remuneration system for each member of the board of management.

Recommendation G.10 sentence 1 GCGC:
G.10 sentence 1 GCGC recommends that, taking the respective tax burden into consideration, board of management members' variable remuneration be invested predominantly in company shares by the respective board of management member or be granted accordingly as share-based remuneration. The board of management remuneration system of Porsche Automobil Holding SE and the board of management service agreements of the current members of the board of management do not provide for either mandatory investment in company shares or share-based variable remuneration. This is based on the consideration that, in the case of Porsche Automobil Holding SE, the price of the company's

shares largely depends on external factors beyond the board of management's control and, therefore, in the view of the supervisory board, the share price cannot reasonably be used as an incentive. Therefore, the recommendation in G.10 sentence 1 GCGC has not been and will not be complied with.

Recommendation G.10 sentence 2 GCGC:
G.10 sentence 2 GCGC recommends that awarded long-term variable remuneration components be accessible to board of management members only after a period of four years. The board of management remuneration system and the board of management service agreements of the current members of the board of management continue to provide for a two-year retention period after the bonus-relevant fiscal year. In deviation from G.10 sentence 2 GCGC, this means, in principle, that at the time of disbursement the long-term incentive component is accessible after a period of three years. The supervisory board takes the view that a two-year retention period after the bonus-relevant fiscal year is sufficient for the remuneration of the members of the board of management of Porsche Automobil Holding SE and that it would not be appropriate to extend the retention period for the long-term incentive components to four years. Therefore, the recommendation in G.10 sentence 2 GCGC has not been and will not be complied with.

Recommendation G.12 GCGC:
G.12 GCGC recommends that, if a board of management member's contract is terminated, the disbursement of any remaining variable remuneration components attributable to the period until contract termination be based on the originally agreed targets and comparison parameters, and on the due dates or holding periods stipulated in the contract. When the former board of management member Mr. Philipp von Hagen left the company's board of management, it was agreed with him to set the performance-related bonuses for the years 2020 and (pro rata) 2021 remaining outstanding until termination of the contract at the prior-year level and not to apply the originally planned determination/disbursement requirements for the performance-related bonuses for the years 2018 to (pro rata) 2021 (positive group result and positive net liquidity of Porsche Automobil Holding SE). Thus, the targets originally agreed for Mr. von Hagen were not applied unchanged to the outstanding variable remuneration for the period until termination of his contract. Therefore, the recommendation in G.12 GCGC regarding the outstanding variable remuneration payments for Mr. von Hagen for the years 2018 to 2021 has not been complied with. Variable remuneration components were paid to Mr. von Hagen for the last time in the fiscal year 2024. In the future, the recommendation in G.12 GCGC will therefore be fully complied with again.

Recommendation G.13 sentence 1 GCGC:
G.13 sentence 1 GCGC recommends that any payments made to a board of management member due to early termination of their board of management activity not exceed twice the annual remuneration (severance cap) and not constitute remuneration for more than the remaining term of the employment contract. The agreement entered into with Mr. von Hagen in connection with his exit providing for the setting of performance-related bonuses for the years 2020 and (pro rata) 2021 at the prior-year level and non-application of the disbursement requirements to the performance-related bonuses for the years 2018 to (pro rata) 2021 could have, under certain circumstances, led to Mr. von Hagen receiving higher remuneration for the residual term of his contract of employment than he would have received if the contract remained in place unchanged (e.g., if it had later transpired that the originally agreed requirements for disbursement of the outstanding performance-related bonuses for 2018 to 2021 were not fulfilled for one or more years). In this case, the recommendation in G.13 sentence 1 GCGC would not have been complied with due to the exit agreement entered into with Mr. von Hagen. As a precautionary measure, it was therefore previously declared that, in connection with the exit agreement entered into with Mr. von Hagen, the recommendation in G.13 sentence 1 GCGC had not

been complied with. In the fiscal year 2024, Mr. von Hagen received remuneration payments for the last time under the exit agreement concluded with him. In the future, no precautionary deviation from the recommendation in G.13 sentence 1 GCGC will be declared.

II. Board of management

1. Composition of the board of management

The board of management of Porsche SE comprises at least two persons. The supervisory board may specify a larger number of members of the board of management.

In the fiscal year 2024, the board of management comprised four persons, Hans Dieter Pötsch (Chairman of the board of management), Dr. Manfred Döss (member of the board of management responsible for legal affairs and compliance), Dr. Johannes Lattwein (member of the board of management responsible for finance and IT) and Lutz Meschke (member of the board of management responsible for investment management).

In addition to his position on the board of management at Porsche SE, Mr. Pötsch also acts as chairman of the supervisory board of Volkswagen AG and member of the supervisory board of Porsche AG. Dr. Döss is also a member of the board of management of Volkswagen AG, where he is responsible for integrity and legal affairs; he also acts as chairman of the supervisory board of AUDI AG. Until 25 February 2025, Mr. Meschke also acted as deputy chairman of the board of management and member of the board of management responsible for finance and IT of Porsche AG. More information on the members of the board of management can be found at

https://www.porsche-se.com/en/company/executive-board

Diversity concept for the board of management

When appointing board of management members, the supervisory board ensures that the board of management collectively has the knowledge, skills and experience required to properly perform all of its duties. In order to meet these requirements, the supervisory board has resolved to introduce, among other things, a diversity concept aimed at diversifying the board of management. The company is convinced that securing a diverse composition of the board of management promotes diversity of opinion and knowledge and helps its members make balanced decisions and identify operational and financial opportunities and risks early on. Regardless of this, the best interest of the company always comes first when filling a specific position on the board of management, taking into account the circumstances of the individual case. The supervisory board is therefore guided in its decision mainly by the professional knowledge and personal suitability of the candidates.

The composition of the board of management should particularly reflect, where possible, the following diversity aspects with the objectives they express:

- Taking into account the experience required to serve on the board of management, a range of age groups should be appropriately represented on the board of management. There should be no specific requirements regarding the age of individual or all board of management members so as not to unduly restrict the ability of the supervisory board and executive committee to select suitable candidates for the board of management. In particular, there is no maximum age limit or term of office for the members of the board of management.

- In accordance with Sec. 111 (5) AktG, the supervisory board last resolved in 2022 to set a target of 25% for female representation on the board of management by 31 May 2027. No target deviating from this percentage was set for the board of management's diversity concept. The gender-specific requirements for the composition of the board of management introduced by the FüPoG II ["Zweites Führungspositionen-Gesetz": Second Act on Equal Participation of Men and Women in Management Positions] do not apply to Porsche SE.

- The members of the board of management should complement each other in terms of their educational and professional background and cover as broad a range of knowledge and experience as possible. In this context, particularly the role of the company as an investment management holding company and the company's respective investment portfolio must be given due consideration.

- The composition of the board of management should reflect an appropriate degree of international diversity in consideration of the fact that the company holds foreign investments as well as German investments with international operations. In light of this, at least one board of management member should have international experience obtained, in particular, from a professional activity or training abroad or resulting from the candidate's origin.

The diversity concept is implemented by the supervisory board, which takes into account the above-mentioned diversity criteria and their objectives when appointing board of management members.

The requirements of the diversity concept for the board of management have been met, with the exception of the target for female representation, which has an implementation deadline of 31 May 2027.

Succession planning for the board of management

In accordance with recommendation B.2 half-sentence 1 GCGC, the supervisory board together with the board of management is required to ensure that there is long-term succession planning for the board of management. The executive committee responsible for board of management matters once again addressed this topic in depth in the fiscal year 2024. The executive committee and the board of management also discuss this topic regularly. If a board of management position needs to be filled, suitable candidates are identified in a structured process, considering candidates from both within and outside of the company. Some of the current board of management functions may also be combined following a change in the board of management. The aspect of long-term succession planning on the board of management was also taken into account when the appointments of Dr. Lattwein and Mr. Meschke were extended in the fiscal year 2024, as it was when the appointment of Dr. Döss was extended in January 2025.

2. Working methods of the board of management

The board of management has sole responsibility for the management of the company and the Porsche SE Group in the interest of the company and represents the company in transactions with third parties. Its main duties pertain to setting the strategic focus and management of Porsche SE as well as the establishment and monitoring of an appropriate and effective internal control and risk management system. The duties and responsibilities of the board of management are specified in more detail in the rules of procedure issued by the supervisory board.

The members of the board of management are jointly responsible for all aspects of the management of the company. The full board of management decides on all matters of material or fundamental importance. This overall responsibility notwithstanding, each member of the board of management independently manages the business area assigned to him as far as the decision is not – in matters of material or fundamental importance – the responsibility of the full board of management.

Board of management meetings are held regularly, generally once a month. They are convened by the chairman of the board of management. The chairman of the board of management is obliged to convene a meeting of the board of management at the request of a member of the board of management. In the fiscal year 2024, the board of management usually met twice a month.

The board of management has a quorum if all members of the board have been invited and at least half of its members attend the meeting in person or via electronic media. Resolutions are passed by a majority vote of the participating board members. In derogation of Art. 50 (2) sentence 1 SE-VO, the chairman does not cast the deciding vote in the event of a tied vote. The chairman of the board of management determines the type of vote. If no board of management member objects, decisions can also be taken by circular resolutions.

Dealing with conflicts of interest

In the reporting year, corporate governance took into consideration conflicts of interest that could have arisen, among other things, from membership on two boards (for example, at Porsche SE on the one hand and at Volkswagen AG or Porsche AG on the other) and addressed these in the best interests of Porsche SE. For example, Mr. Pötsch and Dr. Döss were not involved in the resolution on the voting behavior of Porsche SE at the annual general meeting of Volkswagen AG. Likewise, Mr. Pötsch and Mr. Meschke were not involved in the resolution on the voting behavior of Porsche SE at the annual general meeting of Porsche AG.

Cooperation with the supervisory board

The board of management Informs the supervisory board regularly, without delay and comprehensively about all aspects that are relevant to the company regarding the strategy, planning, business development, risk situation, risk management, including the organizational risks relating to the internal control system, and compliance of the company and consults with the supervisory board on setting the strategic focus. The chairman of the board of management is responsible for organizing and coordinating cooperation with the supervisory board and its members; he is responsible for ensuring that the supervisory board is informed in a timely, conscientious and comprehensive manner. In addition, he is responsible for ensuring that Porsche SE continues to thrive by having constant personal contact and dialog with the chairman of the supervisory board.

For certain types of transactions, the board of management requires the prior approval of the supervisory board. These include the acquisition and sale of companies and equity investments if the value of the individual transaction exceeds €25 million; the establishment and liquidation of investment companies and the establishment and closure of plant locations where the transaction in question is of significant importance for the company; the assumption of guarantees, the acceptance of liabilities and warranties that are not in the ordinary course of the company’s business if the value of the individual transaction exceeds €5 million; and transactions by ordinary shareholders, supervisory board members or family members of such persons that are not in the ordinary course of the company's business.

Specifying targets for the percentage of women at the two management levels below the board of management

Sec. 76 (4) AktG requires that the board of management specify targets for the percentage of women at the two management levels below the board of management and set a deadline for achieving these targets. By resolution of 22 June 2022, the board of management decided to again set the targets for female representation at the two management levels below the board of management at 25% each, setting 31 May 2027 as the implementation deadline. Female representation at the first management level is currently 33% and at the second management level 0%.

3. Instruments of corporate governance

In the context of responsible corporate governance at Porsche SE, compliance with the relevant legal requirements has the highest priority. Porsche SE follows the recommendations of the GCGC as regards both the individual entity and the group in the scope set out in the declaration on the GCGC and in potential updates. Furthermore, the board of management of Porsche SE has put in place internal guidelines to ensure compliance with the legal requirements, as Porsche SE's reputation is affected by the actions and behavior of everyone at the company.

The managers of Porsche SE are largely responsible for ensuring that the guidelines and rules within the company are strictly observed and complied with. In day-to-day business, every manager must seek to ensure that employees have the greatest possible freedom of action, without neglecting the fundamental principles of good corporate governance. To ensure this is the case, Porsche SE regularly provides its managers and employees with training that focuses on the content of its internal guidelines.

The managers of Porsche SE ensure that the corporate governance practices set out above are complied with at its fully consolidated subsidiaries to the extent they are applicable there. Porsche SE's most important investments, i.e., Volkswagen AG and Porsche AG, are both responsible for making their own decisions on the corporate governance practices to be applied within the respective group and report on them in their respective group management reports, with the Porsche AG Group forming part of the Volkswagen Group.

Financial reporting and annual audit

The consolidated financial statements of Porsche SE are prepared applying the International Financial Reporting Standards (IFRSs) as adopted by the European Union as well as the provisions of German commercial law applicable under Sec. 315e (1) HGB. The financial statements of Porsche SE as the parent company of the Porsche SE Group are based on the accounting provisions of the German Commercial Code and the special accounting provisions of the German Stock Corporation Act. The auditor for the fiscal year 2024 and for the review of the half-yearly financial report 2024 is Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, as an independent auditor. In addition, the facts underlying the declaration on conformity in accordance with Sec. 161 (1) AktG are taken into consideration during the annual audit. The chairman of the audit committee is informed of any factual findings made by the auditor that indicate that the declaration on conformity is inaccurate. The auditor is also required to note such inaccuracies in the audit report.

Compliance

Porsche SE is fully committed to compliance as part of its corporate culture. Compliance with laws, other legal standards, the Code of Conduct that is binding for all employees and the board of management of Porsche SE, company guidelines and other internal company regulations is a basic principle of Porsche SE's corporate activities.

In accordance with the provisions of the GCGC, the board of management ensures compliance with legal provisions and internal policies, and works toward ensuring compliance. Porsche SE has a board of management function dedicated to legal affairs and compliance. The duty of Porsche SE's member of the board of management responsible for legal affairs and compliance is to report to the full board of management on all issues relating to compliance, to introduce preventive measures, manage and monitor these and work towards compliance with regulations. Compliance activities are based on a preventive strategy. Porsche SE has also implemented processes to ensure that it is informed of potential instances of misconduct in order to identify, to put an end to and to sanction any such instances.

Porsche SE has given employees and third parties the opportunity to report suspected breaches of the law within the company via various channels. Any reports received are treated with the utmost confidentiality. The protection of whistleblowers is a top priority for the company. Porsche SE has set up a compliance council that regularly addresses the company's compliance. It supports the board of management member responsible for legal affairs and compliance in performing his duties, in particular in monitoring compliance with the legal provisions applicable to the company and its employees as well as preventing potential infringements.

An internal company policy of Porsche SE specifies the organizational units and decision makers responsible for procedures relating to compliance.

Compliance and integrity at Porsche SE are also ensured by the Code of Conduct. The Code of Conduct is specified and supplemented by the internal company policy on compliance and other company policies on selected topics.

Porsche SE also provides its employees with information and training on the content of its compliance management system, in particular roles and responsibilities as well as measures and processes and on selected compliance topics. This creates an awareness of compliant behavior and its monitoring at Porsche SE, which helps identify and avoid potential instances of misconduct.

Risk management system and internal control system

The Porsche SE Group has a group-wide risk management and internal control system in place that helps management identify major risks at an early stage, thus enabling them to initiate countermeasures in good time. The risk management and internal control system can also include sustainability-related aspects. The risk management and internal control system is structured at the due discretion of the board of management and, in accordance with Sec. 91 (3) AktG, takes into account the scope of the business activities and risk situation of the company. The risk management and internal control system at the Porsche SE Group is continuously tested for appropriateness and effectiveness and continually optimized to reflect any changed conditions. In the fiscal year 2024, the board of management and supervisory board did not have any information that could indicate insufficient adequacy and effectiveness of the risk management system and internal control system as of 31 December 2024. Further details on the risk management and internal control system are explained in the section "Opportunities and risks of future development".

Communication and transparency

Porsche SE attaches great importance to transparent communication and regularly keeps shareholders, financial analysts, shareholder associations, the media and the general public informed about the situation of the company and its business development. This information can be accessed, in particular, on the website

https://www.porsche-se.com

which contains all press releases and financial reports as well as the articles of association of Porsche SE, the rules of procedure for the supervisory board and information about the annual general meeting.

In addition to regular reporting, Porsche SE also provides information in the form of ad hoc announcements about insider information directly affecting Porsche SE in accordance with Art. 17 of the European Market Abuse Directive. These ad hoc announcements are also published on our website.

Environmental, employee and social matters as well as respect for human rights

Porsche SE attaches great importance to environmental, employee and social matters as well as respect for human rights. This is also reflected in several of Porsche SE's investments that have sustainability aspects enshrined in their business models. Porsche SE expects the importance of sustainability aspects in the business models of Porsche SE's investments to increase even further. In this context, the topic of Environmental, Social, Governance ("ESG"), which describes the basic principles of sustainable management, also plays a key role for Porsche SE. The board of management and supervisory board expressly acknowledge the particular importance of ESG-related topics for the business activity of Porsche SE. The supervisory board has nominated Mag. (FH) Marianne Heiß as its ESG specialist.

4. Remuneration

In the course of the fiscal year 2023, the supervisory board already further developed the then current remuneration system for the members of the board of management of Porsche SE, which had been unanimously approved by the annual general meeting on 23 July 2021 (the "remuneration system 2021"). On 4 December 2023, the supervisory board decided to further develop the remuneration system (the "further developed remuneration system 2024"). The further developed remuneration system 2024 was unanimously approved by the annual general meeting on 11 June 2024. It applies retroactively as of 1 January 2024, without prejudice to the service agreements concluded with members of the board of management at the time of the resolution being adopted by the annual general meeting, until such time as they are extended. Under the further developed remuneration system 2024, the remuneration for the members of the board of management continues to be made up of fixed, non-performance-related as well as variable, performance-related remuneration components.

The supervisory board intends to adopt a further developed remuneration system on 20 March 2025 (the "further developed remuneration system 2025"). The further developed remuneration system 2025 is to be submitted to the annual general meeting of Porsche SE on 23 May 2025 for approval. It is to be applied retroactively as of 1 January 2025. For this purpose, subject to approval of the further developed remuneration system 2025 by the annual general meeting, amendment agreements to the existing service contracts are to be concluded with the members of the board of management. Under the further developed remuneration system 2025, the remuneration for the members of the board of management is to continue to be made up of fixed, non-performance-related as well as variable, performance-related remuneration components.

The remuneration report on the fiscal year 2024 prepared by the board of management and the supervisory board and the auditor's report pursuant to Sec. 162 AktG as well as the remuneration system 2021 and the further developed remuneration systems 2024 and 2025 pursuant to Sec. 87a (1) and (2) Sentence 1 AktG are published on our website at

https://www.porsche-se.com/en/company/corporate-governance

5. Securities transactions of the board of management members

In accordance with Art. 19 of the European Market Abuse Regulation, members of the board of management and persons closely associated with them must disclose managers' transactions in Porsche SE shares or debt securities or any related derivatives or other related financial instruments. Porsche SE publishes announcements about transactions of this kind on the Porsche SE website and in other media.

III. Supervisory board

1. Composition of the supervisory board

The size and composition of the supervisory board of Porsche SE are based on the European SE provisions and a co-determination agreement entered into with representatives of the Porsche's European employees in 2007 and as amended by the agreements dated 1 February 2017 and 9 September 2022 as well as the provisions of the articles of association.

The supervisory board comprises exclusively members appointed by the annual general meeting (shareholder representatives). In accordance with the articles of association, the supervisory board comprises ten shareholder representatives, who are listed on the Porsche SE website at

http://www.porsche-se.com/en/company/supervisory-board

As required by law and the articles of association as well as in compliance with the recommendations of the GCGC followed by the company, the composition of the supervisory board of Porsche SE ensures the qualified monitoring of, and provision of advice to, the board of management at all times. Monitoring and advice also include sustainability issues. The supervisory board has to ensure that its members collectively have the knowledge, skills, and professional expertise required to properly perform these duties. For this purpose, the composition of the supervisory board reflects in particular the activities of the company as a capital-market-oriented investment holding company with international operations in the area of mobility solutions as well as the ownership structure of the company.

Requirements profile, specific targets for the composition and diversity concept

Against this background, the supervisory board has adopted, in accordance with recommendation C.1 of the GCGC, a profile of skills and expertise as well as additional objectives regarding its composition aiming, in particular, for a diverse composition of the supervisory board (together the "profile of requirements"). The recommendations of the nominations committee to the supervisory board and the supervisory board's recommendations for election to the annual general meeting should take appropriate account of the criteria set out in the profile of requirements for searching for and selecting suitable candidates.

The full supervisory board should have skills that are of material importance for the activities of the company as a capital-market-oriented investment holding company with international operations in the areas of mobility solutions. This includes in particular knowledge, skills and professional experience in

- monitoring and advising the management of capital-market-oriented companies with international operations;
- developing, designing, manufacturing and selling vehicles and vehicle components on the international market;
- the area of technical and scientific innovations, in particular the automotive industry and its digitalization as well as the development of smart traffic and mobility concepts;
- company mergers and acquisitions;
- accounting, controlling, risk management as well as legal affairs and compliance at capital-market-oriented companies with international operations;
- sustainability issues of importance for the company.

Irrespective of the above, there must be at least one member of the supervisory board at all times who has expertise in the area of financial reporting and at least one other member of the supervisory board who has expertise in the area of auditing. Furthermore, one of these members of the supervisory board or another member of the supervisory board must have both specific knowledge and experience in applying accounting principles and using internal control and risk management systems and be familiar with statutory audits. The members of the full supervisory board must be familiar with the sectors in which the company operates.

In accordance with recommendation C.1 sentence 5 GCGC, the status of the implementation of the profile of skills and expertise must be disclosed in a qualification matrix:

Qualification matrix of the supervisory board of Porsche Automobil Holding SE in accordance with recommendation C.1 sentence 5 GCGC:

In accordance with recommendation C.1 sentence 1 of the German Corporate Governance Codex (GCGC), the supervisory board of Porsche SE has set specific targets for its composition and developed a profile of skills and expertise. The full supervisory board is familiar with the field of activity of the company as a capital-market-oriented investment holding company with international operations in the area of mobility solutions and has competencies that are of material importance for the activities of the company. Based on an annual self-assessment, the members of the supervisory board currently have the following qualifications which, according to the objectives of the supervisory board, should be represented within the full supervisory board.

Qualification[1]	Dr. Wolfgang Porsche	Dr. Hans Michel Piëch	Mag. Josef Michael Ahorner	Mag. (FH) Marianne Heiß	Dr. Günther Horvath	Prof. Dr. Ulrich Lehner	Sophie Piëch	Dr. Ferdinand Oliver Porsche	Peter Daniell Porsche	Prof. TU Graz e.h. KR Ing. Siegfried Wolf
Monitoring and advising the management	●	●	●	●	●	●	●	●	●	●
Vehicles and vehicles components	●	●	●					●	●	●
Technical and scientific innovations	●	●		●		●	●	●	●	●
Company mergers and acquisitions	●	●		●	●	●		●	●	●
Accounting, controlling, risk management, legal affairs and compliance		●		●	●	●		●		
Sustainability				●		●	●		●	●
Financial reporting				●		●		●		
Auditing				●		●		●		

[1] The qualifications mentioned below provide a brief description of the knowledge, skills and professional experience described in more detail in the company's skills and expertise profile.

As regards the composition of the supervisory board, the following targets and diversity aspects should also be taken into account, where possible, with the objectives they express ("Targets for the composition of the company's supervisory board and diversity concept"):

- More than half of the members of the supervisory board (in any case for as long as the supervisory board consists solely of shareholder representatives) should be considered independent from the company and the board of management pursuant to recommendation C.7 of the GCGC.

- At least two members of the supervisory board should be independent from the controlling shareholders pursuant to recommendation C.9 of the GCGC.

- Pursuant to recommendation C.11 of the GCGC, no more than two former members of the board of management should belong to the supervisory board.

- Pursuant to recommendation C.12 of the GCGC, members of the supervisory board should not be members of governing bodies of, or exercise advisory functions at, significant competitors of the company and should not have any personal relationships with a significant competitor.

- In accordance with Sec. 111 (5) AktG, the supervisory board in 2022 set a target of 10% for female representation on the supervisory board by 31 May 2027. For the supervisory board's diversity concept, no target deviating from this percentage is to be set. The supervisory board has two female members, giving a female representation of 20%, thus exceeding the target set for female representation on the supervisory board.

- The supervisory board should exclusively comprise individuals who are able to devote the amount of time necessary to properly fulfill their duties as supervisory board members.

- In terms of its composition, the supervisory board should ensure an appropriate age structure. There is no age limit for members of the supervisory board or a maximum term of office to be served on the supervisory board. The supervisory board is still of the opinion that the ability to monitor and advise the board of management in its management of the company does not cease upon having reached a certain age or upon having served a certain term of office. A fixed age limit may also appear discriminatory.

- The members of the supervisory board should complement each other in terms of their educational and professional background and cover as broad a range of knowledge and experience as possible. In this context, particularly the role of the company as an investment management holding company and the company's respective investment portfolio must be given due consideration.

- The composition of the supervisory board should reflect an appropriate degree of international diversity considering the fact that the company holds foreign investments as well as German investments with international operations. In light of this, at least three supervisory board members should have international experience obtained either from a professional activity or training abroad or resulting from the member's origin.

Unless indicated otherwise, the above-mentioned targets relate to the full supervisory board. The supervisory board may only submit proposals for the election of a supervisory board member to the annual general meeting. Supervisory board members are generally elected by the annual general meeting.

Proposals for the election of supervisory board members submitted to the annual general meeting of Porsche SE must meet the statutory requirements for the composition of the supervisory board and should take into account the self-imposed targets of the profile of requirements. When making recommendations to the supervisory board, the nominations committee should therefore appropriately take into account the criteria set out in the profile of requirements when searching for and selecting suitable candidates.

In the supervisory board's opinion, the criteria of the profile of requirements are met in full by the current composition of the supervisory board.

Election to the supervisory board

The term of office of the supervisory board member Prof. TU Graz e.h. KR Ing. Siegfried Wolf, elected by the annual general meeting on 27 June 2019, ended at the end of the annual general meeting on 11 June 2024. At the proposal of the supervisory board – based on the recommendation of the nominations committee – the annual general meeting elected Prof. TU Graz e.h. KR Ing. Siegfried Wolf as member of the supervisory board for a further term of office until the end of the annual general meeting that resolves on the approval of the acts of the members of the supervisory board for the fiscal year 2028.

Specialist knowledge in the areas of financial reporting and auditing

The members of the full supervisory board are familiar with the sectors in which the company operates. Furthermore, there are members of the supervisory board who have specialist knowledge in the areas of financial reporting and auditing. In accordance with the legal requirements under FISG ["Finanzmarktintegritätsstärkungsgesetz": Financial Market Integrity Strengthening Act], there are at least two supervisory board members who have this specialist knowledge. Pursuant to Sec. 100 (5) AktG, there must be at least one member of the supervisory board who has expertise in the area of financial reporting and at least one other member of the supervisory board who has expertise in the area of auditing. The supervisory board has two members, audit committee members Prof. Dr. Ulrich Lehner and Dr. Ferdinand Oliver Porsche, who have extensive knowledge and specific expertise in these areas thanks to their many years of experience in dealing with issues relating to financial reporting, auditing and internal control procedures.

Independence of the shareholder representatives

At least two shareholder representatives should, in the assessment of the supervisory board, be independent within the meaning of recommendation C.6 GCGC. The supervisory board is of the opinion that it has an appropriate number of members who are independent shareholder representatives.

The following three members of the supervisory board are members who are independent from the company, the board of management and the controlling shareholders within the meaning of recommendation C.6 GCGC: Mag. (FH) Marianne Heiß, Prof. Dr. Ulrich Lehner and Prof. TU Graz e.h. KR Ing. Siegfried Wolf.

In any case, the following six members of the supervisory board are independent from the company and its board of management within the meaning of recommendation C.7 GCGC: Mag. Josef Michael Ahorner, Mag. (FH) Marianne Heiß, Dr. Günther Horvath, Ms. Sophie Piëch, Mr. Peter Daniell Porsche and Prof. TU Graz e.h. KR Ing. Siegfried Wolf. Dr. Wolfgang Porsche, Dr. Hans Michel Piëch, Dr. Ferdinand Oliver Porsche and Prof. Dr. Ulrich Lehner have been on the supervisory board for more than 12 years, thus fulfilling one of the indicators for a potential restriction of their independence within the meaning of recommendation C.7 GCGC. Nonetheless, the supervisory board is of the opinion that Dr. Wolfgang Porsche, Dr. Hans Michel Piëch, Dr. Ferdinand Oliver Porsche and Prof. Dr. Ulrich Lehner are independent. The work of the supervisory board and its committees shows that Dr. Wolfgang Porsche, Dr. Hans Michel Piëch, Dr. Ferdinand Oliver Porsche and Prof. Dr. Ulrich Lehner continue to maintain the required critical distance from the company and its board of management which allows them to appropriately monitor and assist the board of management in managing the company.

The following three members of the supervisory board are members who are independent from the controlling shareholders within the meaning of recommendation C.9 GCGC: Mag. (FH) Marianne Heiß, Prof. Dr. Ulrich Lehner and Prof. TU Graz e.h. KR Ing. Siegfried Wolf.

2. Working methods of the supervisory board

The members of the supervisory board jointly fulfill the supervisory board's statutory duties and those imposed by the articles of association. The duties of the supervisory board include, in particular, monitoring and advising the management. In addition to this, certain types of transaction of the board of management require the prior approval of the supervisory board. Material transactions with related parties pursuant to Sec. 111b (1) AktG also require the approval of the supervisory board.

The supervisory board is subject to the rules of procedure that can be found on the Porsche SE website

http://www.porsche-se.com/en/company/corporate-governance/

The supervisory board cooperates closely with the other company bodies for the good of the company. Its members have the same rights and duties; they are not bound by orders or instructions, especially not those of the shareholders.

The chairman of the supervisory board convenes supervisory board meetings giving at least fourteen days' notice. The supervisory board must meet at least twice in a calendar half year and should meet once a quarter. In addition, supervisory board meetings must be convened if there is a special reason. In the fiscal year 2024, the supervisory board convened four ordinary meetings.

All or individual members of the board of management participate in the meetings of the supervisory board as necessary. The supervisory board also has regular discussions without the board of management's participation. The chairman of the supervisory board decides whether the members of the board of management are to participate or not. Whenever a member requests to participate, the supervisory board decides. If the auditor attends a meeting as an expert, the board of management and the head of finance do not attend this meeting unless the supervisory board deems it essential that they participate.

The supervisory board has a quorum if all of its members have been invited and at least half of the members required by the articles of association participate in the resolution. Resolutions are passed by a majority vote of the participating board members.

In the event of a tied vote, the chairman casts the deciding vote. Resolutions of the supervisory board may also be passed in a telephone or video conference or outside meetings by casting votes in writing, over the phone, or in text form if the chairman of the supervisory board so determines.

Further information on the work of the supervisory board, in particular on the meetings in the fiscal year 2024 (e.g., on the attendance of the supervisory board members and on the topics discussed), can be found in the report of the supervisory board as part of the annual report at

https://www.porsche-se.com/en/investor-relations/financial-publications

Dealing with conflicts of interest

Due to the influence of individual members of the supervisory board of Porsche SE on ordinary shareholders of Porsche SE or the fact that individual supervisory board members are also members of the supervisory boards of Porsche SE, Volkswagen AG and Porsche AG or individual Volkswagen subsidiaries, conflicts of interest may arise for these members of the supervisory board in certain cases.

In the reporting year, any conflicts of interest were handled in accordance with the following basic principle: the members of the supervisory board of Porsche SE determine whether there are any conflicts of interest, in particular prior to meetings and when passing resolutions, and disclose such conflicts if and as necessary. This applies especially to members who are also members of the supervisory board of Volkswagen AG or the supervisory board of Porsche AG. If the supervisory board members determine that a conflict of interest exists, the members concerned do not participate in the vote on the relevant resolution or abstain from voting. Members of the supervisory board cannot participate in a vote by voting yes or no if the resolution concerns a transaction with the company in which they are involved as a party or if the resolution concerns the initiation of a lawsuit between such members and the company.

Self-assessment of the supervisory board

In accordance with recommendation D.12 GCGC, the supervisory board assesses generally every two years the level of effectiveness with which the full supervisory board and its committees perform their duties. For this purpose, a questionnaire is distributed to the members of the supervisory board, in which they give their opinion as to the effectiveness of the working methods of the supervisory board and can suggest ways of improving them. The results of the evaluation of these questionnaires are discussed at the supervisory board’s next ordinary meeting, and possible improvements explored. The most recent self-assessment pursuant to recommendation D.12 GCGC was conducted in the second half of the fiscal year 2024. The supervisory board evaluated its own work and that of its committees according to certain defined criteria. Individual members of the supervisory board also made suggestions for changes or improvements to the working methods of the supervisory board and its committees, which were subsequently discussed by the full supervisory board. The result of the self-assessment was that there was no need for fundamental changes.

Training measures

As a matter of principle, the members of the supervisory board are responsible for obtaining the (further) training required for the performance of their duties and are supported in these endeavors by Porsche SE both in terms of organization and by assuming any costs incurred. In December 2023, a training session was held for the full supervisory board that provided information on batteries in the automotive sector from an investor’s perspective. Most recently, in October 2024, the full supervisory board received training on combating corruption and bribery. Porsche SE also provides extensive support to new supervisory board members, including consulting internal and, if necessary, also external experts when they take office.

Performance of duties and cooperation with the board of management

In the fiscal year 2024, the supervisory board again performed all the duties assigned to it by law or the articles of association. The supervisory board advised the board of management on managing the company and carefully monitored its actions. The supervisory board was also involved in all fundamental decisions. It was informed by the board of management regularly, comprehensively and without delay about the key aspects of business development, the results of operations as well as the risks and their management. The supervisory board made its decisions based on comprehensive reports and proposals for resolution provided by the board of management. The supervisory board had ample opportunity to discuss the reports and proposals for resolutions of the board of management in plenary sessions and in the committees. The board of management comprehensively informed the supervisory board about projects and transactions of particular importance or urgency, both at and outside meetings. The supervisory board passed all resolutions required by law or the articles of association, sometimes also by circular resolutions. The chairman of the board was in constant contact with the board of management. It was therefore possible to discuss events of exceptional importance for the situation and development of the group without delay.

3. Committees of the supervisory board and their working methods

In the fiscal year 2024, the supervisory board established a total of three committees (executive committee, audit committee and nominations committee) to perform its duties. The specific composition of the committees established in the fiscal year 2024 is presented in the attached overview.

The committee meetings are convened by the respective committee chairman; as a rule, meetings should, if possible, be convened with no less than one week's notice. Committees that take decisions on behalf of the supervisory board only have a quorum if all members participate in the resolution by voting or abstaining. Each committee chairman regularly informs the supervisory board about the activities of their committee.

The committees support the supervisory board and prepare supervisory board resolutions as well as topics for discussion by the full supervisory board. Moreover, decision-making powers of the supervisory board may be delegated to the individual committees to the extent permitted by law.

Further information on the work of the committees can be found in the report of the supervisory board as part of the annual report at

https://www.porsche-se.com/en/investor-relations/financial-publications

Executive committee

In urgent cases, the executive committee decides on transactions that require the approval of the supervisory board in accordance with the rules of procedure of the board of management. The executive committee also functions as a personnel committee and makes recommendations to the supervisory board on concluding, amending and terminating contracts of employment for members of the board of management. The executive committee is responsible for approving any ancillary activities of the board of management members. In addition, the executive committee drafts a proposal for the amount of each board of management member's variable remuneration for each full fiscal year, taking into account the respective business and earnings situation and based on the performance of the individual member of the board of management. This proposal is submitted to the supervisory board of Porsche SE for approval. The executive committee is also responsible for preparing supervisory board resolutions and handling topics of discussion that are necessary or appropriate for implementing the investment strategy drawn up by the board of management. It may also make recommendations to the supervisory board.

The executive committee comprises the chairman of the supervisory board, his deputy and an additional member of the supervisory board. The chairman of the supervisory board is also the chairman of the executive committee.

Audit committee

The audit committee supports the supervisory board in monitoring the management of the company and deals in particular with reviewing accounting, monitoring the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the statutory audit, in particular the selection and independence of the auditor, the quality of the audit and the services additionally rendered by the auditor as well as compliance.

The audit committee's review of accounting particularly relates to the consolidated financial statements and the combined group management report, interim financial information and the annual financial statements prepared in accordance with HGB. The audit committee deals with the half-yearly financial report and the group quarterly statements for the supervisory board and discusses them with the board of management and the auditor. The audit committee also focuses on the dependent company report, the proposal for profit appropriation and, if necessary, the non-financial group report, and prepares them for review by the supervisory board.

In connection with the audit, the audit committee submits to the supervisory board a recommendation for the appointment of the auditor, which – except in cases where the auditor is reappointed – is prepared following a selection procedure within the meaning of Art. 16 (3) Regulation (EU) No 537/2014, comprises at least two candidates and is explained. In addition, the audit committee monitors the independence of the auditor and ensures that the auditor's non-audit services assigned by the board of management do not give rise to any indication of grounds for exclusion or disqualification or that endanger the independence of the auditor. The audit committee is authorized to award the audit engagement to the auditor elected by the annual general meeting, to agree on the fee with the auditor and to determine the key topics of its audit and its information duties on behalf of the supervisory board. It also deals with the key audit matters and regularly assesses the quality of the audit.

Finally, the audit committee may, in accordance with the rules of procedure of the supervisory board, exercise the supervisory board's special inspection and audit rights pursuant to Sec. 111 (2) AktG where this appears necessary or useful in performing its duties. The audit committee is entitled to obtain information from the auditor and the board of management in connection with the performance of its duties. Furthermore, each member of the audit committee may directly obtain information via the chairman of the audit committee from the heads of the corporate functions responsible for performing the duties relating to the audit committee.

The audit committee consists of three members. At least one member of the audit committee must have specialist knowledge in the area of accounting, and at least one other member must have specialist knowledge in the area of auditing. In accordance with recommendation D.3 GCGC, expertise in the area of accounting consists of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the area of auditing consists of special knowledge and experience in the auditing of financial statements. Accounting and auditing also includes, where relevant, the non-financial group report and its audit. The chairman of the audit committee has to have appropriate expertise in at least one of the two areas. The chairman of the supervisory board should not chair the audit committee.

The above-mentioned requirements were met in the fiscal year 2024. Prof. Dr. Ulrich Lehner as chairman of the audit committee and Dr. Ferdinand Oliver Porsche as member of the audit committee each have the necessary expertise in the area of financial reporting and auditing. Both Prof. Dr. Ulrich Lehner and Dr. Ferdinand Oliver Porsche have profound expertise in the areas of financial reporting and auditing due in particular to their many years of performing management duties as well as their activities as supervisory board members of large corporations. Prof. Dr. Ulrich Lehner also worked as a tax advisor and auditor and worked at various companies in the areas of controlling, financial reporting and finance for several years. Dr. Ferdinand Oliver Porsche has deepened his knowledge in the area of auditing and financial reporting through his many years as chairman on the audit committee of Volkswagen AG.

The chairman of the board of management, the board of management member responsible for finance and IT, the board of management member responsible for legal affairs and compliance and the head of finance participate in the audit committee meetings unless the chairman of the audit committee decides otherwise in the individual case. If the auditor attends a meeting as an expert, the board of management and the head of finance do not attend this meeting unless the audit committee deems it essential that they participate. Regardless of this, the audit committee regularly consults with the auditor without the board of management's participation. In addition, the chairman of the audit committee also communicates with the auditor outside of meetings and reports to the audit committee on this communication.

Nominations committee

The nominations committee recommends suitable candidates to the supervisory board for the supervisory board's proposals to the annual general meeting concerning the election of supervisory board members. In the fiscal year 2024, the nominations committee convened once and proposed to the supervisory board that Prof. TU Graz e.h. KR Ing. Siegfried Wolf be elected for further term.

The nominations committee consists of three members. The chairman of the supervisory board always acts as the chairman of the nominations committee.

4. Remuneration

The remuneration of Porsche SE's supervisory board members is governed by Art. 13 of the articles of association. Pursuant to this, the members of the supervisory board receive fixed remuneration for their work, the exact amount of which depends on the duties assumed on the supervisory board or its committees, and reimbursement of their expenses. No variable compensation is paid. The remuneration of the members of the supervisory board was last submitted to the annual general meeting for resolution on 23 July 2021 and was unanimously approved by the annual general meeting. No adjustments were made to the existing remuneration system in the fiscal year 2024. The board of management and supervisory board continue to consider the remuneration to be appropriate. The remuneration system of the supervisory board is to be submitted to the annual general meeting of Porsche SE on 23 May 2025 for confirmation.

The remuneration report for the fiscal year 2024 prepared by the board of management and the supervisory board and the auditor's report pursuant to Sec. 162 AktG as well as the most recent remuneration resolution pursuant to Sec. 113 (3) AktG are published on our website at

https://www.porsche-se.com/en/company/corporate-governance

5. Securities transactions of the supervisory board members

In accordance with Art. 19 of the European Market Abuse Regulation, members of the supervisory board as well as persons closely associated with them must disclose managers' transactions in Porsche SE shares or debt securities or any related derivatives or other related financial instruments. Porsche SE publishes announcements about transactions of this kind on the Porsche SE website and in other media.

IV. Shareholders and annual general meeting

Porsche SE's share capital is equally divided into ordinary shares and non-voting preference shares. To the extent provided for in the articles of association, the shareholders exercise their rights before or during the annual general meeting and, if they hold ordinary shares, exercise their voting rights. When passing resolutions, each ordinary share of Porsche SE carries one vote. There are no shares with multiple or preferential voting rights, nor are there any maximum voting rights.

Every shareholder is entitled to take part in the annual general meeting, to express an opinion on items on the agenda, to table motions and to demand information about company matters if this is necessary to properly judge an item on the agenda.

Annual general meetings of Porsche SE may be held in person or, as a result of an authorization in the articles of association approved by the annual general meeting in 2023, virtually without the physical presence of the shareholders or their proxies.

The annual general meeting decides on the appropriation of profits as well as the approval of the acts of the board of management and supervisory board and elects the members of the supervisory board and the auditor. The annual general meeting also decides in particular on the articles of association and the purpose of the company and on key corporate measures such as corporate contracts in particular.

Porsche Automobil Holding SE

List of all committees of the supervisory board of Porsche Automobil Holding SE and their members in the fiscal year 2024

Executive committee:

- Dr. Wolfgang Porsche (chairman)
- Dr. Hans Michel Piëch
- Dr. Ferdinand Oliver Porsche

Audit committee:

- Prof. Dr. Ulrich Lehner (chairman)
- Dr. Hans Michel Piëch
- Dr. Ferdinand Oliver Porsche

Nominations committee:

- Dr. Wolfgang Porsche (chairman)
- Dr. Hans Michel Piëch
- Dr. Ferdinand Oliver Porsche

More information on the above-mentioned and serving committee members, in particular on their occupation as well as membership on supervisory boards and other control bodies, can be found at

https://www.porsche-se.com/en/company/supervisory-board

Porsche SE – Information on the financial statements in accordance with HGB

Results of operations

In the fiscal year 2024, Porsche SE generated a net loss of €1,521 million (net profit: €1,441 million), of which €1,683 million (€1,510 million) related to the investment result and minus €2,926 million (€0 million) to impairment losses on financial assets. The investment result mainly comprises dividend income from the investment in Volkswagen AG amounting to €1,441 million (€1,393 million) and from the investment in Porsche AG amounting to €262 million (€114 million). This is in line with the dividend income of €1.7 billion expected for the fiscal year 2024 in the combined group management report for the fiscal year 2023. The investment result also contains an expense (net) from profit and loss transfer agreements of €20 million (income of €3 million). Impairment of financial assets relates entirely to impairment losses on the carrying amount of the investment in Porsche AG. Due to the lower carrying amount of the investments in Volkswagen AG in the separate financial statements prepared in accordance with the German Commercial Code compared to the IFRS consolidated financial statements, no write-downs on the carrying amount of the investments in Volkswagen AG were carried out.

Other operating income from the prior period primarily includes income from a claim for compensation against Volkswagen AG. This resulted from a compensation mechanism in the contribution agreement, based on tax benefits and tax disadvantages, in connection with the contribution of the holding business operations of Porsche SE to Volkswagen AG in the fiscal year 2012.

The development of the interest result is related in particular to the increase in cash and cash equivalents and marketable securities which was higher than the increase in financial liabilities, i.e., the corresponding increased interest income more than offset the increased interest expenses.

Income statement of Porsche Automobil Holding SE

€ million	2024	2023
Revenue	0	0
Other operating income	5	234
Personnel expenses	–16	–19
Other operating expenses	–19	–20
Result from investments	1,683	1,510
Impairment losses on financial assets	–2,926	
Interest result	–244	–267
Income tax	–5	3
Result after tax	**–1,521**	**1,441**
Other tax	0	0
Net profit or loss	**–1,521**	**1,441**
Transfer to (-) or withdrawal from (+) retained earnings	2,105	–658
Net profit available for distribution	**584**	**783**

Net assets and financial position

Fixed assets of €30,632 million (€33,488 million) primarily contain the investment in Volkswagen AG of €22,912 million (€22,912 million) as well as the investment in Porsche AG of €7,180 million (€10,106 million). The decrease in the carrying amount of the investment in Porsche AG is the result of an impairment loss of €2,926 million.

Receivables from affiliated companies mainly contain receivables from domination and profit and loss transfer agreements.

Cash and cash equivalents contain bank balances including short-term time deposits.

Provisions contain items for pensions and similar obligations, tax provisions as well as other provisions.

In April 2024, Porsche SE issued two bonds with a volume of €1.6 billion. The bonds have maturities until September 2029 and September 2032. The five-year tranche with a volume of €750 million has a coupon of 3.750%, the eight-year tranche with a volume of €850 million has a coupon of 4.125%. On the other hand, liabilities to banks totaling €770 million were repaid in the fiscal year 2024.

As before, the liabilities relate largely to loan relationships entered into with subsidiaries as well as liabilities due to domination and profit and loss transfer agreements.

Balance sheet of Porsche Automobil Holding SE

€ million	**31/12/2024**	31/12/2023
Assets		
Fixed assets	30,632	33,488
Receivables from affiliated companies	9	6
Other assets	14	19
Marketable securities	576	283
Cash and cash equivalents	1,823	724
Prepaid expenses	12	9
	33,067	**34,530**
Equity and liabilities		
Equity	25,061	27,365
Provisions	94	94
Bonds	3,666	2,062
Schuldschein loan	2,796	2,805
Liabilities to banks	1,173	1,953
Liabilities	278	251
	33,067	**34,530**

Overall statement on the economic situation of Porsche SE

The board of management of Porsche SE considers the economic situation of the company and its significant investments in Volkswagen AG and Porsche AG to be solid despite the challenging environment.

For the core investments of Porsche SE, the fiscal year 2024 was associated with an increasingly changed and highly challenging economic and political environment, particularly with regard to the intensifying competition in the automotive sector, market developments in China, the slower ramp-up of electromobility and further rising geopolitical tensions and protectionist tendencies. At Porsche AG, business development was also shaped in particular by start-up costs in connection with an extensive renewal of the product portfolio.

In particular, changes in future expectations with regard to Porsche AG led to a non-cash impairment loss of €2,926 million in the separate financial statements of Porsche SE for the fiscal year 2024 (please refer to the section “Significant events and developments at the Porsche SE Group”). The impairment loss on the carrying amount of the shares in Porsche AG on the one hand and the dividend income from the investments in Volkswagen AG and Porsche AG on the other had a significant impact on the separate financial statements in accordance with the German Commercial Code of Porsche SE. These report a net loss of €1,521 million for the fiscal year 2024 (net profit: €1,441 million). The dividend income recognized in the fiscal year corresponds to the dividend income expected for Porsche SE in the fiscal year 2024 in the combined group management report for the fiscal year 2023.

Risks relating to the business development

The risks relating to the development of Porsche SE's business are closely connected to the risks relating to the core investments in Volkswagen AG and in Porsche AG and to the development of the legal proceedings. The risks are described in the section "Opportunities and risks of future development".

Dividend proposal

Porsche SE's dividend policy is geared toward distributing a reliable and attractive dividend, with the shareholders participating appropriately in Porsche SE's financial development (see also section "Goals and strategies" in the chapter "Fundamental information about the group").

The separate financial statements in accordance with the German Commercial Code of Porsche SE as of 31 December 2024 report a net profit available for distribution of €584 million consisting of a net loss of €1,521 million and a withdrawal from retained earnings of €2,105 million. Porsche SE's board of management proposes a resolution for the distribution of a dividend of €1.904 (€2.554) per ordinary share and €1.910 (€2.560) per preference share, i.e., a total distribution of €584 million (€783 million).

Dependent company report

In accordance with Sec. 312 AktG, Porsche SE has drawn up a report on relations with holders of its ordinary shares and companies affiliated with these (dependent company report). The conclusion of this report is as follows: "In accordance with the stated in the report were conducted, Porsche SE has rendered or, as the case may be, received reasonable payment. The company was not disadvantaged by these transactions".

Outlook

We refer to the statements in the section "Anticipated development of the Porsche SE Group" under "Forecast report and outlook", which also in particular reflect the expectations for the parent company. Based on the dividend proposed by the board of management and the supervisory board of Volkswagen AG, Porsche SE expects a dividend of €6.30 per Volkswagen ordinary share and €6.36 per Volkswagen preference share as well as, based on the dividend proposed by the board of management and the supervisory board of Porsche AG, €2.30 per Porsche AG ordinary share for the fiscal year 2024. As a result, dividend income of Volkswagen AG and Porsche AG totaling €1.3 billion (before deduction of capital gains tax) is expected at the level of Porsche SE, which is likely to have a significant impact on the separate financial statements and net income for 2025. The board of management of Porsche SE also proposes to the annual general meeting a resolution for the distribution of a dividend of €1.904 per ordinary share and €1.910 per preference share, i.e., a total distribution of €584 million for the fiscal year 2024.

Stuttgart, 19 March 2025
Porsche Automobil Holding SE

The board of management

4

Financials

4

Financials
Consolidated financial statements

Consolidated income statement of Porsche Automobil Holding SE for the period from 1 January to 31 December 2024

€ million	Note		2024		2023
Result from investments accounted for at equity	[4], [5]		–19,861		5,208[1]
Result from ongoing at equity accounting			3,430		5,208[1]
Result from impairment tests and remeasurements			–23,292		–1
Income from investment valuation	[6]		13		1
Expenses from investment valuation	[6]		–29		–1
Result from investments			**–19,878**		**5,208[1]**
Other operating income	[7]		5		220
Personnel expenses	[8]		–17		–17
Amortization and depreciation			–1		–1
Other operating expenses	[9]		–18		–18
Result before financial result			**–19,909**		**5,391[1]**
Finance costs			–319		–293
Other financial result			78		24
Financial result	**[10]**		**–241**		**–269**
Result before tax			**–20,150**		**5,122[1]**
Income tax	[11]		133		–47[1]
Adjusted result after tax	**[12]**	**3,151**		**5,074[1]**	
Result from impairment tests and remeasurements of core investments		–23,287			
Deferred tax on impairment tests and remeasurements of core investments		119			
Result after tax			**–20,017**		**5,074[1]**
thereof attributable to shareholders of Porsche SE			–20,017		5,074[1]
Earnings per ordinary share (basic and diluted) in €	[15]		–65.36		16.57[1]
Earnings per preference share (basic and diluted) in €	[15]		–65.36		16.57[1]

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

Consolidated statement of comprehensive income of Porsche Automobil Holding SE for the period from 1 January to 31 December 2024

€ million	2024	2023
Result after tax	**–20,017**	**5,074[1]**
Remeasurements of pensions	0	–3
Deferred tax on remeasurements of pensions	0	1
Other comprehensive income not to be reclassified to profit or loss in subsequent periods from investments accounted for at equity (before tax)	676	–648
Deferred tax on other comprehensive income not to be reclassified to profit or loss in subsequent periods from investments accounted for at equity	–159	216
Deferred tax not to be reclassified to profit or loss in subsequent periods on investments in associates	–8	7
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods	510	–428
Other comprehensive income to be reclassified to profit or loss in subsequent periods from cashflow hedges (before tax)	–17	–103
Deferred tax on other comprehensive income to be reclassified to profit or loss in subsequent periods from cashflow hedges	5	31
Other comprehensive income to be reclassified to profit or loss in subsequent periods from investments accounted for at equity (before tax)	110	–608
Deferred tax on other comprehensive income to be reclassified to profit or loss in subsequent periods from investments accounted for at equity	131	–34
Deferred tax to be reclassified to profit or loss in subsequent periods on investments in associates	–4	10
Total other comprehensive income to be reclassified to profit or loss in subsequent periods	226	–704
Other comprehensive income after tax	**736**	**–1,132**
Total comprehensive income	**–19,281**	**3,943[1]**
thereof attributable to shareholders of Porsche SE	–19,281	3,943[1]

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

Consolidated balance sheet of Porsche Automobil Holding SE as of 31 December 2024

€ million	Note	31/12/2024	31/12/2023
Assets			
Intangible assets		0	0
Property, plant and equipment		1	1
Investments accounted for at equity	[4], [13]	40,270	60,993[1]
Other financial assets	[14], [22]	150	103
Other assets		0	0
Non-current assets		**40,421**	**61,097[1]**
Other financial assets	[14], [22]	13	19
Other assets		2	1
Income tax receivables	[11]	3	3
Securities	[22]	576	283
Time deposits	[22]	140	230
Cash and cash equivalents	[22]	1,686	494
Current assets		**2,419**	**1,030**
		42,841	**62,126[1]**
Equity and liabilities			
Subscribed capital	[15]	306	306
Capital reserves	[15]	4,884	4,884
Retained earnings	[15]	29,850	50,574[1]
Other reserves (OCI)	[15]	67	–669
Equity		**35,108**	**55,096[1]**
Provisions for pensions and similar obligations	[16]	33	32
Other provisions	[17]	20	24
Financial liabilities	[18], [22]	7,447	6,616
Other financial liabilities	[14], [22]	36	43
Other liabilities		1	1
Deferred tax liabilities	[11]	46	177[1]
Non-current liabilities		**7,583**	**6,893[1]**
Provisions for pensions and similar obligations	[16]	1	1
Other provisions	[17]	18	18
Trade payables	[22]	3	1
Financial liabilities	[18], [22]	114	109
Other financial liabilities	[22]	1	1
Other liabilities		5	5
Income tax liabilities	[11]	8	3
Current liabilities		**150**	**137**
		42,841	**62,126[1]**

1 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

Consolidated statement of changes in equity of Porsche Automobil Holding SE for the period from 1 January to 31 December 2024

€ million	Subscribed capital	Capital reserves	Retained earnings	Other reserves (OCI)	Total equity
As of 1 January 2023	306	4,884	46,476	473	52,139
Restatement of prior-year figures in accordance with IAS 8			−209		−209
As of 1 January 2023 restated	306	4,884	46,266	473	51,930
Result after tax			5,074[1]		5,074[1]
Other comprehensive income after tax				−1,132	−1,132
Total comprehensive income			5,074[1]	−1,132	3,943[1]
Dividend payment			−783		−783
Other changes in equity arising from the level of investments accounted for at equity			16	−10	6
As of 31 December 2023	**306**	**4,884**	**50,574[1]**	**−669**	**55,096[1]**
As of 1 January 2024	**306**	**4,884**	**50,574[1]**	**−669**	**55,096[1]**
Result after tax			−20,017		−20,017
Other comprehensive income after tax				736	736
Total comprehensive income			−20,017	736	−19,281
Dividend payment			−783		−783
Other changes in equity arising from the level of investments accounted for at equity			76	0	76
As of 31 December 2024	**306**	**4,884**	**29,850**	**67**	**35,108**

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

Equity is explained in note [15].

Consolidated statement of cash flows of Porsche Automobil Holding SE for the period from 1 January to 31 December 2024

€ million	2024	2023
1. Operating activities		
Result after tax	–20,017	5,074[1]
Result from investments	19,878	–5,208[1]
Amortization and depreciation	1	1
Interest expenses	319	293
Interest income	–78	–24
Income tax expense (+) / income (-)	–133	47[1]
Other non-cash expenses (+) and income (-)	–1	0
Change in other assets	–1	–1
Change in provisions for pensions	–1	0
Change in other provisions	–5	–13
Change in other liabilities	6	–3
Dividends received	1,703	1,529
Payments received in connection with the termination of derivative contracts	1	97
Interest paid	–317	–248
Interest received	76	17
Income tax paid	0	–5
Income tax received	0	316
Cash flow from operating activities	**1,431**	**1,873**
2. Investing activities		
Cash paid for the acquisition of intangible assets and property, plant and equipment	0	0
Cash paid for the acquisition of shares in investments accounted for at equity	–7	–15
Cash paid for the acquisition of other shares in entities	–67	–49
Change in investments in securities	–293	–214
Change in investments in time deposits	90	35
Cash flow from investing activities	**–277**	**–243**
3. Financing activities		
Dividends paid to shareholders of Porsche SE	–783	–783
Cash received from raising financial liabilities	1,591	4,711
Cash paid for settlement of financial liabilities	–771	–5,151
Cash flow from financing activities	**37**	**–1,222**
4. Cash and cash equivalents		
Cash and cash equivalents as of 1 January	494	86
Change in cash and cash equivalents (subtotal of 1 to 3)	1,192	408
Cash and cash equivalents as of 31 December	**1,686**	**494**

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

Note [19] contains further explanations on the consolidated statement of cash flows.

Notes to the consolidated financial statements

Notes to the consolidated financial statements of Porsche Automobil Holding SE for the fiscal year 2024

Basis of presentation

[1] Significant accounting policies

Corporate information

Porsche Automobil Holding SE ("Porsche SE" or the "company") is a European Company (Societas Europaea) and is headquartered at Porscheplatz 1 in 70435 Stuttgart, Germany. As the parent company of the Porsche SE Group, Porsche SE prepares the consolidated financial statements for the largest group of companies. The company is registered at the Stuttgart Local Court under HRB 724512.

Porsche SE is a holding company with investments in the areas of mobility and industrial technology. Its business activities include in particular the acquisition, holding and management as well as the disposal of investments.

In particular, Porsche SE holds the majority of the ordinary shares in Volkswagen Aktiengesellschaft, Wolfsburg ("Volkswagen AG", "Volkswagen" or "VW"), one of the leading automobile manufacturers in the world. Porsche SE also holds a direct interest in Dr. Ing. h.c. F. Porsche AG, Stuttgart ("Porsche AG"). These long-term investments in Volkswagen AG and Porsche AG form the core investments category. In the portfolio investments category, the Porsche SE Group holds non-controlling interests in technology companies. Investments in private equity and venture capital funds are also allocated to this category. Portfolio investments are generally held by Porsche SE for a temporary period of time and are typically characterized by their high potential for growth and for increasing value during the holding period. In both categories, the sector focus on mobility and industrial technology can be supplemented by related areas. This categorization of Porsche SE's investments is also the basis for the segment reporting pursuant to IFRS 8 (see note [20]). With regard to the strategies and goals of Porsche SE and further information on the investments, reference is made to the explanations in the section "Fundamental information about the group" in the management report, which is combined with the group management report ("combined group management report").

The consolidated financial statements of Porsche SE are prepared in accordance with Sec. 315e HGB ["Handelsgesetzbuch": German Commercial Code] and are in compliance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU") as well as the additional requirements of German commercial law.

The fiscal year of the Porsche SE Group covers the period from 1 January to 31 December of a year.

The group's presentation currency is the euro (€). Unless otherwise stated, all figures are presented in millions of euro (€ million). All figures and percentages are rounded according to customary business practice, so discrepancies may arise from the addition of these amounts. Amounts smaller than €0.5 million are stated at zero. Amounts of €0.00 are not reported. The comparative prior-year figures are presented in parentheses alongside the figures for the current reporting period.

The income statement has been prepared using the nature of expense method.

The board of management prepared the consolidated financial statements and the combined group management report of Porsche SE by resolution on 19 March 2025. The period subsequent to the reporting date for which adjusting events can be disclosed ends on that date.

Changes to the prior-year period

Adjustment of the presentation in the consolidated income statement

The impairment losses recognized in the reporting period on the carrying amounts of the core investments – Volkswagen AG and Porsche AG – to their respective value in use as of 31 December 2024 (see notes [4], [5] and [13]) have a significant impact on Porsche SE's group result after tax for the fiscal year 2024. Future changes in the value in use of the core investments will also have a direct and full impact on their carrying amounts in subsequent periods and will be reflected in the group result after tax within the limits for the reversal of impairment losses. The group result after tax is therefore expected to continue to be significantly influenced by the determination of the value in use for the two core investments and only to a lesser extent by the proportionate result of the core investments attributable to Porsche SE by way of equity accounting. The group result after tax is thus significantly influenced by the terminal value of the core investments and is no longer fully suitable for assessing the operating performance in relation to the current or past reporting period.

Against this backdrop, the management system was further developed at the end of the fiscal year 2024. For management purposes, the group result after tax is now adjusted for certain items relating to the core investments ("adjusted group result after tax", see note [12]).

As a result, the presentation of the consolidated income statement has also been adjusted. It now contains, on the one hand, a breakdown of the result from investments accounted for at equity into the result from ongoing at equity accounting and, on the other, the result from impairment tests and remeasurements (see note [5]) and a reconciliation of the adjusted group result after tax to the group result after tax.

Please refer to the explanations in the combined group management report (section “Core management and financial indicator system”, chapter “Fundamental information about the group”).

Prior-year adjustment in accordance with IAS 8 at the level of the Volkswagen Group

At the level of the Volkswagen Group, it was found during the reporting year that obligations for granting fringe benefits had not been included in full when determining the provision for time credits. The error was corrected at the level of the Volkswagen Group in accordance with IAS 8 by adjusting the affected items accordingly in the consolidated financial statements for the prior years. A retrospective correction was made to the consolidated balance sheet of the Volkswagen Group as of 1 January 2023. This also resulted in corresponding adjustments being made to the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows of the Volkswagen Group for the fiscal year 2023.

As a result of applying the equity method to the investment in Volkswagen AG for the consolidated financial statements of Porsche SE (see section “General consolidation principles and determination of the scope of consolidation”), the restatement pursuant to IAS 8 at the level of the Volkswagen Group also has an indirect impact on Porsche SE’s consolidated financial statements.

The effects of this restatement on the consolidated income statement and the consolidated balance sheet of Porsche SE are presented in the reconciliations below:

€ million	2023	Prior-year restatement according to IAS 8	2023 after adjustments
Result from investments accounted for at equity	5,229	–21	5,208
Income from investment valuation	1		1
Expenses from investment valuation	–1		–1
Result from investments	**5,229**	**–21**	**5,208**
Other operating income	220	0	220
Personnel expenses	–17		–17
Amortization and depreciation	–1		–1
Other operating expenses	–18		–18
Result before financial result	**5,412**	**–21**	**5,391**
Financial result	**–269**	**0**	**–269**
Result before tax	**5,143**	**–21**	**5,122**
Income tax	–48	0	–47
Result after tax	**5,096**	**–21**	**5,074**

€ million	31/12/2023	Prior-year restatement according to IAS 8	31/12/2023 after adjustments
Assets			
Investments accounted for at equity	61,225	–232	60,993
thereof Volkswagen AG	50,670	–232	50,438
Other non-current assets	104		104
Non-current assets	**61,329**	**–232**	**61,097**
Current assets	**1,030**		**1,030**
	62,358	**–232**	**62,126**
Equity and liabilities			
Subscribed capital	306		306
Capital reserves	4,884		4,884
Retained earnings	50,804	–230	50,574
Other reserves (OCI)	–669		–669
Equity	**55,326**	**–230**	**55,096**
Non-current liabilities	**6,895**	**–1**	**6,893**
Current liabilities	**137**		**137**
	62,358	**–232**	**62,126**

The above adjustments to the consolidated income statement and the consolidated balance sheet for the prior year lead to corresponding adjustments in the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year 2023. There were no other effects.

Application of IFRSs

The accounting policies applied in the consolidated financial statements are in line with the IFRSs adopted by the EU as of 31 December 2024.

New or revised IFRSs adopted for the first time in the fiscal year

In the fiscal year 2024, amendments to IAS 1 (“Classification of Liabilities” and “Non-current Liabilities with Covenants”), IAS 7/IFRS 7 (“Supplier Finance Arrangements”) and IFRS 16 (“Lease Liability in a Sale and Leaseback”) were applicable for the first time.

The amendments mentioned above had no impact on the presentation of the Porsche SE Group's results of operations, financial position and net assets.

IFRSs not yet applied in the fiscal year

Standard		Published by IASB	First-time adoption	Adoption by the EU	Expected effects
IAS 21	Non-convertibility of currencies	15/8/2023	1/1/2025	Yes	No material impact
AIP (2024)	Improvements of International Financial Reporting Standards 2024 (IAS 7, IFRS 1, IFRS 7, IFRS 9, IFRS 10)	18/7/2024	1/1/2026	No	No impact
IFRS 7 / IFRS 9	Classification and measurement of financial instruments	30/5/2024	1/1/2026	No	No material impact
IFRS 7 / IFRS 9	Contracts for the supply of natural energy sources	18/12/2024	1/1/2026	No	No impact
IFRS 18	Presentation and disclosure in financial statements	9/4/2024	1/1/2027	No	The expected effects relate to the presentation of the income statement and additional adjustments in the notes, if applicable
IFRS 19	Subsidiaries without public accountability: disclosure	9/5/2024	1/1/2027	No	No impact

General consolidation principles and determination of the scope of consolidation

The financial statements of all subsidiaries and investments accounted for at equity were prepared as of the reporting date of the consolidated financial statements, which is the reporting date of Porsche SE. Where necessary, adjustments are made to uniform group accounting policies. Portfolio investments accounted for at equity are included in the consolidated financial statements based on the equity reports as of the reporting date which are often preliminary at the time of preparation.

The consolidated financial statements of Porsche SE include, in addition to Porsche SE, all entities controlled by Porsche SE as defined by IFRS 10 by means of full consolidation.

Companies where Porsche SE is able, directly or indirectly, to significantly influence financial and operating policy decisions (associates) are accounted for at equity in the consolidated financial statements of Porsche SE. Associates also include companies in which the Porsche SE Group holds the majority of voting rights, but whose articles of association or partnership agreements stipulate that important decisions may not be made without the approval of the other shareholders or where Porsche SE does not have control as defined by IFRS 10 for other reasons. Porsche SE holds the majority of voting rights in Volkswagen AG. The articles of association of Volkswagen AG prescribe that the State of Lower Saxony has a right to appoint two members of the supervisory board, provided that it holds at least 15% of the ordinary shares in Volkswagen AG. On account of the interest held by the State of Lower Saxony in Volkswagen AG, this delegation right prevents Porsche SE from including the Volkswagen Group in the consolidated financial statements of Porsche SE by way of full consolidation because Porsche SE cannot determine the majority on the supervisory board of Volkswagen AG and it consequently does not have control as defined by IFRS 10. Due to the significant influence nonetheless exercised by Porsche SE, its investment in Volkswagen AG is therefore accounted for in the consolidated financial statements of Porsche SE at equity.

Furthermore, the Porsche SE Group also holds the majority of voting rights in Incharge Fund I SCSp SICAV-RAIF, Luxembourg, Luxembourg (“Incharge Fund I”). As decisions on relevant activities cannot be made by a single investor, there is no control within the meaning of IFRS 10 with regard to Incharge Fund I. Due to the significant influence nonetheless exercised by Porsche SE, its investment in Incharge Fund I is therefore accounted for in the consolidated financial statements of Porsche SE at equity.

In addition, associates include companies in which the Porsche SE Group does not hold at least 20% of the voting rights within the meaning of the presumption of association under IAS 28, but nevertheless is able, directly or indirectly, to significantly influence financial and operating policy decisions, e.g., through rights to appoint or dismiss members of management or supervisory bodies. This applies to the Porsche SE Group’s investments in Isar Aerospace SE, Ottobrunn (“Isar Aerospace”), and INRIX Inc., Kirkland, Washington, USA (“INRIX”), in which the Porsche SE Group has been granted participation rights on the supervisory board and the board of directors including related committees. In cases in which the Porsche SE Group is unable to exercise significant influence despite holding at least 20% of the voting rights, for example due to provisions of the articles of association or partnership agreement, the presumption of association under IAS 28 is rebutted and the company is not accounted for in the consolidated financial statements of Porsche SE using the equity method, but rather in accordance with IFRS 9 (see note [1], section “Accounting policies”). This applies to the Porsche SE Group’s investment in EQT Future Co-Investment (H) SCSp, Luxembourg, Luxembourg. Although the Porsche SE Group holds 35.7% of the company’s committed capital, it cannot influence the financial and operating policy decisions.

The composition of the scope of consolidation as of 31 December 2024 is presented in note [3].

Accounting policies

The assets and liabilities of the companies included in the consolidated financial statements are accounted for using uniform accounting policies applicable at the Porsche SE Group. Generally speaking, these accounting policies are also used at the level of the core investments included as associates.

Since the contributions to profit or loss made by the investments in Porsche AG and in particular in Volkswagen AG accounted for at equity have a significant impact on the results of operations and net assets of the Porsche SE Group, accounting policies relevant only for transactions within the Volkswagen Group, including Porsche AG and its subsidiaries, are also included in the explanations below.

Measurement principles

With the exception of certain items, for example the investments accounted for at equity or financial instruments measured at fair value, the consolidated financial statements are prepared using the historical cost principle (cost model). The measurement principles used are described below in detail.

Intangible assets

Goodwill

Goodwill acquired in business combinations is measured at cost less any accumulated impairment losses.

At the level of the Porsche SE Group, there was no goodwill resulting from business combinations as of the reporting dates for the reporting periods presented.

Development

Development costs are recognized provided there is no doubt as to the recoverability and the other criteria for recognition as assets are met. The costs are amortized using the straight-line method from the start of use over the useful life – generally between three and nine years.

At the level of the Porsche SE Group, no development costs were incurred in the reporting periods presented.

Other intangible assets

Purchased intangible assets with finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortized, but instead tested annually for impairment. Intangible assets with finite useful lives are amortized on a straight-line basis over their useful life. Useful lives mainly range from three to five years.

At the level of the Porsche SE Group, intangible assets recognized as of the reporting dates for the reporting periods presented did not contain any assets with indefinite useful lives.

Property, plant and equipment

Property, plant and equipment are measured using the cost model. Investment grants received for assets are generally deducted from cost.

Property, plant and equipment are depreciated over the estimated useful life on a straight-line basis pro rata temporis.

Depreciation is based mainly on the following useful lives:

	Years
Buildings	20 to 50
Site improvements	10 to 20
Machines and technical equipment	6 to 12
Other equipment, furniture and fixtures (including special tools)	3 to 15

At the level of the Porsche SE Group, there is only other equipment, operating and office equipment.

Leases

Right-of-use assets for leases recognized in the balance sheet are presented in the balance sheet item in which the assets underlying the lease would have been recognized if the lessee had been their beneficial owner.

The exemptions for short-term leases and leases for low-value assets are used. No right-of-use asset or liability is recognized for such leases and the lease payments are recognized as an expense in the income statement. The Porsche SE Group acts exclusively as lessee, in particular for buildings and vehicles. Leases for which right-of-use assets and liabilities are recognized are immaterial at the level of the Porsche SE Group; the right-of-use assets are recognized as non-current assets under property, plant and equipment and the lease liabilities as financial liabilities.

At the level of the Volkswagen Group including Porsche AG and its subsidiaries, there are also leases that have Volkswagen group companies including Porsche AG and its subsidiaries as lessor. Vehicles leased out under operating leases are recognized at cost and depreciated to their estimated residual value using the straight-line method over the term of the lease. The forecast residual values are adjusted to include constantly updated internal and external information on residual values, depending on specific local factors and the experiences gained in the marketing of used cars. This requires making assumptions in particular about vehicle supply and demand in the future, as well as about vehicle price trends. Such assumptions are based either on qualified estimates or on data published by external experts. Qualified estimates are based on external data, where available, that reflect additional information that is available internally at the level of the Volkswagen Group, such as historical experience and current sales data.

Borrowing costs

Borrowing costs of qualifying assets are capitalized as part of the cost of these assets. A qualifying asset is an asset that necessarily takes at least a year to get ready for its intended use.

There were no qualifying assets at the level of the Porsche SE Group in the reporting periods presented.

Investments accounted for at equity

The cost of shares in associates and joint ventures is generally accounted for using the equity method.

If additional interests are acquired in associates without a change in status, each tranche is generally accounted for separately using the equity method. In the course of a purchase price allocation, equity is remeasured for the acquired interests. Hidden reserves and liabilities of identifiable assets and liabilities are recognized in an ancillary calculation and carried forward in tranches to subsequent periods. Any negative difference between the pro rata remeasured equity of the investee and its acquisition cost is recognized directly through profit or loss as a bargain purchase. Any positive difference is recognized as goodwill in the ancillary calculation.

If information on significant intercompany profits from transactions between associates (sidestream transactions) is available, the Porsche SE Group eliminates intercompany profits equivalent to the product of its shares in both associates in the course of at equity accounting.

Changes recognized directly in equity of the associate are also recognized directly on a pro rata basis in equity of the Porsche SE Group, provided these changes are not caused by transactions with Porsche SE itself.

An impairment test for investments in associates is carried out whenever there is objective evidence that the entire carrying amount of the investment is impaired. This also includes proportionate market capitalization of the associate below the carrying amount. If the recoverable amount, i.e., the higher of fair value less costs of disposal and value in use, is below the carrying amount accounted for at equity, an impairment loss is recognized. A review of whether the reasons for a previously recognized impairment loss still exist is carried out at least once a year. If the reasons for an impairment loss recognized in the past no longer exist, the impairment loss is reversed, i.e., the carrying amount accounted for at equity is written up. The amount reversed cannot result in a carrying amount that exceeds the amount that would have been determined as the carrying amount of the investment based on continued use of the equity method had no impairment loss been recognized for the asset. Expenses from impairments and income from reversals of impairment losses are recognized under the “result from investments accounted for at equity”. For further information on the impairment testing of investments in associates, see note [2] as well as notes [4], [5] and [13].

Impairment tests

An impairment test is performed at least once a year for goodwill, intangible assets not yet available for use and intangible assets with an indefinite useful life. For assets in use and other intangible assets with finite useful lives as well as property, plant and equipment, an impairment test is only performed when there are specific indications that the asset may be impaired. At the end of each reporting period, the group assesses whether there is any indication of impairment. With respect to the procedure for impairment testing of investments accounted for at equity, reference is made to the section “Investments accounted for at equity”.

At the level of the Porsche SE Group, continuing operations did not contain any goodwill, intangible assets not yet available for use or intangible assets with an indefinite useful life as of the reporting dates of the reporting periods presented. With regard to further information on impairment tests at the level of the Volkswagen Group, reference is made to the section “Accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group” in note [2].

Investment property

Real estate and buildings held in order to obtain rental income (investment property) are accounted for using the cost model; the depreciation method and the useful lives applied to depreciation generally correspond to those of the property, plant and equipment used by the company itself.

At the level of the Porsche SE Group, there was no investment property as of the reporting dates of the reporting periods presented.

Inventories

Inventories are carried at the lower of cost or net realizable value as of the reporting date. Borrowing costs are not capitalized. The measurement of same or similar inventories is generally based on the weighted average cost method.

At the level of the Porsche SE Group, there were no inventories as of the reporting dates of the reporting periods presented.

Financial instruments

Initial recognition of financial instruments

If, within the scope of application of IFRS 9, the trade date of a financial instrument differs from the settlement date, it is initially accounted for at the settlement date.

At the level of the Porsche SE Group, there were no instances of application in the reporting periods presented that could have led to effects from the timing difference between the trade and settlement date.

Subsequent measurement of financial assets

At the level of the Porsche SE Group, financial assets at amortized cost primarily include securities, time deposits, cash and cash equivalents and other financial assets. At the level of the Volkswagen Group including Porsche AG and its subsidiaries, this category includes receivables from the financing business, trade receivables, other receivables and financial assets, time deposits, cash and cash equivalents.

There were no financial assets (debt instruments) measured at fair value through other comprehensive income (FVOCI debt instruments) at the level of the Porsche SE Group as of the reporting dates of the reporting periods presented. However, other comprehensive income of the Porsche SE Group does contain corresponding proportionate changes in fair value of FVOCI debt instruments at the level of the Volkswagen Group including Porsche AG and its subsidiaries as a result of applying at equity accounting.

Upon initial recognition of an equity instrument as defined by IAS 32 not held for trading, the option can irrevocably be exercised to recognize fair value changes through other comprehensive income rather than through profit or loss. This option is currently not exercised at the Porsche SE Group. At the level of the Volkswagen Group including Porsche AG and its subsidiaries, this option is generally exercised for equity investments.

At the level of the Porsche SE Group, financial assets at fair value through profit or loss ("FVtPL") are largely made up of investments in portfolio companies and, in the prior year, derivatives to which hedge accounting is not applied. At the level of the Volkswagen Group including Porsche AG and its subsidiaries, this category primarily comprises hedging relationships to which hedge accounting is not applied and investment fund units. The fair value option, according to which other financial assets can be designated as at fair value through profit or loss upon initial recognition, is not applied.

Dividend income is recognized when the group's right to receive the payment is established.

Impairment losses on financial instruments

Financial assets are exposed to default risk, which is taken into account by recognizing loss allowances or, if losses have already been incurred, by recognizing an impairment loss. Default risk on receivables and loans within the financial services business at the level of the Volkswagen Group including Porsche AG and its subsidiaries is accounted for by recognizing specific loss allowances and portfolio-based loss allowances.

In particular, a loss allowance is recognized on these financial assets in the amount of the expected loss in accordance with uniform standards. The actual specific loss allowances of the losses incurred are then charged to this loss allowance. A potential impairment is assumed not only for a number of situations such as delayed payment over a certain period of time, the institution of enforcement measures, the threat of insolvency or overindebtedness, application for or the opening of bankruptcy proceedings or the failure of financial reorganization measures, but also for receivables that are not past due. Insignificant receivables and significant individual receivables for which there is no indication of impairment are grouped into homogeneous portfolios on the basis of comparable credit risk features and allocated by risk class. Average historical default probabilities in combination with forward-looking parameters for the respective portfolio are then used to calculate the amount of the impairment loss.

At the level of the Porsche SE Group, there were no trade receivables as of the reporting dates of the reporting periods presented. The financial assets of Porsche SE that fall within the scope of application of the impairment model pursuant to IFRS 9 mainly consist of short-term securities, time deposits and cash and cash equivalents (see note [22]).

Credit risks must be considered at the level of the Volkswagen Group including Porsche AG and its subsidiaries for all financial assets measured at amortized cost and FVOCI debt instruments as well as for contract assets in accordance with IFRS 15 and lease receivables within the scope IFRS 16. The rules on impairment also apply to risks from irrevocable credit commitments not recognized in the balance sheet and to the measurement of financial guarantees.

As a matter of principle, a simplified process, which takes historical default rates and forward-looking information into account, and specific loss allowances are used to account for impairment losses on receivables outside the financial services segment of the Volkswagen Group including Porsche AG and its subsidiaries.

Subsequent measurement of financial liabilities

The fair value option for financial liabilities is not applied.

At the Porsche SE Group, there are no liabilities at fair value through profit or loss as of the reporting dates of the reporting periods presented. At the Volkswagen Group including Porsche AG and its subsidiaries, this category includes derivatives that were not designated as hedging instruments.

Financial liabilities measured at amortized cost using the effective interest method mainly comprise trade payables, financial liabilities and other financial liabilities at the level of both the Porsche SE Group and the Volkswagen Group including Porsche AG and its subsidiaries.

Derivative financial instruments

Derivative financial instruments are measured at fair value in subsequent periods. The accounting treatment of changes in fair value of hedging instruments depends on the nature of the hedging relationship. In the case of fair value hedges, both the hedging instrument and the hedged risk portion of the hedged item are measured at fair value. Gains or losses from the measurement of hedging instruments and hedged items are recognized through profit or loss.

In the case of cash flow hedges, the hedging instruments are also measured at fair value. Both the designated effective portion of the hedging instrument as well as the non-designated effective portion of the hedging instruments (“hedging costs”) are recognized in the cash flow hedge reserve via other comprehensive income under other reserves (OCI). The effects are only reclassified through profit or loss when the hedged item is realized. The ineffective portion of a hedging instrument is recognized through profit or loss immediately.

At the level of the Porsche SE Group, only interest rate hedges are accounted for as cash flow hedges under hedge accounting. At Porsche SE, no hedging costs within the meaning of IFRS 9 were incurred in the reporting periods presented. As a result of including the investments in Volkswagen AG and Porsche AG accounted for at equity in the consolidated financial statements of Porsche SE, the effects from hedge accounting at the level of the Volkswagen Group including Porsche AG and its subsidiaries are, in line with the accounting policies mentioned above, also recognized proportionately at the level of the Porsche SE Group through profit or loss (within the result from investments accounted for at equity) or through other comprehensive income of the Porsche SE Group.

In addition to the provisions of IFRS 9 for fair value hedges and cash flow hedges, the Volkswagen Group including Porsche AG and its subsidiaries also applies the provisions of IAS 39 on portfolio hedges to hedge interest rate risk in the financial services division. Derivatives used by the Volkswagen Group including Porsche AG and its subsidiaries for financial management purposes to hedge against interest rate, foreign currency, commodity price, equity price, or fund price risks, but that do not meet the strict hedge accounting criteria of IFRS 9, are classified as at fair value through profit or loss (FVtPL). This also applies to options on shares. External hedging instruments of intragroup hedged items that are subsequently eliminated in the consolidated financial statements of Volkswagen AG/Porsche AG are also assigned to this category as a general rule. At the Volkswagen Group including Porsche AG and its subsidiaries, assets and liabilities measured at fair value through profit or loss consist of derivatives or components of derivatives that are not included in hedge accounting. These relate for example to the non-designated currency forwards used to hedge revenue, interest rate hedges, commodity forwards and currency forwards relating to commodity forwards.

Fair value of financial instruments

Fair value generally corresponds to the market or quoted market price. If no active market exists for a financial instrument, fair value is determined using other observable inputs as far as possible. If no observable inputs are available, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models, and, as far as possible, verified by confirmations from the banks that handle the transactions.

The amortized carrying amount of current financial assets and liabilities not measured at fair value generally provides an approximation of their fair value.

Income tax

As the timing of the reversal of the temporary taxable differences in connection with the investment in associates, Volkswagen AG in particular, cannot be managed due to lack of control, deferred tax liabilities are recognized on these temporary differences.

Deferred and current tax relating to items recognized through other comprehensive income or directly in equity is likewise recognized through other comprehensive income or directly in equity. This also includes deferred taxes on the investment in Porsche AG and in particular in Volkswagen AG.

Share-based payment

Share-based payment at the level of the Volkswagen Group including Porsche AG and its subsidiaries comprises cash-settled performance share plans that are recognized in accordance with IFRS 2.

At the level of the Porsche SE Group, there were no share-based payments in the reporting periods presented.

Other provisions

Provisions not resulting in an outflow of resources within one year are recognized at their settlement value discounted to the reporting date. Discounting is based on market interest rates. The settlement value also reflects any cost increases that are expected.

At the level of the Porsche SE Group, there were no significant discounting effects from the measurement of other provisions. At the level of the Volkswagen Group including Porsche AG and its subsidiaries, an average discount rate of 2.6% (2.9%) was used in the eurozone.

Government grants

Government grants related to assets are deducted when arriving at the carrying amount of the asset and are recognized in profit or loss over the life of the depreciable asset as a reduced depreciation expense. Government grants related to income, i.e., that compensate for expenses incurred, are generally recognized in profit or loss for the period and allocated to those items in which the expenses to be compensated by the grants are also recognized.

At the level of the Porsche SE Group, there were no accounting issues in connection with government grants in the reporting periods presented.

Income and expenses

Revenue, interest and commission income from financial services of the Volkswagen Group including Porsche AG and its subsidiaries as well as other operating income are recognized only when the relevant services have been rendered or the goods have been delivered, i.e., when the customer has obtained control of the goods or services.

Where new and used vehicles and original parts at the level of the Volkswagen Group including Porsche AG and its subsidiaries are sold, performance generally occurs upon delivery, because that is the point when control is transferred, and the inventory risk and, for deliveries to a dealer, generally also the pricing decision pass to the customer. Revenue of the Volkswagen Group including Porsche AG and its subsidiaries is reported net of sales allowances (discounts, price concessions, customer bonuses and rebates). The Volkswagen Group including Porsche AG and its subsidiaries measures sales allowances and other variable consideration on the basis of experience and by taking account of current circumstances. Vehicles are normally sold to dealers on payment terms. At the Volkswagen Group including Porsche AG and its subsidiaries, a trade receivable is recognized for the period between vehicle delivery and receipt of payment.

Any financing component included in the transaction is only recognized if the period between the transfer of the goods and the payment of consideration is longer than one year and the amount to be accrued is significant.

Income from financing and finance lease agreements at the level of the Volkswagen Group including Porsche AG and its subsidiaries is recognized using the effective interest method. If non-interest-bearing or low-interest vehicle financing arrangements are agreed, revenue for the vehicles of the Volkswagen Group including Porsche AG and its subsidiaries is reduced by the interest benefits granted. Revenue from operating leases is recognized at the level of the Volkswagen Group including Porsche AG and its subsidiaries over the term of the contract on a straight-line basis.

In contracts under which the goods or services are transferred over a period of time, revenue is recognized at the level of the Volkswagen Group including Porsche AG and its subsidiaries, depending on the type of goods or services provided, either according to the stage of completion or, to simplify, on a straight-line basis; the latter is only allowed if revenue recognition on a straight-line basis does not differ materially from recognition according to the stage of completion. As a rule, the stage of completion is determined at the level of the Volkswagen Group including Porsche AG and its subsidiaries as the proportion that contract costs incurred by the end of the reporting period bear to the estimated total contract costs (cost-to-cost method). Contract costs incurred at the level of the Volkswagen Group including Porsche AG and its subsidiaries generally represent the best way to measure the stage of completion for the performance obligation. If the outcome of a performance obligation satisfied over time is not sufficiently certain, but the Volkswagen Group including Porsche AG and its subsidiaries expects, as a minimum to recover its costs from the customer, revenue is only recognized in the amount of the contract costs incurred. Since long-term construction contracts at the level of the Volkswagen Group including Porsche AG and its subsidiaries invariably give rise to contingent receivables from customers for the period to completion or payment by the customer, contract assets are recognized for the corresponding amounts. A trade receivable is recognized as soon as the Volkswagen Group including Porsche AG and its subsidiaries has transferred the goods or services in full.

If services are sold to the customer at the same time as the vehicle, and the customer pays for them in advance, the Volkswagen Group including Porsche AG and its subsidiaries recognizes a corresponding contract liability until the services have been transferred. Examples of services that customers pay for in advance at the level of the Volkswagen Group including Porsche AG and its subsidiaries are servicing, maintenance and certain warranty contracts as well as mobile online services. For extended warranties granted to all customers for a particular model, a provision is normally recognized at the level of the Volkswagen Group including Porsche AG and its subsidiaries in the same way as for statutory warranties. If the warranty is optional for the customer or it includes an additional service component, the related revenue is deferred and realized over the term of the warranty.

Income from the sale of assets for which a company of the Volkswagen Group including Porsche AG and its subsidiaries has a buyback obligation is recognized only when the assets have definitively left the group. If a fixed repurchase price was agreed when the contract was entered into, the difference between the selling price and present value of the repurchase price is recognized ratably as income over the term of the contract.

Revenue at the level of the Volkswagen Group including Porsche AG and its subsidiaries is generally determined on the basis of the price stated in the contract. If variable consideration has been agreed in the contract (e.g., volume-based bonus payments), the large number of contracts involved at the level of the Volkswagen Group including Porsche AG and its subsidiaries means that revenue has to be estimated using the expected value method. In exceptional cases, the most probable amount method may also be used. Once the expected revenue has been estimated, an additional check is carried out to determine whether there is any uncertainty that necessitates the reversal of the revenue initially recognized so that it can be virtually ruled out that revenue subsequently has to be adjusted downward. At the level of the Volkswagen Group including Porsche AG and its subsidiaries, provisions for reimbursements arise mainly from dealer bonuses.

In multiple-element arrangements at the level of the Volkswagen Group including Porsche AG and its subsidiaries, the transaction price is allocated to the different performance obligations of the contract on the basis of relative standalone selling prices. In the automotive division at the level of the Volkswagen Group including Porsche AG and its subsidiaries, non-vehicle-related services are generally measured at their standalone selling prices for reasons of materiality.

Production- and manufacture-related expenses are recognized upon delivery or rendering of the service, while all other expenses are expensed as incurred. The latter applies for research costs and for development costs not eligible for recognition.

At the level of the Porsche SE Group, no revenue was generated in the reporting periods presented.

Currency translation

In the separate IFRS financial statements for group accounting purposes of Porsche SE and the consolidated subsidiaries, no significant business transactions were denominated in foreign currency in the reporting periods presented. At the level of the Porsche SE Group, there were also no financial statements of foreign companies in the reporting periods presented that had to be translated into euros for the purpose of full consolidation.

However, the Porsche SE Group is affected indirectly by currency translations at the level of the associates through the subsequent measurement of their carrying amounts accounted for at equity.

The exchange rates applied uniformly for translating transactions to the euro are presented in the following table:

		Balance sheet Closing rate		Income statement Average rate	
	1 € =	**31/12/2024**	31/12/2023	**2024**	2023
Argentina	ARS	1,073.2711	894.9939	989.4339	317.9171
Australia	AUD	1.6761	1.6292	1.6401	1.6286
Brazil	BRL	6.4314	5.3750	5.8262	5.4031
United Kingdom	GBP	0.8302	0.8691	0.8467	0.8700
India	INR	89.1080	92.1170	90.5326	89.3373
Japan	JPY	163.2300	156.7900	163.8226	151.9382
Canada	CAD	1.4972	1.4681	1.4819	1.4596
Mexico	MXN	21.5892	18.7689	19.8219	19.1958
Poland	PLN	4.2719	4.3409	4.3063	4.5440
Republic of Korea	KRW	1,534.3200	1,440.7150	1,475.4360	1,413.5047
Russia	RUB	112.4384	99.9661	100.2263	92.2994
Sweden	SEK	11.4501	11.0874	11.4329	11.4716
South Africa	ZAR	19.6255	20.4442	19.8331	19.9552
Czech Republic	CZK	25.1505	24.7180	25.1193	24.0035
USA	USD	1.0410	1.1077	1.0820	1.0817
People’s Republic of China	CNY	7.5986	7.8700	7.7861	7.6598

[2] Accounting judgments, estimates and assumptions of the management

Accounting judgments, estimates and assumptions of the management at the level of the Porsche SE Group

The preparation of the consolidated financial statements requires of the board of management judgments, estimates and assumptions that have an effect on the recognition, measurement and presentation of assets, liabilities, income and expenses and the accompanying disclosures, as well as the disclosure of contingent assets and liabilities. Actual results may deviate from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized prospectively.

Porsche SE is mainly indirectly exposed to the potential effects of climate change and possible regulatory changes in this regard through its holding activities – via its core investments in Volkswagen AG and Porsche AG. Potential effects from this would therefore have an impact on the consolidated financial statements of Porsche SE and thus on the result of the Volkswagen Group and Porsche AG Group attributable to Porsche SE under the equity method. In addition, there may be potential effects on the multi-year planning of the Volkswagen Group and the Porsche AG Group, which are taken into account when impairment tests are performed by Porsche SE. To take into account the potential impact of climate change on the consolidated financial statements and the multi-year planning of Volkswagen AG and Porsche AG, reference is made to the subsection “Effects of climate change” in the section “Accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group”.

Judgments when applying the accounting policies that significantly impact the amounts recognized in the financial statements mainly relate to the recognition of provisions and disclosure of contingent liabilities in connection with legal disputes relating to the increase of the investment in Volkswagen AG and to the diesel issue (see note [23]). Provisions have been set up for the expected attorneys’ fees and litigation expenses. The outcome of litigation is subject to substantial estimation risks. Beyond the direct effects, the estimation risks at the level of the Volkswagen Group with regard to the diesel issue may also have significant indirect effects on the Porsche SE Group. This largely relates to the result from investments accounted for at equity (see notes [4] and [5]) and the carrying amount of the investment in Volkswagen AG accounted for at equity (see notes [4] and [13] as well as potential subsequent effects of an amended dividend policy of Volkswagen AG. With regard to the legal risks in connection with the diesel issue at the level of the Volkswagen Group, reference is made to the subsection “Litigation and diesel issue” in the section “Accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group”.

Estimates and assumptions as of 31 December 2024 that can give rise to a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year relate to the following matters and are explained in the notes referred to below:

- Both the calculation of the recoverability of carrying amounts of investments accounted for at equity (see note [4] as well as the section “Accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group” with regard to assumptions relating to the Volkswagen Group’s planning as well as the effects of climate change) and the measurement at fair value of investments not traded in an active market require assumptions to be made about the future cash flows and the discount rates to be applied (see notes [6] and [22], section 5). Assumptions made in order to derive cash flows for investments with a mature business model may relate to, for example, future market shares, the trend in the respective markets and the profitability of the investee’s products. When determining cash flows for investments with new technology operations, it may be of particular importance, for example, to assess their economic viability. In addition, findings from financing rounds or other indicators potentially influencing the value can be used. When testing the carrying amounts of the core investments for impairment, the current multi-year planning prepared by the board of management of Volkswagen AG and Porsche AG as well as analysts’ expectations are taken into account as primary input factors for deriving future cash flows. The cash flows used for impairment testing purposes are derived in an iterative process in which their individual components, e.g., revenue, operating return on sales or investment ratios, are determined by means of a mutual plausibility check using the two primary input factors. In this respect, expectations at the level of Porsche SE are formed by continuous adjustment, taking into account both the respective multi-year planning and analysts’ expectations. Please refer to the explanations on the impairment tests for investments accounted for at equity in note [4].

- The measurement of provisions and contingent liabilities in connection with legal disputes relating to the increase of the investment in Volkswagen AG and the diesel issue (see note [23]).

- The measurement of deferred and current taxes and corresponding tax items (see note [11]) depends in particular on current tax laws, case law and their interpretation by the tax authorities. Changes may lead to tax effects and payments that differ from the estimates made in the financial statements. The measurement of the tax provision is based on the most likely exposure resulting from this risk materializing. Measuring deferred tax assets requires assumptions regarding the future taxable result and the timing of the realization of deferred tax assets.

Accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group

Since the contributions to income made by the core investments accounted for at equity also have an impact at the level of Porsche SE Group, matters with significant judgments, estimates and assumptions at the level of the Volkswagen Group, including Porsche AG and its subsidiaries, are presented below.

Impairment tests for certain assets and assumptions relating to the Volkswagen Group's planning

The impairment testing of non-financial assets (especially goodwill, brand names, capitalized development costs and special operational equipment) and equity-accounted investments, or investments accounted at cost, and the measurement of options on shares in companies that are not traded in an active market require assumptions at the level of the Volkswagen Group about the future cash flows during the planning period, and possibly beyond it, as well as about the discount rate to be applied. The estimates made in order to separate cash flows mainly relate to future market shares, the trend in the respective markets and the profitability of the Volkswagen Group's products. When determining cash flows for conducting impairment tests on companies or equity investments with new technology operations, it is of particular importance to assess whether these new technologies are technically feasible and have the potential for industrial use. To determine the recoverable amount of goodwill and intangible assets with indefinite and finite useful lives, the respective brand is normally the cash-generating unit (CGU) that is used as the testing level at the level of the Volkswagen Group.

The planning period of the Volkswagen Group's multi-year planning generally covers five years. This planning is based on expectations of the Volkswagen Group regarding future global economic trends and on assumptions derived from those trends about the markets for passenger cars and commercial vehicles, expected trends in the Volkswagen Group's market shares, the timing and cost of the development of vehicle models and the amount of investments in production facilities, as well as changes in price and cost structures, taking particular account of the transformation to e-mobility and an increase in regulatory requirements. The planning for the Volkswagen Group's financial services segment is likewise prepared on the basis of these expectations, and also reflects the relevant market penetration rates of expected vehicle sales with finance or lease agreements and other services, as well as regulatory requirements. The planning for the Volkswagen Group's power engineering segment reflects expectations about trends in the various individual markets. The planning includes reasonable assumptions about macroeconomic trends (exchange rate, interest rate and commodity price trends) and historical developments.

The Volkswagen Group's planning is based on the assumption that global economic output will grow overall in 2025 at a slightly slower pace than in 2024. Volkswagen expects that declining inflation in major economic regions and the resulting easing of monetary policy will boost consumer demand. From Volkswagen's point of view, risks will continue to arise from increasing fragmentation of the global economy and protectionist tendencies, turbulence in the financial markets and structural deficits in individual countries. In addition, Volkswagen sees persistent geopolitical tensions and conflicts as weighing on growth prospects; risks arise in particular from the Russia-Ukraine war, the confrontations in the Middle East, and the uncertainties regarding the future political orientation of the USA. Volkswagen assumes that both the advanced economies and the emerging markets will record somewhat weaker momentum on average than that of the reporting year.

The Volkswagen Group's automotive market and volume planning reflects the above regional differentiation and takes account of the impact of regional conflicts. The projections of the Volkswagen Group also include the transformation towards e-mobility. The negative impact on earnings that the Volkswagen Group expects to arise from higher material costs and more stringent emission and fuel consumption legislation is to be more than offset by improvements in pricing and the product mix as well as corresponding programs to increase efficiency. Reference is made to the section below regarding the impact of climate change. In particular the beneficial outcome of collective bargaining for the Volkswagen brand is reflected in the projections used by the Volkswagen Group. The Volkswagen Group's expectations for BEV market shares were also updated. Tariffs were in some cases integrated directly into the planning of the Volkswagen Group or, if material, included in an overlay planning or sensitivity-tested as part of the impairment tests at the level of the Volkswagen Group.

The planning assumptions are adapted by the Volkswagen Group to reflect the current state of knowledge.

The Volkswagen Group generally bases the estimation of cash flows on the expected growth trends for the markets concerned. At the Volkswagen Group, the estimates for the cash flows following the end of the planning period are generally based on a growth rate of up to 1% p.a. (up to 1% p.a.) in the passenger cars, power engineering and commercial vehicles segments. Value in use is determined for the purpose of impairment testing of indefinite-lived intangible assets and finite-lived intangible assets – mainly capitalized development costs – using the pretax weighted average cost of capital (WACC) rates of 10.8% (10.7%) in the Volkswagen Group's passenger cars segment, 10.4% (12.1%) in the Volkswagen Group's commercial vehicles segment and 14.1% (15.7%) in the Volkswagen Group's power engineering segment as the pre-tax weighted average cost of capital (WACC), which are adjusted if necessary for country-specific discount factors. In addition, the following aspects were of significance for the impairment tests at the level of the Volkswagen Group:

- The volume planning of the Porsche cash-generating unit (Porsche CGU) is based on regional differentiation and takes account of the impacts of currently known regional conflicts. In this context, the Volkswagen Group expects challenging market conditions due to protectionist tendencies, particularly in the markets in China and the USA, and additionally to more intense competition in China. Likewise, the Volkswagen Group's plans anticipate that the transformation towards e-mobility will slow down compared with the prior year. Positive price effects will be supplemented by a globally balanced and value-based unit sales structure. The negative impact on earnings expected by the Volkswagen Group from 2025 onward from continuing rises in the cost of materials and from emission and fuel consumption legislation is to be offset by corresponding programs to increase efficiency. Porsche AG's strategic "Road to 20" program is intended to make a sustainable contribution to intensifying the existing activities with a focus on optimizing the cost structure. Measures resolved by Porsche AG in the fiscal year 2025 to strengthen the company's short- and medium-term profitability have not been included in the impairment test as of 31 December 2024 at the level of the Volkswagen Group because the measures were resolved after the reporting date.

- Volkswagen expects slight declines in the commercial vehicle markets relevant to the TRATON Group in 2025 to 2029, with variations from region to region. Based on volume and price effects, the Volkswagen Group nevertheless anticipates that revenue in the cash-generating units of the TRATON Group (CGUs of the TRATON Group) will increase over the planning period. At the level of the Volkswagen Group, the five-year plans of all CGUs of the TRATON Group forecast an increase in e-mobility. Volkswagen has included the costs of the transformation in the cash flows.

- At Scania Vehicles & Services, a rise in sales volume, higher average selling prices, and the expansion of the vehicle services business are additionally having a positive impact on the planned cash flows at the level of the Volkswagen Group.

- At MAN Truck & Bus, the Volkswagen Group believes that higher unit sales, the transformation to e-mobility and the realignment program launched in 2021 have a beneficial effect on cash flows.

- In addition, International Motors is to be strengthened with measures by the Volkswagen Group ranging from use of the powerful component and technology organization within the TRATON GROUP through expansion of the financial services business to even more effective use of one of the largest independent dealer and service networks in the North American market, to which International Motors already has access today.

In addition, the recoverability of the leased assets depends in particular on the residual value of the leased vehicles after expiration of the lease term, because this represents a significant portion of the expected cash flows.

The impairment tests performed at the level of Volkswagen have a potential impact not only on the original carrying amounts of the Volkswagen Group, but also the hidden reserves identified in the course of the purchase price allocations conducted by Porsche SE.

Effects of climate change

Against the backdrop of climate change and the resulting tightening of emissions regulations, the transformation of the automotive industry towards e-mobility and further digitalization continues to move forwards. In the preparation of the consolidated financial statements of Volkswagen AG, the board of management of Volkswagen AG took into account the potential effects of climate change and future regulatory requirements, and especially the corresponding transformation towards e-mobility. Potential effects, especially on non-current assets, provisions for emissions levies and future cash flows were, as far as possible, incorporated into the significant estimates and assumptions included in the consolidated financial statements of Volkswagen AG. As part of its electrification campaign, the Volkswagen Group aims to offer its customers worldwide an increasing choice of battery-electric models by 2030, ranging from volume modules to premium vehicles. The effects of the transformation towards e-mobility and the planned increase in the share of all-electric vehicles planned in this context are taken into account by Volkswagen AG in the multi-year operational planning and therefore in the calculation of future cash flows used to determine recoverable amounts in impairment tests at the level of the Volkswagen Group, especially when planning future vehicle models, development costs and production facilities. An amount in the low triple-digit-billion euro range has been earmarked for this purpose in the multi-year planning of the Volkswagen Group. In addition, Volkswagen regularly assesses whether these developments give rise to the need for ad hoc impairment tests or for adjustments to the useful lives of other non-current non-financial assets. No material effects on the useful lives of capitalized development costs or property, plant and equipment were identified by Volkswagen, given the periods under consideration for the regulatory requirements and due to the parallel production of battery-electric vehicles and vehicles with combustion engines in the coming years. With reference to increasingly stringent emissions regulations, according to Volkswagen’s annual report for the fiscal year 2024, both Volkswagen and Porsche AG ensure that the various international regulations are taken into account and that any obligations are recognized appropriately. In this context, an amount in the mid-three-digit-million euro range was added to provisions in the consolidated financial statements of Volkswagen AG in the fiscal year 2024, while there was no significant impact on the consolidated financial statements of Porsche AG.

Litigation and diesel issue

Volkswagen AG and the companies in which it is directly or indirectly invested, i.e., including the Porsche AG Group, are involved in a substantial number of legal disputes and governmental proceedings in Germany and abroad. Such legal disputes and other proceedings occur, among other things, in connection with products and services or in relation to employees, public authorities, dealers, investors, customers, suppliers, or other contracting parties. For the companies in question, these disputes and proceedings may result in payments such as fines or in other obligations or consequences. In particular, substantial compensatory or punitive damages may have to be paid and cost-intensive measures may have to be implemented. In this context, specific estimation of the objectively likely consequences is often possible only to a very limited extent, if at all.

Various legal proceedings are pending worldwide in which customers are asserting purported product-related claims, either individually or in class actions. These claims are as a rule based on alleged vehicle defects, including defects alleged in vehicle parts supplied to the Volkswagen Group.

Compliance with legal or regulatory requirements is another area in which risks may arise. This is particularly true in gray areas where Volkswagen and Porsche AG and the relevant public authorities may interpret the law differently.

In connection with their business activities, Volkswagen Group companies engage in constant dialog with regulatory agencies, including the Kraftfahrt-Bundesamt (“KBA” – German Federal Motor Transport Authority). It is not possible to predict with assurance how government regulators will assess certain issues of fact and law in a particular situation. For this reason, the possibility that certain vehicle characteristics and/or type approval aspects may in particular ultimately be deemed deficient or impermissible cannot be ruled out. This is fundamentally a question of the regulatory agency’s specific evaluation in a concrete situation.

A comparable challenge results from the tension between divergent national and international statutory or regulatory requirements regarding obligations to transfer information or documents, on the one hand, and privacy mandates under national and international data protection law on the other. Volkswagen is advised by outside law firms on these issues so as to preclude compliance violations as far as possible despite the sometimes unclear state of the law.

Litigation may furthermore result from demands for more extensive climate protection measures or from allegedly incomplete disclosures regarding the impact of climate change. The response of the Volkswagen Group to this risk includes, among other things, certification of its self-imposed decarbonization targets through independent and internationally respected organizations and systematic alignment of its non-financial reporting with the requirements of the law and the capital markets.

Risks may also result from actions for infringement of intellectual property, including infringement of patents, brands, or other third-party rights, particularly in Germany, before the Unified Patent Court and in the United States. If Volkswagen is alleged or determined to have violated third-party intellectual property rights, it may for instance have to pay damages, modify manufacturing processes, or redesign products, and may be barred from selling certain products; this may result in delivery and production restrictions or interruptions.

Criminal acts by individuals, which even the best compliance management system can never completely prevent, are another potential source of legal risks.

Appropriate insurance has been taken out at the level of the Volkswagen Group to cover these risks where they were sufficiently definite and such coverage was economically sensible. Where necessary based on the information currently available to the Volkswagen Group, identified and correspondingly measurable risks have been reflected by recognizing provisions in the consolidated financial statements of Volkswagen AG and Porsche AG in amounts considered appropriate or disclosing contingent liabilities, as the case may be. As some risks cannot be assessed or can only be assessed to a limited extent, the possibility of material loss or damage not covered by the insured amounts or by provisions cannot be ruled out. This is, for instance, the case with regard to the legal risks assessed in connection with the diesel issue presented below.

Unless otherwise explicitly stated, the amounts disclosed for the litigation being reported on refer only to the respective principal claim. Ancillary claims, such as for interest and litigation expense, are generally not considered.

On 18 September 2015, the US Environmental Protection Agency (EPA) publicly announced in a notice of violation that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain Volkswagen Group vehicles with 2.0 l diesel engines in the USA. In this context, Volkswagen AG announced that noticeable discrepancies between the figures recorded in testing and those measured in actual road use had been identified in type EA 189 diesel engines and that this engine type had been installed in roughly eleven million vehicles worldwide. On 2 November 2015, the EPA issued a notice of violation alleging that irregularities had also been discovered in the software installed in US vehicles with type V6 3.0 l diesel engines. The so-called diesel issue is rooted in a modification of parts of the software of the relevant engine control units – which, according to Volkswagen AG’s legal position, is only unlawful under US law – for the type EA 189 diesel engines that Volkswagen AG was developing at that time. This software function was developed and implemented from 2006 on without knowledge at the level of Volkswagen’s board of management. Members of Volkswagen’s board of management did not learn of the development and implementation of this software function until the summer of 2015.

An amount of around €0.6 billion (€0.9 billion) has been included in the provisions for litigation and legal risks at the level of the Volkswagen Group as of 31 December 2024 to account for the currently known legal risks related to the diesel issue based on the presently available information and Volkswagen’s current assessments. Where adequately measurable by Volkswagen at this stage, contingent liabilities relating to the diesel issue have been disclosed in the Volkswagen’s notes to the consolidated financial statements in an aggregate amount of €4.0 billion (€4.0 billion), whereby roughly €3.8 billion (€3.8 billion) of this amount results from lawsuits filed by investors in Germany. The provisions recognized at the level of the Volkswagen Group, the contingent liabilities disclosed in the consolidated financial statements of Volkswagen AG, and the other latent legal risks in the context of the diesel issue are in part subject to substantial estimation risks given the complexity of the individual relevant factors, the ongoing coordination with the authorities, and the fact that the fact-finding efforts have not yet been concluded. Should these legal or estimation risks materialize, this could result in further substantial financial charges at the level of the Volkswagen Group. In particular, it cannot be ruled out that the provisions recognized at the level of the Volkswagen Group may have to be adjusted in light of knowledge acquired or events occurring in the future, and that this may have an indirect impact at the level of the Porsche SE Group.

In connection with the diesel issue, potential consequences for the net assets, financial position and results of operations of the Volkswagen Group and thus indirectly on those of the Porsche SE Group could emerge primarily in the following legal areas:

1. Criminal and administrative proceedings worldwide (excluding the USA/Canada)

   Criminal investigations, regulatory offense proceedings, and/or administrative proceedings have been commenced in some countries. Criminal investigations into the core factual issues are being conducted by the Offices of the Public Prosecutor in Braunschweig and Munich.

   In September 2021, the Braunschweig Regional Court began hearing the indictment of several current or former employees of Volkswagen AG on charges that include fraud in connection with the diesel issue involving type EA 189 engines. How long the trial will take is currently unclear. Proceedings against a former chair of the board of management of Volkswagen AG were severed from the above case and then joined for joint trial by the Braunschweig Regional Court with separate proceedings, that were initially terminated on a provisional basis, against the same former chair of the board of management on charges of market manipulation relating to capital market disclosure obligations. Shortly after beginning in the third quarter of 2024, the main trial proceedings were again suspended. It is not possible to predict when the main trial proceedings will be resumed again. The Braunschweig Office of the Public Prosecutor is no longer conducting any investigations against Volkswagen AG in connection with the aforementioned proceedings.

   In June 2020, the Munich II Regional Court accepted the substantially unchanged indictment of the Munich II Office of the Public Prosecutor, which also named a former chair of the board of management of AUDI AG, and opened the main trial proceedings on charges of, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The trial before the Munich II Regional Court concluded in June 2023; the former chair of the board of management of AUDI AG and the other two defendants were sentenced to prison terms, the enforcement of which was in each case suspended subject to probation. The conditions of probation include the payment of sums set by the court. The judgment is not yet final. All three defendants have filed appeals on issues of law. The Office of the Public Prosecutor has likewise appealed the judgment against one of the defendants.

In August 2020, the Munich II Office of the Public Prosecutor issued a further indictment charging three former members of the board of management of AUDI AG and others with, among other things, fraud in connection with the diesel issue involving 3.0 l and 4.2 l TDI engines. The Munich II Regional Court, which must decide whether to accept the indictment, has since definitively terminated the proceedings against one of the three defendant former members of the board of management of AUDI AG subject to certain conditions. The Munich II Regional Court has not yet decided whether to accept the indictment against the other two former members of the board of management of AUDI AG.

As the type approval authority of proper jurisdiction, the KBA is moreover continuously testing Audi, Volkswagen, and Porsche brand vehicles for problematic functions. If certain functions are deemed impermissible by the KBA, the affected vehicles are recalled pursuant to a recall order or they are brought back into compliance by means of a voluntary service measure.

In judgments rendered in July and November 2022, the European Court of Justice (ECJ) ruled that a so-called thermal window (i.e., a temperature-dependent exhaust gas recirculation) in the range of 15°C and 33°C outside temperature represents a defeat device. In this context, the ECJ developed a new, unwritten criterion according to which a thermal window, even if it serves to prevent sudden and extraordinary damage, is impermissible if it is active “for most of the year under real driving conditions prevalent in the territory of the European Union”. The KBA commenced formal administrative proceedings relating to certain first and second generation type EA 896 engines that were installed in certain older vehicle models as well as to individual vehicle models with type EA 189 engines. In July and October 2023, the KBA issued two administrative rulings against AUDI AG in which it ruled that the originally incorporated thermal window version failed to meet the ECJ’s new vehicle engineering criterion in some of the affected vehicles. AUDI AG has appealed the rulings, and they are therefore not final. The KBA issued corresponding administrative rulings against Porsche AG in December 2023 and against Volkswagen AG in January 2024. Porsche AG and Volkswagen AG have appealed the rulings. The Volkswagen Group had previously already begun rolling out software updates that modify the thermal window in accordance with the ECJ’s new vehicle engineering criterion and will continue to do so.

In a trial level decision rendered in late February 2023, the Schleswig Administrative Court upheld a lawsuit brought by Deutsche Umwelthilfe (DUH – Environmental Action Germany) against the KBA and invalidated the notice of approval for a software update for certain older Golf Plus model vehicles to the extent this notice classified the thermal window feature, the altitude correction feature, and the taxi switch feature as permissible deactivation devices (defeat devices). Altitude correction refers to altitude-dependent exhaust gas recirculation. The taxi switch modifies exhaust gas recirculation when a vehicle with a running engine stands motionless for a certain period of time. Volkswagen AG is involved in the litigation as an interested party summoned. In late April 2023, Volkswagen AG and the KBA filed appeals against the judgment of the Schleswig Administrative Court. This decision is thus not legally final. DUH has filed two additional lawsuits with the Schleswig Administrative Court. The first action contests the notices of approval for further Audi and Porsche brand vehicles equipped with type EA 189 engines as well as with selected V-TDI engines; the second action is directed against all Volkswagen Group diesel vehicles with the Euro-5 and Euro-6b/c exhaust emission standard. In the first action, the Schleswig Administrative Court issued a judgment in January 2024 that extended its initial February 2023 decision to additional vehicles with type EA 189 engines and invalidated the KBA's notices of approval for these vehicles. The court granted both leave to appeal (on points of fact and law) and to leap-frog appeal (on points of law). This decision is thus not legally final.

Moreover, additional administrative proceedings relating to the diesel issue are ongoing in other jurisdictions. The companies of the Volkswagen Group are cooperating with the government authorities.

Risks may furthermore result from possible decisions by the ECJ construing EU type approval provisions.

Whether the criminal and administrative proceedings will ultimately result in fines or other consequences for companies of the Volkswagen Group, and if so what amounts these may entail, is currently subject to estimation risks. According to Volkswagen's estimates, the likelihood that a sanction will be imposed is 50% or less in the majority of these proceedings. Contingent liabilities have therefore been disclosed by Volkswagen where the amount of such liabilities could be measured and the likelihood of a sanction being imposed by Volkswagen was assessed at not less than 10%.

2. Product-related lawsuits worldwide (excluding the USA/Canada)

A general possibility exists that customers in the affected markets will file civil lawsuits or that importers and dealers will assert recourse claims against Volkswagen AG and other Volkswagen Group companies. Besides individual lawsuits, various forms of collective actions (i.e., assertion of individual claims by plaintiffs acting jointly or as representatives of a class) are available in various jurisdictions. Furthermore, in a number of markets it is possible for consumer and/or environmental organizations to bring suit to enforce alleged rights to injunctive relief, declaratory judgment, or damages.

Customer class action lawsuits and actions brought by consumer and/or environmental organizations were pending in the reporting year against Volkswagen AG and other Volkswagen Group companies in a number of countries including Belgium, Brazil, England and Wales, France, Germany, Italy, the Netherlands, and South Africa. These actions asserted alleged rights to damages and other relief. The pending actions included in particular the following:

In Belgium, a settlement agreement completely resolving all claims in the class action brought by the Belgian consumer organization Test Aankoop VZW was entered into in December 2024. In the settlement, Test Aankoop VZW and Volkswagen AG agreed to refrain from appealing the July 2023 trial level judgment and to implement the terms thereof. This judgment ordered Volkswagen AG to pay 5% of the purchase price, or 5% of the difference between the purchase price and the resale price, if a consumer had purchased a vehicle with a type EA 189 engine between 1 September 2014 and 22 September 2015, had not installed the software update, and was able to produce the relevant evidentiary documentation.

In Brazil, two consumer protection class actions are pending. In the first class action, which pertains to some 17 thousand Amarok vehicles, the Superior Court of Justice in August 2022 rejected in part the appeal filed by Volkswagen do Brasil against the May 2019 judgment at the first appeals level that had initially reduced the damage liability of Volkswagen do Brasil considerably to around BRL 172 million. Following Volkswagen do Brasil’s appeal, the Superior Court of Justice vacated its own prior decision in its entirety. The case was remanded to the lower appellate court for rehearing of certain issues. Volkswagen do Brasil is permitted to introduce new evidence. The judgment is enforceable, but remains non-final. In the second class action, which pertains to roughly 67 thousand later generation Amarok vehicles, the Superior Court of Justice rejected the appeal filed by the plaintiff against the June 2023 appellate court decision in April 2024. Subsequently, the plaintiff filed an interlocutory appeal against this decision with the Superior Court of Justice at the end of April 2024.

financialright GmbH had originally filed approximately 45 thousand consolidated actions before various German courts asserting claims assigned to it by customers in Germany, Slovenia, and Switzerland against Volkswagen Group companies. The proceedings have since been fully resolved following the withdrawal of numerous requests for relief and complaints as well as various settlement agreements. Objectively valuable claims that were withdrawn and then raised again have likewise already been resolved for the most part; otherwise, provisions have been recognized.

Actions have been filed in courts in England, Wales, and Scotland against Volkswagen AG, Volkswagen Group United Kingdom Limited, Volkswagen Financial Services (UK) Limited, and other Volkswagen Group companies in connection with various other diesel vehicles. So-called “outline generic particulars of claim”, which provide a rough overview of the grounds of the complaint, were served in England and Wales in September 2024. In Scotland, motions for commencement of a class action and appointment of a representative were formally served, starting in October 2024, on Volkswagen Group United Kingdom Limited, Volkswagen Financial Services (UK) Limited, Volkswagen AG, SEAT S.A., and Škoda Auto a.s. The details of the respective complaints remain uncertain.

In France, a class action is pending that was filed by the French consumer organization Confédération de la Consommation, du Logement et du Cadre de Vie (CLCV) against Volkswagen Group Automotive Retail France, Volkswagen Group France, and Volkswagen AG for up to 1 million French owners and lessees of vehicles with type EA 189 engines. This is an opt-in class action in which CLCV is primarily seeking rescission without compensation for use of the vehicle or, in the alternative, damages amounting to 20-30% of the purchase price.

In Italy, the parties to the class action brought by the consumer organization Altroconsumo signed a settlement agreement in May 2024 completely resolving all claims for roughly 60 thousand customers validly registered in the class action who had purchased VW, Audi, Škoda, or SEAT vehicles from 2009 to 2015 with type EA 189 engines that were affected by the diesel issue. Both sides refrained from appealing last year's judgment at the first appellate level by the Venice appeals court, thus terminating the proceedings. Provisions totaling roughly €50 million were recognized for the settlement and its implementation.

In the Netherlands, an opt-out class action is pending that was brought by Stichting Volkswagen Car Claim seeking declaratory rulings for up to 201 thousand customers. A declaratory judgment partially granting the relief sought was issued in July 2021. In the opinion of the court, Volkswagen AG and the other defendant group companies acted unlawfully with respect to the original engine management software. The court moreover held that consumers are entitled to a purchase price reduction from the defendant dealerships. No specific payment obligations result from the declaratory judgment. Any individual claims would then have to be established afterwards in separate proceedings. Volkswagen AG and the other defendant group companies appealed the decision. Furthermore, an opt-out class action lawsuit brought by the Diesel Emissions Justice Foundation (DEJF) seeking monetary damages on behalf of Dutch consumers is also pending; the action involves vehicles with type EA 189 engines, among others. The trial court rendered an interlocutory judgment in March 2022 holding the new class action regime – which permits damage awards in addition to declaratory judgment on the existence of claims – to be inapplicable to the instant lawsuit. On appeal by DEJF, the appellate court in August 2024 modified the interlocutory judgment and held that the new class action regime is applicable to vehicles in the Euro 6 emissions category. However, the court held the new class action regime to be inapplicable to vehicles in lower emissions categories (such as Euro 5). The decision is not yet final.

In South Africa, an opt-out class action seeking damages is pending; the action pertains to some 80 thousand vehicles, including vehicles with type EA 189 engines.

Furthermore, individual lawsuits and similar proceedings are pending against Volkswagen AG and other Volkswagen Group companies in various countries; most of these lawsuits are seeking damages or rescission of the purchase contract.

In Germany, roughly 10 thousand individual lawsuits relating to various diesel engine types are currently pending against Volkswagen AG or other group companies, with the plaintiffs suing for damages or rescission of the contract in most cases. Fundamental judgments handed down by the Bundesgerichtshof ("BGH") in previous years resolve legal issues of major importance for the litigation still pending. Details on these decisions can be found in the chapter entitled "Litigation" in the annual report of the Volkswagen Group for the fiscal year in which the respective fundamental judgment was issued.

Volkswagen estimates the likelihood that the plaintiffs will prevail to be 50% or less in the great majority of cases: customer class actions, complaints filed by consumer and/or environmental organizations, and individual lawsuits. Contingent liabilities are disclosed by Volkswagen for these proceedings where the amount of such liabilities can be measured and the chance that the plaintiff will prevail was assessed by Volkswagen as not remote. Given the early stage of the proceedings, it is in some cases not yet possible to quantify the realistic risk exposure. Furthermore, provisions were recognized at the level of the Volkswagen Group to the extent necessary based on the current assessment.

At this time, it cannot be estimated by Volkswagen how many customers will choose to file lawsuits in the future in addition to those already pending and what prospect of success such lawsuits might have.

3. Lawsuits filed by investors worldwide (excluding the USA/Canada)

Investors from Germany and abroad have filed claims for damages against Volkswagen AG – in some cases along with Porsche SE as joint and several debtors – based on purported losses due to alleged misconduct in capital market communications in connection with the diesel issue.

Almost all investor lawsuits are now pending before the Braunschweig Regional Court or the Braunschweig Higher Regional Court. In August 2016, the Braunschweig Regional Court issued an order referring common questions of law and fact relevant to the investor lawsuits pending in Braunschweig to the Higher Regional Court in Braunschweig for binding declaratory rulings pursuant to the Kapitalanleger-Musterverfahrensgesetz (KapMuG – German Capital Investor Model Declaratory Judgment Act). The investor lawsuits pending against Volkswagen AG in Germany are stayed pending resolution of the common issues, unless the cases can be dismissed for reasons independent of the common issues that are to be adjudicated in the model case proceedings. The resolution in the model case proceedings of the common questions of law and fact will be binding for the pending cases that have been stayed as described. The model case plaintiff is Deka Investment GmbH. Oral argument in the model case proceedings before the Braunschweig Higher Regional Court began in September 2018. The Braunschweig Higher Regional Court issued several notification rulings stating its position on certain legal issues of fundamental importance for the litigation. In July 2023, the Braunschweig Higher Regional Court issued an order for the taking of evidence including the examination of numerous persons as well as the production and consultation of documents and records. The mandated taking of evidence focuses initially on whether the board of management of Volkswagen AG or individual members thereof and/or individual members of Volkswagen AG's Ad Hoc Disclosure Clearing Office (the persons with ad hoc disclosure responsibility in the court's view) had or, as Volkswagen AG's state of knowledge indicates, lacked knowledge of the installation of deactivation devices prohibited under US law in Volkswagen AG vehicles, as well as on the conceptions of these persons regarding the potential share price impact of the information that each respectively possessed. Volkswagen AG has the burden of proof on some issues. The taking of testimony commenced in September 2023 and will also continue in 2025. Several witnesses invoked a privilege against giving testimony. In some cases (not as to persons with ad hoc disclosure responsibility), the

Braunschweig Higher Regional Court affirmed a comprehensive right to refuse to testify. In other cases, the decision was deferred in light of ongoing criminal investigations against the individuals in question. A large number of witnesses have testified since mid-September 2023. To date, none of the witnesses heard has testified that members of the board of management or persons with ad hoc disclosure responsibility at Volkswagen AG had knowledge prior to 18 September 2015 of any information relating to the diesel issue that Volkswagen AG considered to have share price relevance. Pursuant to Sec. 286 of the Code of Civil Procedure, the Braunschweig Higher Regional Court must decide at its discretion and conviction, taking account of the entire content of the hearings and the results of the evidence taken.

Further investor lawsuits are pending before the Stuttgart Regional Court against Volkswagen AG, in some cases along with Porsche SE as joint and several debtor.

Excluding the United States and Canada, the amount of the claims being asserted worldwide against Volkswagen AG in connection with the diesel issue in the form of investor lawsuits, judicial applications for dunning and conciliation procedures, and claims registered under the KapMuG declined to approximately €8.7 billion in the reporting year due to the withdrawal and legally final dismissal of lawsuits. Since the beginning of the proceedings, investor lawsuits in excess of €1 billion have thus been withdrawn or finally and conclusively dismissed. Volkswagen AG remains of the opinion that it duly complied with its capital market obligations. Therefore, no provisions have been recognized at the level of the Volkswagen Group for these investor lawsuits. Contingent liabilities have been disclosed by Volkswagen where the chance of success was estimated by Volkswagen to be not less than 10%.

4. Proceedings in the USA/Canada

In the USA and Canada, the matters described in the EPA's notices of violation remain the subject of various types of lawsuits and requests for information that have been filed against Volkswagen AG and other Volkswagen Group companies, in particular by customers, investors, and various government agencies in the United States and Canada.

In November 2023, Volkswagen reached a settlement agreement resolving the environmental claims brought by the Attorney General of the State of Texas and various Texas municipalities against Volkswagen AG, Volkswagen Group of America, Inc., and certain affiliates. The settlement agreement became final in January 2024 after it was approved by the court.

In March 2019, the US Securities and Exchange Commission (SEC) filed a lawsuit against, among others, Volkswagen AG, Volkswagen Group of America Finance, LLC (VWGoAF), and VW Credit, Inc., asserting claims under US federal securities law based, among other things, on alleged misstatements and omissions in connection with the offer and sale of certain bonds and asset-backed securities. In August 2020, the US District Court for the Northern District of California dismissed, among other things, all claims against VW Credit, Inc. relating to asset-backed securities. In September 2020, the SEC filed an amended complaint that, among other things, removed the dismissed claims. In March 2024, VWGoAF submitted to the SEC an executed consent to enter into a final judgment, without admitting or denying the allegations of the SEC's amended complaint filed in September 2020, which requires, among other things, payment in the amount of about US$49 million. Subsequently, the SEC and VWGoAF filed a motion for entry of final judgment as to VWGoAF requesting the U.S. District Court for the Northern District of California to enter final judgment that would fully resolve the SEC's claims against VWGoAF. In April 2024, the court granted the motion and entered final judgment as to VWGoAF, and issued an order dismissing with prejudice all claims against Volkswagen AG and a former chair of the board of management of Volkswagen AG. Accordingly, the SEC's claims against all defendants in this lawsuit have been fully resolved.

5. Special audit

In a November 2017 ruling, the Higher Regional Court of Celle ordered, upon the request of three US funds, the appointment of a special auditor for Volkswagen AG. The special auditor was supposed to examine whether the members of the board of management and supervisory board of Volkswagen AG breached their duties in connection with the diesel issue from 22 June 2006 onwards and, if so, whether this resulted in damages for Volkswagen AG. Volkswagen AG had filed a constitutional complaint with the German Federal Constitutional Court against this decision, which was originally unappealable as a formal matter. Volkswagen AG also filed a constitutional complaint against the subsequent (and likewise formally unappealable) decision by the Higher Regional Court of Celle to appoint a special auditor other than the one initially appointed. Following November 2022 rulings by the Federal Constitutional Court that upheld both of the constitutional complaints and remanded the cases to the Celle Higher Regional Court, this court dismissed the motion for appointment of a special auditor as well as the petitioners' motion in the action for replacement of the special auditor by rulings of November 2024 and December 2024 respectively. The petitioners have filed appeals on points of law with the BGH against both decisions. Volkswagen AG had in addition previously filed an action before the Braunschweig Regional Court seeking to enjoin the special auditor from performing the audit as long as he had not furnished sufficient proof of his independence. The Braunschweig Regional Court dismissed the action for injunctive relief in the summer of 2022; Volkswagen AG then appealed this decision to the Braunschweig Higher Regional Court.

A second motion seeking appointment of a special auditor for Volkswagen AG to examine matters relating to the diesel issue was filed with the Regional Court of Hanover. The proceedings in this matter were resumed after initially being stayed pending the decision of the Federal Constitutional Court in the first special audit case.

In line with IAS 37.92, no further statements have been made by the Volkswagen Group concerning estimates of financial impact or regarding uncertainty as to the amount or maturity of provisions and contingent liabilities in relation to the diesel issue. This is so as to not compromise the results of the proceedings or the interests of the company.

In connection with the diesel issue, the following matters should also be noted with regard to Porsche AG and its subsidiaries:

AUDI AG has held Porsche AG harmless from the costs of legal risks, litigation, product liability claims or other third-party claims relating to the 2013-2016 Porsche Cayennes affected in North America and the waiver of the defense of the statute of limitations was agreed until 31 July 2023 and subsequently extended until 31 July 2027. Consequently, from today's perspective, the Porsche AG Group does not expect that the Porsche AG Group will be subject to any significant outflow of resources in this regard. Accordingly, no receivables were recognized at the level of the Porsche AG Group for other costs incurred at the level of the Porsche AG Group in connection with the diesel issue in North America, for which AUDI AG has signed a hold harmless agreement, as an outflow of resources is not virtually certain as of the reporting date. It was agreed to not plea the statute of limitations until 31 July 2023 and this was subsequently extended until 31 July 2027. For the legal proceedings outside of the US and Canada in connection with the diesel issue, Porsche AG expects – based on previous agreements and accounting practice – that the costs incurred in this connection for legal risks and litigation costs at the level of the Porsche AG Group will be borne by AUDI AG and will pass the costs on to the latter. No extensive provisions are recognized at the level of the Porsche AG Group for future expected outflows of resources.

Further accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group

If there are no observable market inputs, the fair values of assets acquired and liabilities assumed in a business combination are measured using recognized valuation techniques, such as the relief-from-royalty method or the residual method.

Impairment testing of financial assets requires estimates about the extent and probability of occurrence of future events. As far as possible, estimates are derived from experience taking into account current market data as well as rating categories and scoring information.

Accounting for provisions is also based on estimates of the extent and probability of occurrence of future events, as well as estimates of the discount rate. As far as possible, these are also based on experience or external opinions. The measurement of the pension provisions is based on actuarial assumptions. The provisions are regularly adjusted to reflect new information obtained. The use of expected values invariably means that unused provisions are reversed or additional amounts have to be recognized for provisions. Warranty claims from sales transactions are calculated on the basis of losses to date, estimated future losses and the policy on ex gratia arrangements. In addition, assumptions must be made about the nature and extent of future warranty and ex gratia claims.

For the provisions recognized in connection with the diesel issue, assumptions were made in particular for working hours, material costs and hourly wage rates, depending on the series, model year and country concerned. In addition, assumptions were made for future resale prices of repurchased vehicles. These assumptions are based on qualified estimates, which are based in turn upon external data, and also reflect additional information available within the company, such as values derived from past experience. Further information on the legal proceedings and on the legal risks at the Volkswagen Group associated with the diesel issue can be found in the "Litigation and diesel issue" subsection above.

At the level of the Volkswagen Group, tax provisions were recognized for potential future retrospective tax payments, while other provisions were recognized for ancillary tax payments arising in this connection.

Volkswagen AG and its subsidiaries have operations worldwide and are audited by local tax authorities on an ongoing basis. Amendments to tax laws and changes in legal precedent and their interpretation by the tax authorities in the respective countries may lead to tax payments that differ from the estimates made in the financial statements. The measurement of the tax provision is based on the most likely exposure resulting from this risk materializing. Volkswagen decides whether to account for multiple tax uncertainties separately or in groups on the merits of each individual case considered, depending on which type of presentation is better suited to predicting the extent to which the tax risk will materialize. The pricing of individual products and services is complex, especially in relation to contracts for the cross-border supply of intragroup goods and services, because it is in many cases not possible to observe market prices for internally generated products, or the use of market prices for similar products is subject to uncertainty because they are not comparable. In these cases, prices – including for tax purposes – are determined on the basis of standardized, generally accepted valuation techniques.

If actual developments differ from assumptions made by Volkswagen for recognizing the provisions, the figures actually recorded may differ compared to the estimates expected originally.

Government grants are recognized based on an assessment as to whether there is reasonable assurance that the companies of the Volkswagen Group will fulfill the conditions for awarding the grants and that the grants will in fact be awarded. This assessment is based on the nature of the legal entitlement and past experience.

Estimates of the useful life of finite-lived assets are based on experience and are reviewed regularly. Where estimates are modified, the residual useful life is adjusted and an impairment loss is recognized if necessary.

Estimates of lease terms under IFRS 16 are based on the non-cancelable period of a lease and an assessment of whether existing extension and termination options will be exercised. The determination of the lease term and the discount rates used impacts on the amounts to be recognized for right-of-use assets and lease liabilities.

Measuring deferred tax assets requires assumptions regarding future taxable income and the timing of the realization of deferred tax assets.

Changes to underlying premises

The estimates and assumptions are based on underlying assumptions that reflect the current state of available knowledge. Specifically, the expected future development of business was based on the circumstances known at the date of preparation of these consolidated financial statements and a realistic assessment of the future development of the global and sector-specific environment. Estimates and assumptions remain subject to a high degree of uncertainty because future business developments are subject to uncertainties that in part cannot be influenced by the Volkswagen Group, including Porsche AG and its subsidiaries and in particular by the Porsche SE Group.

Judgments and estimates of the management included assumptions relating to the development of the Volkswagen Group including Porsche AG and its subsidiaries, macroeconomic development as well as the development of the automotive markets and the legal environment that are described in the forecast report as part of Porsche SE's combined management report. Reference is also made to the explanations in the subsection “Impairment tests for certain assets and assumptions relating to the Volkswagen Group's planning”.

At the level of the Volkswagen Group, assumptions and estimates that are subject to a high degree of uncertainty also relate to the impairment testing of recognized goodwill, brand names and carrying amounts of investments. The determination of a possible impairment of goodwill and the acquired brand names as a result of the impairment testing depends to a large extent on how the legal representatives of Volkswagen estimate the future cash flows and calculate the discount rates to be applied in each case. Against the backdrop of the ongoing transformation of the core business towards e-mobility and digitalization, the shift to self-driving vehicles and stricter environmental requirements, there are uncertainties to be considered in the estimate of the Volkswagen Group's future share of the battery-electric vehicle market as well as the achievable margins and long-term growth rates at the level of the Volkswagen Group. Uncertainties relating to a possible delay in the enforcement of e-mobility and the stiff competition from China also need to be taken into account. The estimates by the Volkswagen Group are subject to risk and may be revised if environmental regulations or market conditions change.

Variances from assumptions and estimates at the level of the Volkswagen Group including Porsche AG and its subsidiaries of the expected future conditions that cannot be influenced by management may also have an indirect impact at the level of the Porsche SE Group.

At the level of the Porsche SE Group, assumptions and estimates that are subject to a high degree of uncertainty relate to the assumptions made in the impairment tests performed for the carrying amounts of the investments in Volkswagen AG and Porsche AG. This applies in particular to short and medium-term cash flows, the discount rates used and the measurement parameters for the terminal value. With regard to the derivation of the measurement parameters, reference is made to the explanations in the section “Accounting judgments, estimates and assumptions of the management at the level of the Porsche SE Group” in note [2] and in the subsections “Disclosures on the impairment test of the investments in Volkswagen AG accounted for at equity” and “Disclosures on the impairment test of the investments in Porsche AG accounted for at equity” in note [4]. The greatest risks of material adjustments to the carrying amounts within the next fiscal year as a result of changes in assumptions relate to the carrying amounts of the core investments in Volkswagen AG and Porsche AG accounted for at equity. Sensitivity analyses were therefore carried out with regard to key measurement parameters, which are presented in the sections “Disclosures on the impairment test of the investments in Volkswagen AG accounted for at equity” and “Disclosures on the impairment test of the investments in Porsche AG accounted for at equity” in note [4]. Reference is made to the sections “Accounting judgments, estimates and assumptions of the management at the level of the Porsche SE Group” and “Accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group” in note [2].

Furthermore, at the level of Porsche SE, in particular the outcome of litigation may cause variances from expectations. Reference is made to the explanations in note [23].

In cases where the actual development differs from the original expectation, the premises, and if necessary the carrying amounts of the assets and liabilities concerned, will be adjusted accordingly. Prior to the date of authorization for issue of the consolidated financial statements by the board of management, there were no indications that the carrying amounts of the assets and liabilities presented in the consolidated balance sheet would require any significant adjustment.

[3] Scope of consolidation

As of 31 December 2024, the scope of consolidation of the Porsche SE Group comprises a total of six (four) fully consolidated German subsidiaries, four (three) German associates and four (two) foreign associates.

Changes in the scope of consolidation in the fiscal year

Porsche SE established Porsche Fünfte Beteiligung GmbH and Porsche Sechste Beteiligung GmbH in the fiscal year 2024. In both cases, there is a profit and loss transfer agreement in place with Porsche SE.

In March 2024, Porsche SE announced that it would launch a venture capital fund together with the investment company DTCP with an investment focus on software companies in the area of connected mobility. In this context, Porsche SE acquired a 49% stake in Incharge Capital Partners GmbH, Hamburg (“Incharge Capital Partners”), in March 2024. In April 2024, Porsche SE subscribed for shares with a volume of €100 million in Incharge Fund I. The subscription amount is expected to be called up by the fund successively over several years. An amount of €7 million was paid in by Porsche SE as of 31 December 2024. Incharge Capital Partners acts indirectly as an advisor to Incharge Fund I. Other investors, including Deutsche Telekom AG, Bonn, are participating in the fund alongside Porsche SE. The shares held by Porsche SE in connection with this fund, i.e., Incharge Capital Partners, Incharge Fund I and Incharge Team I SCSp, Luxembourg, Luxembourg (together “Incharge companies”), are included in the IFRS consolidated financial statements of Porsche SE using the equity method. As of 31 December 2024, this did not have any significant impact on the results of operations, financial position and net assets of the Porsche SE Group.

Changes in the scope of consolidation in the prior year

The investment in Isar Aerospace SE, Ottobrunn, was measured at fair value through profit or loss until the participation in a subsequent financing round in March 2023. In the course of participating in this subsequent financing round, Porsche SE was granted participation rights through representation on the supervisory board, which give Porsche SE the power to significantly influence the financial and operating policy decisions of the company. As a result, the shares in Isar Aerospace have since been accounted for at equity.

List of shareholdings of the Porsche SE Group as of 31 December 2024 in accordance with Sec. 313 HGB

	Share in capital as of 31/12/2024	Currency	FX rate 1 € =	Equity in local currency	Result in local currency
	%			thousand	thousand
Fully consolidated entities					
Germany					
Porsche Beteiligung GmbH, Stuttgart[1]	100.0	EUR	-	42,786	-
Porsche Zweite Beteiligung GmbH, Stuttgart[1]	100.0	EUR	-	335,525	-
Porsche Dritte Beteiligung GmbH, Stuttgart[1]	100.0	EUR	-	135,925	-
Porsche Vierte Beteiligung GmbH, Stuttgart[1]	100.0	EUR	-	25,324	-
Porsche Fünfte Beteiligung GmbH, Stuttgart[1,7]	100.0	EUR	-	25	-
Porsche Sechste Beteiligung GmbH, Stuttgart[1,7]	100.0	EUR	-	25	-
Associates					
Germany					
Volkswagen Aktiengesellschaft, Wolfsburg[2]	31.9[3]	EUR	-	196,730,898	12,394,045
Dr. Ing. h.c. F. Porsche AG, Stuttgart[2]	12.5[4]	EUR	-	23,055,854	3,595,156
Isar Aerospace SE, Ottobrunn[5]	3.0	EUR	-	150,871	−61,263
Incharge Capital Partners GmbH, Hamburg[6,7]	49.0	EUR	-	41	16
International					
European Transport Solutions S.à r.l., Luxembourg[6]	35.5	EUR	-	325,851	−15,959
INRIX Inc., Kirkland, Washington[6]	11.3	USD	1.0410	−57,184	−13,102
Incharge Fund I SCSp SICAV RAIF, Luxembourg[6]	79.1	EUR	-	4,891	−3,344
Incharge Team I SCSp, Luxembourg[6]	23.0	EUR	-	95	−65

	Share in capital as of 31/12/2024 %	Currency	FX rate 1 € =	Equity in local currency thousand	Result in local currency thousand
Other equity investments					
Germany					
Quantum-Systems GmbH, Gilching[8]	2.0	EUR	-	61,767	1,323
International					
ABB E-mobility Holding AG, Zurich[8]	1.2	CHF	0.9421		
AEVA Inc., Mountain View, California[9]	0.1	USD	1.0410	228,442	–149,333
Aurora Labs Ltd., Tel Aviv[8]	3.9	ILS	3.7953		
Celestial AI Inc., Santa Clara, California[8]	2.6	USD	1.0410		
DTCP Growth Equity III SCSp SICAV-RAIF, Luxembourg[8]	4.6	USD	1.0410		
EQT Future (No.1) SCSp, Luxemburg[8]	0.9	EUR	-		
Ethernovia Inc., San José, California[8]	4.7	USD	1.0410		
EQT Future Co-Investment (H) SCSp, Luxembourg[8]	35.7	EUR	-		
Proteantecs Ltd., Haifa[8]	2.2	ILS	3.7953		
Quantum Motion Technologies Limited, Harrogate[9]	6.2	GBP	0.8302	37,584	–8,418
Seurat Technologies Inc., Wilmington, Massachusetts[8]	6.1	USD	1.0410		
Velocity MEP Participation SCSp, Luxembourg[8]	19.5	EUR	-		
Velocity Institutional Strip Participation SCSp, Luxembourg[8]	20.4	EUR	-		
Waabi Innovation Inc., Toronto, Ontario[8]	2.1	CAD	1.4972		
Xanadu Quantum Technologies Inc., Toronto, Ontario[8]	1.3	CAD	1.4972		

1 Profit and loss transfer agreement with Porsche SE; figures taken from the 2024 separate financial statements in accordance with HGB
2 Figures taken from the 2024 consolidated financial statements
3 Diverging from the capital share, the share in voting rights is 53.3% as of the reporting date.
4 Diverging from the capital share, the share in voting rights is 25.0% plus one voting right as of the reporting date.
5 Figures taken from the 2023 consolidated financial statements of Isar Aerospace SE, as the 2024 consolidated financial statements were not yet available at the time of preparing the consolidated financial statements of Porsche SE.
6 Figures taken from the provisional (consolidated) results as of 31 December 2024, as the 2024 final (consolidated) financial statements were not yet available at the time of preparing the consolidated financial statements of Porsche SE.
7 Short financial year
8 Financial statements not published
8 Figures taken from the 2023 (consolidated) financial statements, as the 2024 (consolidated) financial statements were not yet available at the time of preparing the consolidated financial statements of Porsche SE.

Porsche Beteiligung GmbH, Porsche Zweite Beteiligung GmbH, Porsche Dritte Beteiligung GmbH, Porsche Vierte Beteiligung GmbH, Porsche Fünfte Beteiligung GmbH and Porsche Sechste Beteiligung GmbH satisfied the conditions of Sec. 264 (3) HGB and make use of the exemption from the requirement to publish financial statements.

[4] Disclosures on significant investments accounted for at equity

Investments in Volkswagen AG accounted for at equity

Summarized financial information on the result from investments in Volkswagen AG accounted for at equity

Taking into account the identification and subsequent measurement of hidden reserves and liabilities for the shares held by Porsche SE, the Volkswagen Group reports the following figures:

	VW Tranche 1 FY2009 (29.88%)	VW Tranche 2 FY2015 (0.88%)	VW Tranches 3 & 4 FY2018-2020 (0.66%)	VW Tranche 5 FY2022 (0.52%)	VW Total
€ million	**2024**	**2024**	**2024**	**2024**	**2024**
Revenue	324,656	324,656	324,656	324,656	-
Total comprehensive income	13,617	10,778	9,901	8,950	-
thereof other comprehensive income	2,424	2,533	2,533	2,533	-
thereof profit from continuing operations	11,193	8,245	7,368	6,417	-
less result attributable to non-controlling interests and hybrid capital investors	–1,673	–1,673	–1,673	–1,673	-
less/plus effects from preference dividends	–12	–12	–12	18	-
Result for the year adjusted for at equity accounting	9,508	6,560	5,683	4,762	-
Result from ongoing at equity accounting	**2,841**	**58**	**38**	**25**	**2,961**
Result from impairment tests and remeasurements					–19,912
Result from investment in Volkswagen AG accounted for at equity					**–16,951**

€ million	VW Tranche 1 FY2009 (29.88%) 2023	VW Tranche 2 FY2015 (0.88%) 2023	VW Tranches 3 & 4 FY2018-2020 (0.66%) 2023	VW Tranche 5 FY2022 (0.52%) 2023	VW Total 2023
Revenue	322,284	322,284	322,284	322,284	-
Total comprehensive income	14,776[1]	9,972[1]	−5,403[1]	−6,799[1]	-
thereof other comprehensive income	−3,059	−3,731	−4,660	−6,596	-
thereof profit from continuing operations	17,835[1]	13,703[1]	−743[1]	−204[1]	-
less result attributable to non-controlling interests and hybrid capital investors	−1,914	−1,914	−1,914	−1,914	-
less/plus effects from preference dividends	−12	−12	−12	18	-
Result for the year adjusted for at equity accounting	15,908[1]	11,776[1]	−2,670[1]	−2,100[1]	-
Result from investment in Volkswagen AG accounted for at equity	**4,753[1]**	**103[1]**	**−18[1]**	**−11[1]**	**4,828[1]**

1 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

Note [5] contains further information on the development in the result.

Summarized financial information on the carrying amount of the investments in Volkswagen AG accounted for at equity

Taking into account uniform accounting policies as well as the identification and subsequent measurement of hidden reserves and liabilities for the shares held by Porsche SE, the Volkswagen Group reports the following figures:

€ million	VW Tranche 1 FY2009 (29.88%) 31/12/2024	VW Tranche 2 FY2015 (0.88%) 31/12/2024	VW Tranches 3 & 4 FY2018-2020 (0.66%) 31/12/2024	VW Tranche 5 FY2022 (0.52%) 31/12/2024	VW Total 31/12/2024
Non-current assets	392,307	401,004	411,305	419,297	-
Current assets	245,231	245,231	245,231	245,231	-
Non-current liabilities	219,900	225,470	228,236	231,686	-
Current liabilities	217,039	217,039	217,039	217,039	-
Equity	200,598	203,726	211,260	215,803	-
less non-controlling interests and hybrid capital investors	–25,610	–26,098	–26,346	–26,987	-
less/plus effects from preference dividends	–12	–12	–12	18	-
Equity adjusted for at equity accounting	174,976	177,615	184,902	188,834	-
Equity share adjusted for at equity accounting	52,275	1,558	1,229	989	-
less intercompany profit	–1,288				-
less proportionate result from changes in the proportion of equity held by non-controlling interests	–1,798	–41	–31	–24	-
Carrying amount before value adjustments	**49,189**	**1,517**	**1,199**	**965**	**52,870**
less impairments					–19,912
Carrying amount of the investment in Volkswagen AG accounted for at equity					**32,958**

€ million	VW Tranche 1 FY2009 (29.88%) 31/12/2023	VW Tranche 2 FY2015 (0.88%) 31/12/2023	VW Tranches 3 & 4 FY2018-2020 (0.66%) 31/12/2023	VW Tranche 5 FY2022 (0.52%) 31/12/2023	VW Total 31/12/2023
Non-current assets	368,590[1]	380,245[1]	391,834[1]	401,344[1]	-
Current assets	239,644	239,644	239,644	239,644	-
Non-current liabilities	208,397[1]	214,086[1]	217,263[1]	221,279[1]	-
Current liabilities	206,036[1]	206,036[1]	206,036[1]	206,036[1]	-
Equity	193,800[1]	199,767[1]	208,179[1]	213,672[1]	-
less non-controlling interests and hybrid capital investors	−26,656	−27,145	−27,392	−28,033	-
less/plus effects from preference dividends	−12	−12	−12	18	-
Equity adjusted for at equity accounting	167,132[1]	172,610[1]	180,775[1]	185,657[1]	-
Equity share adjusted for at equity accounting	49,932[1]	1,514[1]	1,202[1]	973[1]	-
less intercompany profit	−1,288				-
less proportionate result from changes in the proportion of equity held by non-controlling interests	−1,798	−41	−31	−24	-
Carrying amount of the investment in Volkswagen AG accounted for at equity	**46,846[1]**	**1,473[1]**	**1,171[1]**	**948[1]**	**50,438[1]**

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section "Changes to the prior-year period".

The eliminated intercompany profit is attributable to the contribution of the holding business operations of Porsche SE to Volkswagen AG in the fiscal year 2012 (hereinafter also referred to as "contribution" or "business contribution"). The contribution of the holding business operations of Porsche SE to Volkswagen AG primarily involved the transfer of the investment in Porsche Holding Stuttgart GmbH, Stuttgart, and all other investments of Porsche SE existing at the time of the contribution (with the exception of the investment in Volkswagen AG). As Volkswagen AG was already an associate of Porsche SE at that time, this intercompany profit had to be eliminated and the carrying amount of the investment in Volkswagen AG tranche 1 accounted for at equity had to be reduced accordingly in the consolidated financial statements of Porsche SE. Taking into account the proportionate realization in the course of the IPO of Porsche AG in the fiscal year 2022, the remaining intercompany profit amounts to €1,288 million.

The sale of preference shares and ordinary shares of Porsche AG in the fiscal year 2022 increased the Volkswagen Group's equity allocable to the shareholders of Volkswagen AG ("result from changes in the proportion of equity held by non-controlling interests"). In the course of accounting for the investment in Volkswagen AG at equity in the consolidated financial statements of Porsche SE, this result from changes in the proportion of equity held by non-controlling interests – after alignment with uniform group accounting policies – had to be eliminated on a pro rata basis to the extent that it resulted from the acquisition of ordinary shares by Porsche SE itself.

Note [13] contains further information on the development of the carrying amount accounted for at equity.

Disclosures on the impairment test of the investments in Volkswagen AG accounted for at equity

In the course of the impairment test performed as of 31 December 2024 on the investment in Volkswagen AG accounted for at equity, a value in use of €32,958 million and therefore an impairment of €19,912 million was identified. The market value of Porsche SE's investment in Volkswagen AG accounted for at equity amounts to €14,747 million as of 31 December 2024 (€18,948 million). The impairment test was carried out due to the fact that the carrying amount of the investment in Volkswagen AG accounted for at equity before impairment testing of €52,870 million (€50,438 million) exceeded the pro rata market capitalization of the investment in Volkswagen AG as of 31 December 2024.

The impairment test regarding the investment in Volkswagen AG was performed by determining the value in use on the basis of a discounted cash flow method. The cash flows used for this purpose take into account analysts' expectations and insights from the current five-year plan prepared by the board of management of Volkswagen AG. For estimates and assumptions based on the planning of the Volkswagen Group, reference is made to the section "Accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group" in note [2]. Analyst consensus data was used to derive the revenue and the operating result expectations for the fiscal years 2025 and 2026. Due to a small number of analysts' expectations for the business development of the Volkswagen Group from the fiscal year 2027 onwards, revenue was extrapolated on the basis of analysts' expectations for the revenue growth of peer group companies including Volkswagen AG. Assumptions regarding the reconciliation of the operating result to cash flows, e.g., with regard to the investment ratio, as well as the operating return on sales for the period from the fiscal year 2027 onwards are generally based on the corresponding ratios in the Volkswagen Group's planning, with adjustments being made in the form of risk discounts on an individual basis.

The development of the results of operations assumed for the fiscal year 2025 for the purpose of the impairment test is within the range forecast by Volkswagen, which indicates an operating return on sales for the group of between 5.5% and 6.5% and revenue that is up to 5% higher than the prior year. With regard to the five-year period as a whole, the compound annual growth rate (CAGR) assumed by Porsche SE for the purpose of the impairment test is 2.8% based on 2024. With regard to the operating return on sales, a positive development is assumed over the planning years, with the operating return on sales for the individual planning years reaching values of up to around 8.3%.

An annual growth rate of 0.5% (1.0%) was used to extrapolate the cash flows beyond the detailed planning period. The sustainable operating return on sales of 6.75% (9%) is based on the average of the actual operating return on sales realized in the past, adjusted for special effects, and the operating return on sales of the Volkswagen Group assumed by Porsche SE in the detailed planning phase over an overall period under consideration of 20 years. In the prior year, the sustainable operating return on sales was at the lower end of the Volkswagen Group's long-term target of between 9% and 11%. For the investment in Volkswagen AG, a weighted average cost of capital of 10.3% (10.2%) or a weighted average cost of capital before taxes of 15.2% (14.4%) was used to discount the cash flows. This was derived using a peer group analysis and thus reflects a risk-adequate return on capital customary in the industry. To take into account the share of equity of Porsche AG and Traton SE not attributable to Volkswagen AG of 24,6% and 10.3%, respectively, the value of equity of Volkswagen AG was reduced accordingly.

The value in use determined in the course of the impairment test as of 31 December 2024 was higher than the fair value less costs of disposal, but lower than the carrying amount of the investment in Volkswagen AG accounted for at equity before impairment testing. Impairment of €19,912 million was recognized for this.

The fiscal year 2024 was associated with an increasingly changed and highly challenging economic and political environment, particularly with regard to the intensifying competition in the automotive sector, market developments in China, the slower ramp-up of electromobility and further rising geopolitical tensions and protectionist tendencies. Against this backdrop and the expectation that competition will intensify further, the impairment resulted from changes in future expectations and the associated changes in valuation assumptions: Compared to the prior year, both lower revenue and lower operating returns on sales are expected in the detailed planning period. The same applies to parameters for the terminal value, in which a lower revenue level for extrapolation beyond the detailed planning phase, lower sustainable revenue growth and a lower sustainable operating return on sales are expected. The slight increase in the discount rate contributed to the impairment to a small extent.

Due to the existing uncertainties with regard to future developments, the parameters and estimates used are also subject to considerable uncertainty. To illustrate the estimation uncertainties, a sensitivity analysis was also carried out with regard to key measurement parameters as part of the impairment test. The table below shows the extent to which a change in the sustainable operating return on sales and the weighted average cost of capital would affect the value in use of the investment in Volkswagen AG as of 31 December 2024.

€ million	WACC (10.3%)		
	–1 percentage point	+/- 0%	+ 1 percentage point
EBIT margin (6.75%)			
–2 percentage points	–6,744	–10,464	–13,518
–1 percentage point	–645	–5,232	–8,980
+/-0%	5,454	-	–4,442
+1 percentage point	11,553	5,232	95
+2 percentage points	17,652	10,464	4,633

In addition, the table below shows the extent to which a change in the sustainable operating return on sales and the sustainable revenue (adjusted by the growth rate) would affect the value in use of the investment in Volkswagen AG as of 31 December 2024. It is assumed that the revenue level for extrapolation beyond the detailed planning phase would develop at a different CAGR based on the fiscal year 2024. Sensitivity testing in this context does not take into account any changes in the detailed planning period.

€ million	CAGR (2.8%)		
	–1 percentage point	+/- 0%	+ 1 percentage point
EBIT margin (6.75%)			
–2 percentage points	–11,650	–10,464	–9,231
–1 percentage point	–6,668	–5,232	–3,740
+/-0%	–1,685	-	1,752
+1 percentage point	3,297	5,232	7,244
+2 percentage points	8,280	10,464	12,736

Investments in Porsche AG accounted for at equity

Summarized financial information on the result from investments in Porsche AG accounted for at equity
Taking into account the identification and subsequent measurement of hidden reserves and liabilities for the shares accounted for by Porsche SE, the Porsche AG Group reports the following figures:

€ million	Porsche AG (12.5%) 2024	(12.5%) 2023
Revenue	40,083	40,530
Total comprehensive income	3,162	2,074
thereof other comprehensive income	–621	–1,065
thereof profit from continuing operations	3,783	3,139
less result attributable to non-controlling interests	–3	0
less effects from additional dividends	–5	–5
Result for the year adjusted for at equity accounting	3,776	3,134
Result from ongoing at equity accounting	**472**	**391**
Result from impairment tests and remeasurements	–3,375	
Result from investment in Porsche AG accounted for at equity	**–2,903**	**391**

Note [5] contains further information on the development in the result.

Summarized financial information on the carrying amount of the investments in Porsche AG accounted for at equity

Taking into account the identification and subsequent measurement of hidden reserves and liabilities for the shares held by Porsche SE, the Porsche AG Group reports the following figures:

€ million	Porsche AG (12.5%) **31/12/2024**	Porsche AG (12.5%) 31/12/2023
Non-current assets	65,538	63,160
Current assets	20,349	20,113
Non-current liabilities	25,710	24,935
Current liabilities	14,362	13,593
Equity	45,815	44,745
less non-controlling interests	−13	−1
less effects from additional dividends	−5	−5
Equity adjusted for at equity accounting	45,798	44,740
Equity share adjusted for at equity accounting	5,725	5,592
plus goodwill	4,831	4,831
Carrying amount before value adjustments	**10,555**	**10,423**
less impairments	−3,375	
Carrying amount of the investment in Porsche AG accounted for at equity	**7,180**	**10,423**

Note [13] contains further information on the development of the carrying amount accounted for at equity.

Disclosures on the impairment test of the investments in Porsche AG accounted for at equity

In the course of the impairment test performed as of 31 December 2024 on the investment in Porsche AG accounted for at equity, a value in use of €7,180 million and therefore an impairment of €3,375 million was identified. The ordinary shares of Porsche AG held by Porsche SE are not listed. Applying the stock price of the preference shares of Porsche AG plus an ordinary share premium of 7.5% would result in a proportionate market value of Porsche SE's investment in Porsche AG of €7,152 million (€9,781 million) as of 31 December 2024. The ordinary share premium is derived from the acquisition of ordinary shares of Porsche AG by Porsche SE. The impairment test was carried out due to the fact that the carrying amount of the investment in Porsche AG accounted for at equity before impairment testing of €10,555 million (€10,423 million) exceeded the derived pro rata market capitalization of the investments in Porsche AG as of 31 December 2024.

The impairment test regarding the investment in Porsche AG was performed by determining the value in use on the basis of a discounted cash flow method. The cash flows used for this purpose take into account analysts' expectations and insights from the current five-year plan prepared by the board of management of Porsche AG. The multi-year planning of Porsche AG had to be adjusted for the purpose of the impairment test at the level of Porsche SE as of 31 December 2024 due to adjusting events after the reporting period, which reduced the derived future cash flows. For estimates and assumptions based on the planning of the Porsche AG Group, reference is made to the section "Accounting judgments, estimates and assumptions of the management at the level of the Volkswagen Group" in note [2].

The development of the results of operations assumed for the fiscal year 2025 for the purpose of the impairment test is within the range forecast by Porsche AG, which indicates an operating return on sales of between 10% and 12% and revenue of between €39 billion and €40 billion. With regard to the five-year period as a whole, the CAGR assumed by Porsche SE for the purpose of the impairment test is 4.1% based on 2024. With regard to the operating return on sales, a positive development is assumed over the planning years, with the operating return on sales for the individual planning years reaching values of up to around 15.4%.

An annual growth rate of 1.0% (2.0%) was used to extrapolate the cash flows beyond the detailed planning period. The sustainable operating return on sales of 15.75% (20.0%) is based on the average of the actual operating return on sales realized in the past, adjusted for special effects, and the operating return on sales of the Porsche AG Group assumed by Porsche SE in the detailed planning phase over an overall period under consideration of 12 years in total. In the prior year, the sustainable operating return on sales was based on the Porsche AG Group's long-term target of an operating return on sales of 20%. For the investment in Porsche AG, a weighted average cost of capital of 9.0% (8.9%) or a weighted average cost of capital before taxes of 12.2% (11.7%) was used to discount the cash flows. This was derived using a peer group analysis and thus reflects a risk-adequate return on capital customary in the industry.

The value in use determined in the course of the impairment test as of 31 December 2024 was higher than the fair value less costs of disposal, but lower than the carrying amount of the investment in Porsche AG accounted for at equity before impairment testing. Impairment of €3,375 million was recognized for this.

The fiscal year 2024 was associated with an increasingly changed and highly challenging economic and political environment, particularly with regard to the intensifying competition in the automotive sector, market developments in China, the slower ramp-up of electromobility and further rising geopolitical tensions and protectionist tendencies. Against this backdrop and the expectation that competition will intensify further, the impairment resulted from changes in future expectations and the associated changes in valuation assumptions: Compared to the prior year, both lower revenue and lower operating returns on sales are expected in the detailed planning period. The same applies to parameters for the terminal value, in which a lower revenue level for extrapolation beyond the detailed planning phase and a lower sustainable operating return on sales are also expected. The slight increase in the discount rate contributed to the impairment to a small extent.

Due to the existing uncertainties with regard to future developments, the parameters and estimates used are also subject to considerable uncertainty. To illustrate the estimation uncertainties, a sensitivity analysis was also carried out with regard to key measurement parameters as part of the impairment test. The table below shows the extent to which a change in the sustainable operating return on sales and the weighted average cost of capital would affect the value in use of the investment in Porsche AG as of 31 December 2024.

	WACC (9.0%)		
€ million	**–1 percentage point**	**+/- 0%**	**+ 1 percentage point**
EBIT margin (15.75%)			
–2 percentage points	290	–707	–1,480
–1 percentage point	713	–353	–1,180
+/-0%	1,136	-	–880
+1 percentage point	1,560	353	–580
+2 percentage points	1,983	707	–281

In addition, the table below shows the extent to which a change in the sustainable operating return on sales and the sustainable revenue (adjusted by the growth rate) would affect the value in use of the investment in Porsche AG as of 31 December 2024. It is assumed that the revenue level for extrapolation beyond the detailed planning phase would develop at a different CAGR based on the fiscal year 2024. Sensitivity testing in this context does not take into account any changes in the detailed planning period.

	CAGR (4.1%)		
€ million	**–1 percentage point**	**+/- 0%**	**+ 1 percentage point**
EBIT margin (15.75%)			
–2 percentage points	–936	–707	–469
–1 percentage point	–599	–353	–98
+/-0%	–262	-	273
+1 percentage point	74	353	643
+2 percentage points	411	707	1,014

Investments in ETS accounted for at equity

Summarized financial information on the result from investments in ETS accounted for at equity

Taking into account the identification and subsequent measurement of hidden reserves and liabilities for the shares accounted for by Porsche SE, the ETS Group reports the following figures:

€ million	ETS (35.55%) **2024**	(35.55%) 2023
Revenue	359	325
Total comprehensive income	14	–17
thereof other comprehensive income	2	0
thereof profit from continuing operations	11	–16
less result attributable to non-controlling interests	0	0
Result for the year adjusted for at equity accounting	12	–17
Result from investment in ETS accounted for at equity	**4**	**–6**

[1] The application of the equity method is based on the provisional consolidated results of ETS as of 31 December 2024.

Note [5] contains further information on the development in the result.

Summarized financial information on the carrying amount of the investments in ETS accounted for at equity

Taking into account the identification and subsequent measurement of hidden reserves and liabilities for the shares held by Porsche SE, the ETS Group reports the following figures:

€ million	ETS (35.55%) **31/12/2024**[1]	(35.55%) 31/12/2023
Non-current assets	390	392
Current assets	199	177
Non-current liabilities	288	330
Current liabilities	188	143
Equity	113	97
less non-controlling interests	2	0
Equity adjusted for at equity accounting	111	97
Equity share adjusted for at equity accounting	40	34
plus goodwill	66	66
Carrying amount of the investment in ETS accounted for at equity	**106**	**101**

[1] The application of the equity method is based on the provisional consolidated results of ETS as of 31 December 2024.

Note [13] contains further information on the development of the carrying amount accounted for at equity.

With regard to the investments in ETS accounted for at equity, there were no indications of impairment as of 31 December 2024.

Notes to the consolidated income statement

[5] Result from investments accounted for at equity

The result from investments accounted for at equity breaks down as follows:

€ million	VW 2024	Porsche AG 2024	Portfolio-investments 2024	Total 2024
Result from ongoing at equity accounting	2,961	472	−2	3,430
Result from ongoing at equity accounting before purchase price allocations	3,421	448	−2	3,867
Effects from purchase price allocations	−460	23	−1	−437
Result from impairment tests and remeasurements	−19,912	−3,375	−5	−23,292
	−16,951	**−2,903**	**−7**	**−19,861**

€ million	VW 2023	Porsche AG 2023	Portfolio-investments 2023	Total 2023
Result from ongoing at equity accounting	4,828[1]	391	−10	5,208[1]
Result from ongoing at equity accounting before purchase price allocations	5,090[1]	643	−9	5,724[1]
Effects from purchase price allocations	−262	−252	−1	−516
Result from impairment tests and remeasurements	0	0	−1	−1
	4,828[1]	**391**	**−11**	**5,208**[1]

1 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

With regard to further information pursuant to IFRS 12 and explanations on the impairment tests for the investments accounted for at equity, reference is made to note [4].

Result from the investments in Volkswagen AG accounted for at equity

The result from ongoing at equity accounting before effects from purchase price allocations results from the development in earnings at the level of the Volkswagen Group. The decline in the Volkswagen AG Group’s result is based on a decrease in the operating result and the financial result.

The decrease in the operating result of the Volkswagen Group in the fiscal year 2024 was mainly due to a slightly negative effect from mix and pricing trends, as well as to higher depreciation and upfront expenditures for new products. In the fiscal year 2024, Volkswagen also incurred restructuring expenses of around €3 billion, which were set against the reversal of personnel-related provisions of around €1 billion as a result of the outcome of the collective bargaining at

Volkswagen AG. The power engineering business area incurred expenses in connection with the planned closure of the MGT gas turbine business of MAN Energy Solutions. In the period from January to December 2024, a rise in interest expenses, higher risk costs and foreign exchange losses in connection with the deconsolidation of Volkswagen Bank Rus had an additional adverse impact on the financial services division's operating result. In the prior year, the fair value measurement of derivatives to which hedge accounting is not applied had reduced the Volkswagen Group's operating result by €3.2 billion.

The financial result of the Volkswagen Group decreased on the prior year, in particular because the result from investments accounted for at equity was lower than in the prior year, due to the decline in the result of the Chinese joint ventures, among other factors. The final winding-down of Argo AI resulted in a gain in the third quarter of 2024 at the level of the Volkswagen Group. Under the other financial result, the financial result of the Volkswagen Group was down on the prior year, mainly because of the impairment losses recognized in connection with Northvolt.

Please refer to the explanations presented in the section “Results of operations of the Volkswagen Group” in the combined group management report.

As a result of impairment tests performed at the level of the Volkswagen Group, impairment losses were recognized for amortized hidden reserves which were recognized in an ancillary calculation in connection with investments in associates of the Volkswagen Group in the course of the purchase price allocations at the level of Porsche SE. These were recognized in an ancillary calculation to the carrying amount accounted for at equity and are included in the effects from purchase price allocations in a total amount of minus €421 million (minus €232 million).

The result impairment tests and remeasurements comprises the impairment loss recognized in the fiscal year 2024 on the carrying amount of the shares in Volkswagen AG totaling €19,912 million (see note [4]).

Result from the investments in Porsche AG accounted for at equity

The decrease in the result from ongoing at equity accounting before effects from purchase price allocations results from the development in earnings at the level of the Porsche AG Group. The decrease in the Porsche AG Group's result is based on decreases in the operating result and the financial result.

The decrease in the Porsche AG Group's operating result is attributable to a slight decrease in revenue due to lower vehicle sales combined with positive price and equipment mix effects and a simultaneous increase in the cost of sales due to higher material costs and higher development costs recognized in the income statement as well as start-up costs in connection with the renewal of the model range.

The decrease in the financial result of the Porsche AG Group is mainly due to current earnings effects from equity-accounted investments as well as special effects from other investments in the area of batteries and connectivity.

Please refer to the explanations presented in the section “Results of operations of the Porsche AG Group” in the combined group management report.

The subsequent effects from the purchase price allocation include effects from the subsequent measurement of the hidden reserves and liabilities identified of minus €40 million (minus €353 million) as well as offsetting adjustments to other reserves (OCI) in connection with cash flow hedges of €63 million (€100 million). The prior-year figure mainly comprised higher amortization or depreciation on assets with short remaining useful lives, most of which had already reached the end of their useful lives in the prior year.

The result from impairment tests and remeasurements comprises the impairment loss recognized in the fiscal year 2024 on the carrying amount of the shares in Porsche AG totaling €3,375 million (see note [4]).

Result from the portfolio investments accounted for at equity

The portfolio investments accounted for at equity primarily relate to ETS, INRIX, Isar Aerospace and, since the fiscal year 2024, the Incharge companies (see explanations in note [3]). In the fiscal year 2024, an impairment loss of €4 million (€1 million) was recognized on the carrying amount of the investment in INRIX accounted for at equity and of €1 million on the carrying amount of the investment in Incharge Fund I accounted for at equity.

[6] Income and expenses from investment valuation

The items income and expenses from investment valuation contain the valuation effects from portfolio investments measured at fair value. In the fiscal year 2024, income from investment valuation totaling €13 million (€1 million) mainly comprises income from the revaluation of an investment in the course of a subsequent financing round and of two fund investments. Expenses from investment valuation totaling €29 million (€1 million) mainly result from the revaluation of two investments as a result of adjusted expectations regarding future business development. Reference is made to note [22] for aggregated disclosures on the fair values of the financial instruments of the Porsche SE Group.

[7] Other operating income

Other operating income from the prior year includes income of €218 million from the recognition of a contractual claim for compensation against Volkswagen AG. This resulted from a compensation mechanism in the contribution agreement, based on tax benefits and tax disadvantages, in connection with the contribution of the holding business operations of Porsche SE to Volkswagen AG in the fiscal year 2012 (see note [24]).

[8] Personnel expenses

Personnel expenses break down as follows:

€ million	**2024**	2023
Wages and salaries	14	15
Social security contributions	1	0
Pension and other benefit costs	2	2
	17	**17**

The average number of employees during the fiscal year 2024 was 45 (41) and breaks down as follows:

Employees (annual average)	**2024**	2023
Employees with personnel responsibility	10	10
Employees	35	31
Employees according to Sec. 314 (1) No. 4 HGB in connection with Sec. 315e HGB	**45**	**41**

[9] Other operating expenses

Other operating expenses consist of:

€ million	2024	2023
Legal and consulting fees	6	7
Other external services	6	7
Insurance costs	2	3
Sundry other operating expenses	3	2
	18	**18**

Sundry other operating expenses contain expenses for short-term leases, for leases of low-value assets and for variable lease components totaling €1 million (€1 million).

[10] Financial result

The financial result breaks down as follows:

€ million	2024	2023
Interest expense on financial liabilities	–360	–320
Interest result from hedging instruments (hedge accounting)	48	32
Other finance costs	–6	–5
Finance costs	–319	–293
Other financial result	78	24
Financial result	**–241**	**–269**

The improvement in the financial result from minus €269 million in the prior year to minus €241 million in the fiscal year 2024 is primarily due to the lower group net debt. This decreased from €5.7 billion as of 31 December 2023 to €5.2 billion as of 31 December 2024 (see note [21]).

Using the effective interest method results in an interest expense of €360 million (€320 million) for financial liabilities.

The interest result from hedging instruments (hedge accounting) consists, on the one hand, of accrued interest from interest rate hedging instruments in place in the fiscal year 2024 to which hedge accounting is applied. On the other hand, it also includes reclassifications from the cash flow hedge reserve of discontinued hedging instruments that remain economically effective and whose gains or losses are not recognized immediately at the time of their termination but are recognized concurrently with the future gain or loss effects of the refinancing instruments (see note [22]). The interest result from hedging instruments (hedge accounting) consists of expenses of €2 million (€4 million) and income of €50 million (€37 million). Other finance costs primarily contain commitment fees of €3 million (€3 million).

Other financial result largely comprises interest income from fixed-term deposits and securities classified as current assets of €78 million (€24 million).

[11] Income tax

The income tax expense (–) and income (+) disclosed breaks down into:

€ million	**2024**	2023
Current tax expense/income	−5	3
Deferred tax income/expense	138	−51
thereof related to the origination/reversal of temporary differences	286	−52[1]
thereof deferred tax assets on tax loss and interest carryforwards	−148	2[1]
Income tax income/expense	**133**	**−47[1]**

1 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section "Changes to the prior-year period".

The actual tax expense in the fiscal year 2024 mainly results from income tax for 2024.

This was counterbalanced by deferred tax income (net). This is mainly due to the lower year-on-year carrying amount of the investment in Volkswagen AG and Porsche AG accounted for at equity and the resulting deferred tax income from the reversal of previously recognized deferred tax liabilities. In the reporting year, deferred tax liabilities on the lower carrying amount of the investment in Volkswagen AG accounted for at equity were recognized in profit or loss in line with the share of the result from investments accounted for at equity recognized in the consolidated income statement. The deferred tax expense in the reporting year is mainly due to the reversal of deferred tax assets on loss carryforwards in connection with lower deferred tax liabilities as a result of the lower carrying amounts of the investments in Volkswagen AG and Porsche AG.

Tax losses which have been unused so far and for which no deferred tax assets were recognized amounted to €1,941 million (€1,327 million) and do not lapse over time in their entirety.

The following reconciliation shows the differences between the expected income tax expense calculated at the group parent company's tax rate of 30.5% (30.5%) and the reported income tax expense:

€ million	**2024**	2023
Result before tax	–20,150	5,122[1]
Group tax rate	30.5%	30.5%
Expected income tax expense	**6,146**	**–1,562**[1]
Difference in tax base	–5,875	1,499[1]
Recognition and measurement of deferred tax	–150	–54[1]
Tax relating to other periods	13	70
Other differences	0	0
Reported income tax expense	**133**	**–47**[1]

1 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section "Changes to the prior-year period".

The item "difference in tax base" mainly relates to the tax exemption of dividend income and sales of investments or non-deductibility of impairment losses in connection with the investments accounted for at equity. The reconciliation item "recognition and measurement of deferred tax" mainly results from the reversal of deferred taxes on loss carryforwards of €197 million. In the reporting year the effects relating to other periods largely result from the effective utilization of previously unrecognized tax losses from prior years.

	Deferred tax assets		Deferred tax liabilities	
€ million	**31/12/2024**	31/12/2023	**31/12/2024**	31/12/2023
Intangible assets				0
Investments accounted for at equity			152	424[1]
Other receivables and assets	4	3	5	9
Tax losses and interest carryforwards	109	257[1]		
Provisions for pensions	4	4		
Other provisions	2	1	0	
Other liabilities	1	1	9	9
Gross value	119	265[1]	166	442[1]
Offsetting	– 119	– 265[1]	– 119	– 265[1]
Reclassification				
Carrying amount according to consolidated balance sheet	**0**	**0**	**46**	**177**[1]

1 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

The changes in deferred tax assets and liabilities recognized through other comprehensive income can be found in the statement of comprehensive income. In the fiscal year 2024, deferred tax liabilities of €1 million (€0 million) were released directly via equity. All other changes are recognized through profit or loss.

[12] Adjusted group result after tax

The adjusted group result after tax is derived from the group result after tax adjusted for the following items relating to the core investments:

€ million	2024	2023
Group result after tax	**–20,017**	**5,074[1]**
-/+ income/expenses from impairment tests and remeasurements	23,287	
- profits from bargain purchases		
-/+ profits/losses from the sale of shares		
-/+ income/expenses from deferred tax effects due to the above-mentioned items	–119	
Adjusted group result after tax	**3,151**	**5,074[1]**

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section "Changes to the prior-year period".

The item "Income/expenses from impairment tests and remeasurements" includes, on the one hand, income/expenses from write-ups/write-downs to the recoverable amount – i.e., the higher of the value in use and the fair value less costs of disposal – as part of the regular impairment tests in accordance with IAS 36, in each case with regard to the core investments. On the other hand, the item includes expenses from remeasurements at fair value less costs to sell as a result of a plan to sell as of the reporting date in accordance with IFRS 5 and income from remeasurements within the scope of IFRS 5, in each case with regard to the core investments.

Of the expenses from impairment tests and remeasurements adjusted in the reporting year, €19,912 million relate to the impairment of the investment in Volkswagen AG and €3,375 million to the impairment of the investment in Porsche AG (see notes [4] and [5]).

The item "Profits from bargain purchases" relates to income from first-time at equity accounting of acquired or newly acquired shares in core investments within the meaning of IAS 28 in conjunction with IFRS 3. Profits from bargain purchases are recognized if the pro rata remeasured equity of the investee exceeds its acquisition costs. Any (higher) expenses arising from the amortization of hidden reserves identified in subsequent periods in the course of a purchase price allocation that have resulted in a profit from bargain purchases are not corrected due to the lack of clear identifiability.

The item “Profits/losses from the sale of shares” comprises profits from the sales of shares within the meaning of IAS 28 that arise when the sales price is higher than the carrying amount of the investment accounted for using the equity method, as well as losses from the sale of shares within the meaning of IAS 28 that arise when the sales price is lower than the carrying amount of the investment accounted for using the equity method, in each case with regard to the core investments.

The item “Income/expenses from deferred tax effects due to the above-mentioned items” relates to both changes in deferred tax liabilities due to changes in the carrying amounts of the investments in the core investments and the resulting changes in deferred tax assets on tax loss and interest carryforwards, the amount of which in the Porsche SE Group depends on the amount of deferred tax liabilities.

The income from deferred tax effects adjusted in the reporting year of €119 million relates to the (accumulated) deferred tax income from the reversal of deferred tax liabilities on the carrying amounts of the core investments reduced as a result of impairment, less the corresponding offsetting expense from the reversal of deferred tax assets on tax loss and interest carryforwards (see note [11]).

Notes to the consolidated balance sheet

[13] Investments accounted for at equity

€ million	VW	Porsche AG	Portfolio-investments	Total
As of 1 January 2024	50,438[1]	10,423	131	60,993
Additions			7	7
Result from ongoing at equity accounting	2,961	472	–2	3,430
Other comprehensive income from investments accounted for at equity	835	–78	1	759
Other changes in equity from investments accounted for at equity	77	0	–1	76
Dividends	–1,441	–262		–1,703
Result from impairment tests and remeasurements	–19,912	–3,375	–5	–23,292
As of 31 December 2024	**32,958**	**7,180**	**132**	**40,270**

€ million	VW	Porsche AG	Portfolio-investments	Total
As of 1 January 2023	48,022[1]	10,196	116	58,335[1]
Additions			25	25
Result from ongoing at equity accounting	4,828[1]	391	–11	5,208[1]
Other comprehensive income from investments accounted for at equity	–1,033	–42	0	–1,074
Other changes in equity from investments accounted for at equity	15	–9	0	6
Dividends	–1,393	–114		–1,507
Result from impairment tests and remeasurements			–1	–1
As of 31 December 2023	**50,438[1]**	**10,423**	**131**	**60,993[1]**

1 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

The decline in the carrying amount of the investments in Volkswagen AG and Porsche AG accounted for at equity is primarily attributable to the impairment losses in the fiscal year to the respective value in use. The impairment of the carrying amount of Volkswagen AG and Porsche AG accounted for at equity amounts to €19,912 million and €3,375 million, respectively. For an explanation on the impairment tests for investments accounted for at equity and other disclosures in accordance with IFRS 12, reference is made to note [4].

In the fiscal year 2024, on the basis of the resolution of the annual general meeting on 29 May 2024, Porsche SE received from Volkswagen AG a dividend of €1,441 million (€1,393 million), which reduced the carrying amount of the investment in Volkswagen AG accounted for at equity in the fiscal year 2024. In the prior year, it also collected the special dividend of Volkswagen AG of €22 million offset against the remaining purchase price liability to Volkswagen for the ordinary shares of Porsche AG acquired by Porsche SE in the fiscal year 2022, which had already been recognized in the fiscal year 2022 in the course of at equity accounting based on the resolution of the extraordinary general meeting of Volkswagen AG in December 2022.

In the fiscal year 2024, on the basis of the resolution of the annual general meeting on 7 June 2024, Porsche SE received from Porsche AG a dividend of €262 million (€114 million), which reduced the carrying amount of the investment in Porsche AG accounted for at equity in the fiscal year 2024.

The investments in portfolio companies accounted for at equity mainly include INRIX, Isar Aerospace and, since the fiscal year 2024, the Incharge companies (see explanations in note [3]).

In the fiscal year 2024, an impairment loss of €4 million (€1 million) was recognized on the carrying amount of the investment in INRIX accounted for at equity and of €1 million on the carrying amount of the investment in Incharge Fund I accounted for at equity.

[14] Other financial assets

	31/12/2024			31/12/2023		
€ million	current	non-current	Total	current	non-current	Total
Other portfolio investments		149	149		98	98
Derivative financial instruments	3	0	3	10	3	13
Sundry other financial assets	9	1	10	8	2	11
	13	**150**	**162**	**19**	**103**	**122**

Other portfolio investments – i.e., investments in portfolio companies measured at fair value – increased by €50 million in the fiscal year 2024. The increase is mainly due to the acquisition of investments in portfolio companies or the participation in a subsequent financing round totaling €67 million and to fair value measurements totaling minus €16 million.

The interest rate derivatives as of 31 December 2024 are designated as hedging instruments to which the rules of hedge accounting continue to be applied, however, due to changes in value recognized in other comprehensive income as of 31 December 2024, they are not recognized as derivative financial instruments (€3 million) under non-current other financial assets as in the prior year, but solely under non-current other financial liabilities in the amount of €36 million (€43 million) (see note [22]). The current derivative financial instruments relate to accrued interest of €3 million (€10 million) as of the reporting date.

Sundry other financial assets primarily contain accrued interest from fixed-term deposits of €8 million (€5 million) as of 31 December 2024.

[15] Equity

The development of equity is presented in the consolidated statement of changes in equity.

The decrease in equity as of 31 December 2024 is due to the non-cash impairment losses on the carrying amounts of the core investments – Volkswagen AG and Porsche AG – to their respective recoverable amount as of 31 December 2024 (see note [4]).

Subscribed capital

Unchanged from the figure at the end of the prior year, Porsche SE's subscribed capital totals €306.25 million and continues to be divided into 153,125,000 ordinary shares and 153,125,000 non-voting preference shares which have been fully paid in. Each share represents a €1 notional amount of the subscribed capital. The preference shares carry an additional dividend of 0.6 cents per share in the event of there being net profit available for distribution and a corresponding resolution on a distribution.

Capital reserves

The capital reserves contain additions from share premiums reduced by the transaction costs incurred.

Retained earnings

Retained earnings contain current profits and those earned by the group companies in prior years and not yet distributed as well as part of the changes in equity recognized on a pro rata basis as part of at equity accounting.

Other reserves (OCI)

Other reserves are divided into items to be reclassified to profit or loss in subsequent periods (reclassifiable items) and items that are not to be reclassified to profit or loss in subsequent periods (non-reclassifiable items). The non-reclassifiable items contain the cumulative actuarial losses of the Porsche SE Group from pensions of €2 million (€2 million) as well as the corresponding deferred tax assets of €1 million (€1 million). In the reporting year, the reclassifiable items contain the cash flow hedge reserve, in which the effective changes in fair value of the interest rate swaps held as hedging instruments accumulated as of 31 December 2024 of €9 million (€26 million) as well as the corresponding deferred tax liabilities of €3 million (€8 million) are recognized (see note [22]). The reclassifiable items and the non-reclassifiable items of minus €18 million (minus €14 million) and €17 million (€25 million), respectively, also contain deferred taxes on the investment in associates.

In addition, both reclassifiable and non-reclassifiable items include as a significant component the accumulated reclassifiable other comprehensive income of €1,197 million (€954 million) after deferred taxes and the accumulated non-reclassifiable other comprehensive income of minus €1,134 million (minus €1,650 million) after deferred taxes recognized as a result of applying the equity method since the acquisition of the investments accounted for at equity.

Of the expenses and income from investments accounted for at equity recognized in other comprehensive income of €759 million (minus €1,074 million) after deferred taxes, €532 million (minus €403 million) relates to remeasurements of pensions after deferred taxes, minus €326 million (€100 million) to changes in the cash flow hedge reserve after deferred taxes and €463 million (minus €397 million) to currency translations after deferred taxes.

In the fiscal year 2024, a net amount of €48 million (€22 million) resulting from the accumulated income from cash flow hedges and €49 million (€129 million) resulting from the accumulated expenses from investments accounted for at equity was transferred to profit or loss (recycling).

Proposal for the appropriation of profit

The separate financial statements of Porsche SE as of 31 December 2024 in accordance with German Commercial Code show a net loss of minus €1,521 million (net profit of €1,441 million). With reversals of retained earnings of €2,105 million (transfers to retained earnings of €658 million), the net profit available for distribution amounts to €584 million (€783 million). The board of management proposes a resolution for the distribution of a dividend of €1.904 per ordinary share and €1.910 per preference share, i.e., a total distribution of €584 million. Dividends paid out in the fiscal year 2024 amounted to €2.554 (€2.554) per ordinary share and €2.560 (€2.560) per preference share, in total €783 million (€783 million).

Earnings per share

Basic earnings per share are calculated by dividing the share of the result of Porsche SE's shareholders by the weighted average number of ordinary and preference shares outstanding during the fiscal year. The same applies to the adjusted earnings per share, which is, however, calculated on the basis of the adjusted group result after tax (see note [12]).

Taking into account the additional dividend for holders of preference shares results in a difference of 0.6 cents between the earnings per ordinary share and earnings per preference share. Since there were no transactions in 2024 and 2023 that had a dilutive effect on the number of shares, diluted earnings per share correspond to the basic earnings per share.

		2024	2023
Average number of ordinary shares outstanding	Number	153,125,000	153,125,000
Average number of preference shares outstanding	Number	153,125,000	153,125,000
Result after tax	€ million	–20,017	5,074[1]
Profit/loss attributable to shareholders of Porsche SE	€ million	–20,017	5,074[1]
Profit/loss attributable to ordinary shares (basic and diluted)	€ million	–10,009	2,537[1]
Profit/loss attributable to preference shares (basic and diluted)	€ million	–10,008	2,538[1]
Earnings per ordinary share (basic and diluted)	€	–65.36	16.57[1]
Earnings per preference share (basic and diluted)	€	–65.36	16.57[1]
Adjusted result after tax	€ million	3,151	5,074[1]
Adjusted profit/loss attributable to shareholders of Porsche SE	€ million	3,151	5,074[1]
Adjusted profit/loss attributable to ordinary shares (basic and diluted)	€ million	1,575	2,537[1]
Adjusted profit/loss attributable to preference shares (basic and diluted)	€ million	1,576	2,538[1]
Adjusted earnings per ordinary share (basic and diluted)	€	10.29	16.57[1]
Adjusted earnings per preference share (basic and diluted)	€	10.29	16.57[1]

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section "Changes to the prior-year period".

[16] Provisions for pensions and similar obligations

The Porsche SE Group provides both defined contribution and defined benefit plans.

In the case of defined contribution plans, the company makes contributions to state or private pension schemes based on legal or contractual requirements, or on a voluntary basis. Once the contributions have been paid, there are no further obligations for the company. Contributions amount to €0 million (€0 million) and were recognized in profit or loss.

Provisions for pensions and similar obligations are recognized for benefits in the form of retirement, invalidity and dependents' benefits payable under pension plans as well as benefits in kind. The benefits generally depend on the length of service, remuneration and working hours arrangements of the beneficiary employees. The direct and indirect obligations include both current pension obligations and future pension and retirement benefit obligations. Porsche SE also provides conversion models, where employees at Porsche SE can make their own contributions to establish an additional personal pension account.

Actuarial assumptions

Pension obligations are calculated using actuarial methods based on a discount rate of 3.2% (3.3%), career progress of 1.0% (1.0%), turnover of 2.7% (2.7%), a wage and salary increase of 3.0% (3.0%) as well as future pension increases of 2.0% (2.2%). The most recent 2018 G Heubeck mortality tables were used for the calculation.

The carrying amount of pension provisions is derived as follows:

€ million	**2024**	2023
Present value (unfunded)	34	33
Provisions for pensions as of 31 December	**34**	**33**

Changes in the present value of pension obligations

€ million	2024	2023
As of 1 January	33	28
Current service cost	1	1
Interest expenses	1	1
Subtotal pension expense recognized through profit or loss	2	2
Actuarial gains (–) and losses (+) arising from changes in demographic assumptions	0	0
Actuarial gains (–) and losses (+) arising from changes in financial assumptions	0	3
Actuarial gains (–) and losses (+) arising from experience adjustments	0	0
Subtotal revaluations recognized in other comprehensive income	0	3
Pension payments	–1	–1
Employee contributions	0	0
As of 31 December	**34**	**33**

In the course of sensitivity analyses, changes in individual parameters were assumed with otherwise no change to the assumptions. The discount rate and future salary increases were each increased/decreased by 0.5 percentage points and future pension increases and turnover each increased/decreased by 0.25 percentage points. The effects on the pension provisions ranged from minus €2 million to €3 million (minus €2 million to €3 million) in the reporting period.

The weighted average duration of pension obligations is 16 years (16 years). The cash outflow of pension provisions is expected to amount to €1 million (€1 million) within the next year, €5 million (€5 million) in a period of between one and five years and €28 million (€27 million) in a period of more than five years.

[17] Other provisions

€ million	31/12/2024			31/12/2023		
	current	non-current	Total	current	non-current	Total
Provisions for costs of litigation	10	15	25	9	20	29
Provisions for bonuses and personnel costs	4	5	9	5	4	9
Provisions for interest on tax back payments and other tax	4		4	4		4
	18	**20**	**38**	**18**	**24**	**42**

The amount reported for provisions for costs of litigation represents the expected amount to be paid for all litigation in which Porsche SE is involved directly or indirectly. They have been set up at the amount of attorneys' fees and litigation expenses (reference is made to the description of the litigation underlying these provisions in note [23]). The provision amounts and timing of the outflows are based on estimations that are continuously rolled forward and adjusted when needed.

The cash outflow for all non-current other provisions is expected within a period of between one and five years.

Other provisions developed as follows:

€ million	As of 1/1/2024	Additions	Utilization	Reversal	Compound interest/discounting	**As of 31/12/2024**
Provisions for costs of litigation	29	0	–5	0	1	25
Provisions for bonuses and personnel costs	9	6	–5	–2	0	9
Provisions for interest on tax back payments and other tax	4	0	0	0		4
	42	**6**	**–9**	**–2**	**1**	**38**

[18] Financial liabilities

Financial liabilities are measured at amortized cost and break down as follows:

	31/12/2024			31/12/2023		
€ million	current	non-current	Total	current	non-current	Total
Bonds	39	3,579	3,618	22	1,986	2,008
Schuldschein loan	62	2,721	2,783	65	2,719	2,785
Bank loan	13	1,146	1,159	20	1,911	1,932
Lease liabilities	1	0	1	1	0	1
Financial liabilities	**114**	**7,447**	**7,562**	**109**	**6,616**	**6,725**

Current financial liabilities relate to accrued interest from the respective financial instruments in the fiscal year 2024 and in the prior year, with the exception of lease liabilities. By contrast, non-current financial liabilities primarily relate to the notional amounts of the bonds, Schuldschein loans and bank loans less the transaction costs remaining after applying the effective interest method.

The “Bonds” item relates to the following five bonds overall:

Maturity date	**Notional amount** € million	**Coupon** in % p.a.	**Issue date**
September 2027	500	4.125	June 2023
September 2028	750	4.500	April 2023
September 2029	750	3.750	April 2024
September 2030	750	4.250	June 2023
September 2032	850	4.125	April 2024

The Schuldschein loan was placed in February 2023 with a volume of around €2.7 billion. It comprises eight tranches with terms until 2026, 2028, 2030 and 2033, each of which is subject to a fixed or variable interest rate. Of the total volume, €1.0 billion is subject to a term until 2026, €1.4 billion to a term until 2028, €0.2 billion to a term until 2030 and €0.2 billion to a term until 2033. The increase in non-current financial liabilities from Schuldschein loans is the result of applying the effective interest method.

The “Bank loans” item includes a bank loan taken out in the fiscal year 2022 with a term until 2027. As a result of the proportionate repayment of €600 million in the course of issuing the bonds in April 2024, a volume of €1,150 million remains as of 31 December 2024. In the fiscal year 2024, another bank loan with an original term until 2025 with a volume of €170 million was repaid early in October 2024. The remaining bank loan and the variable tranches of the Schuldschein loan are or were subject to variable interest rates based on the Euro Interbank Offered Rate (EURIBOR) plus a margin.

Other notes

[19] Notes to the consolidated statement of cash flows

In the statement of cash flows, cash flows are divided into cash inflows and outflows from operating, investing and financial activities, regardless of how the balance sheet is presented.

Cash inflow from operating activities in the amount of €1,431 million (€1,873 million) is derived indirectly, starting from the result after tax. Therefore, all non-cash expenses and income, mainly the result from investments comprising the result from investments accounted for at equity as well as the income and expenses from investment valuation, are eliminated from the result after tax and adjusted for changes in other operating assets and liabilities. The result from investments accounted for at equity also mainly includes the non-cash impairment losses recognized in the fiscal year 2024 on the carrying amounts of the shares in the two core investments, Volkswagen AG and Porsche AG, totaling minus €23,287 million. In the reporting year, cash inflow from operating activities primarily contains the total dividend inflows of €1,441 million (€1,415 million) received by Porsche SE from Volkswagen AG and the total dividend inflows of €262 million (€114 million) received by Porsche SE from Porsche AG. Of the Volkswagen dividend for the comparative period, €1,393 million was attributable to the ordinary dividend of Volkswagen AG for the fiscal year 2022 and €22 million to the collection of the special dividend of Volkswagen AG offset against the remaining purchase price liability to Volkswagen for the ordinary shares of Porsche AG acquired by Porsche SE in the fiscal year 2022. Cash inflow from operating activities also includes interest received in the amount of €76 million (€17 million), largely from fixed-term deposits. In the reporting period, this was mainly offset by cash outflows of €317 million (€248 million) for interest paid including transaction costs in connection with financial liabilities (see note [18]). In the comparative period, cash inflow from operating activities included a tax refund totaling €316 million in the item “Income taxes received”, which was mainly based on the capital gains tax deducted in the fiscal year 2022 from dividends received. Cash inflow from operating activities for the comparative period also contains, in addition to a payment made by Volkswagen AG of €209 million from a contractual claim for compensation (see note [24]), payments from the termination of interest rate derivatives of €97 million.

Cash outflow from investing activities of €277 million (€243 million) is mainly due to cash paid in connection with acquisitions of investments in portfolio companies, the participation in a subsequent financing round at an existing portfolio investment and called-up capital at fund investments totaling €75 million (€64 million), cash received from time deposits of €90 million (€35 million) as well as purchases of other securities of €293 million (€214 million).

Cash inflow from financing activities of €37 million (prior year: cash outflow of €1,222 million) is mainly the result of proceeds of €1,591 million from issuing two bonds (see note [18]). This was offset by the partial repayment of existing bank loans totaling €770 million (see note [18]) and the dividend payments to the shareholders of Porsche SE amounting to €783 million (€783 million). In the prior year, in addition to the dividend payments made to the shareholders of Porsche SE of €783 million, the cash outflow largely resulted from the repayment of bank loans of €439 million in excess of the refinancing from Schuldschein loans and bonds.

The financial liabilities from financing activities developed as follows:

€ million	As of 1/1/2024	Changes in cash	Non-cash changes	**As of 31/12/2024**
Financial liabilities	6,725	711	125	7,562

€ million	As of 1/1/2023	Changes in cash	Non-cash changes	As of 31/12/2023
Financial liabilities	7,093	–496	129	6,725

Cash and cash equivalents according to the statement of cash flows correspond to the cash and cash equivalents presented in the balance sheet and contain bank balances including short-term time deposits with an original term of up to three months.

The statement of cash flows contains a total of €1 million (€1 million) for total cash outflows from leases.

[20] Segment reporting

Porsche SE is a holding company whose investment strategy aims to create sustainable value for its shareholders. The investments of Porsche SE fall into two categories. The core investments category includes the long-term core investments in Volkswagen AG and in Porsche AG. In the portfolio investments category, the Porsche SE Group holds non-controlling interests in technology companies. Investments in private equity and venture capital funds are also allocated to this category. Portfolio investments are generally held by Porsche SE for a temporary period of time and are typically characterized by their high potential for growth and for increasing value during the holding period. The sector focus in both categories is on mobility and industrial technology, supplemented by related areas. As chief operating decision maker, the board of management of Porsche SE uses the areas core investments and portfolio investments and their contribution to the adjusted group result after tax as the basis for managing and allocating resources (see note [1], section “Changes to the prior-year period” and note [12]). Porsche SE’s holding operations, comprising Porsche SE’s corporate functions, including the holding financing function, are all allocated to the core investments for the purpose of managing resources.

The segment reporting of Porsche SE is based on the internal management and reporting within the Porsche SE Group and, on the basis of the investment strategy, reports the two segments core investments and portfolio investments. Transactions between the segments, i.e., in particular intragroup financing transactions, are not managed separately and are therefore eliminated so that consolidated figures are always used for management purposes.

The adjusted group result after tax is the segment result at Porsche SE. This is reconciled to the group result after tax in the reconciliation column.

The methods mentioned in the section “Basis of presentation” apply to the segment reporting.

Reporting segments 2024:

€ million	Core investments	Portfolio-investments	**Group fiscal year 2024 adjusted**	Impairment core investments	**Group fiscal year 2024 adjusted**
Result from ongoing at equity accounting	3,432	−2	3,430		3,430
thereof Volkswagen AG	2,961		2,961		2,961
thereof Porsche AG	472		472		472
thereof portfolio investments		−2	−2		−2
Result from impairment tests and remeasurements		−5	−5	−23,287	−23,292
thereof Volkswagen AG				−19,912	−19,912
thereof Porsche AG				−3,375	−3,375
thereof portfolio investments		−5	−5		−5
Result from investments accounted for at equity	**3,432**	**−7**	**3,425**	**−23,287**	**−19,861**
Income from investment valuation		13	13		13
Expenses from investment valuation		−29	−29		−29
Result from investments	**3,432**	**−23**	**3,409**	**−23,287**	**−19,878**
Other operating income	5	0	5		5
Personnel expenses	−17		−17		−17
Amortization and depreciation	−1		−1		−1
Other operating expenses	−17	0	−18		−18
Result before financial result	**3,402**	**−24**	**3,378**	**−23,287**	**−19,909**
Finance costs	−319		−319		−319
Other financial result	78	0	78		78
Result before tax	**3,161**	**−24**	**3,137**	**−23,287**	**−20,150**
Income tax	15	−1	14	119	133
(Adjusted) Result after tax	**3,176**	**−25**	**3,151**	**−23,167**	**−20,017**
Non-cash expenses (–) and income (+)	3,344	−24	3,319	−23,167	−19,848
Segment assets as of 31 December 2024	42,560	281	42,841		42,841
thereof from investments accounted for at equity	40,138	132	40,270		40,270
thereof from investments accounted for at equity Volkswagen AG	32,958		32,958		32,958
thereof from investments accounted for at equity Porsche AG	7,180		7,180		7,180
thereof from investments accounted for at equity portfolio investments		132	132		132
thereof additions to non-current assets[1]	1		1		1
Segment liabilities as of 31 December 2024	7,731	1	7,733		7,733

[1] With the exception of financial instruments, deferred tax assets, assets from defined benefit plans and rights from insurance contracts.

Reporting segments 2023:

€ million	Core investments	Portfolio-investments	Group fiscal year 2023 adjusted	Impairment core investments	Group fiscal year 2023
Result from ongoing at equity accounting	5,219[1]	–10	5,208[1]		5,208[1]
thereof Volkswagen AG	4,828[1]		4,828[1]		4,828[1]
thereof Porsche AG	391		391		391
thereof portfolio investments		–10	–10		–10
Result from impairment tests and remeasurements		–1	–1		–1
thereof portfolio investments		–1	–1		–1
Result from investments accounted for at equity	**5,219[1]**	**–11**	**5,208[1]**		**5,208[1]**
Income from investment valuation		1	1		1
Expenses from investment valuation		–1	–1		–1
Result from investments	**5,219[1]**	**–11**	**5,208[1]**		**5,208[1]**
Other operating income	220	0	220		220
Personnel expenses	–17		–17		–17
Amortization and depreciation	–1		–1		–1
Other operating expenses	–18	–1	–18		–18
Result before financial result	**5,403[1]**	**–12**	**5,391[1]**		**5,391[1]**
Finance costs	–293		–293		–293
Other financial result	24		24		24
Result before tax	**5,133[1]**	**–12**	**5,122[1]**		**5,122[1]**
Income tax	–47[1]	0	–47[1]		–47[1]
(Adjusted) Result after tax	**5,086[1]**	**–12**	**5,074[1]**		**5,074[1]**
Non-cash expenses (–) and income (+)	5,078[1]	–11	5,067[1]		5,067[1]
Segment assets as of 31 December 2023	61,898[1]	229	62,126[1]		62,126[1]
thereof from investments accounted for at equity	60,862[1]	131	60,993[1]		60,993[1]
thereof from investments accounted for at equity Volkswagen AG	50,438[1]		50,438[1]		50,438[1]
thereof from investments accounted for at equity Porsche AG	10,423		10,423		10,423
thereof from investments accounted for at equity portfolio investments		131	131		131
thereof additions to non-current assets[2]	1		1		1
Segment liabilities as of 31 December 2023	7,030[1]	1	7,030[1]		7,030[1]

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

[2] With the exception of financial instruments, deferred tax assets, assets from defined benefit plans and rights from insurance contracts.

With regard to further information pursuant to IFRS 12 and explanations on the impairment tests for the investments accounted for at equity, reference is made to note [4]. The developments of the result from investments accounted for at equity and carrying amount of the investments accounted for at equity are explained in notes [5] and [13]. In both the reporting year and the prior year, all non-current assets in the core investments segment are located/held entirely in Germany. The investments contained in the "portfolio investments" segment are based in North America, Europe and Israel.

[21] Capital management

The aim of capital management at Porsche SE is to maintain a robust financial profile so as to strengthen its financial flexibility and preserve its ability to act strategically. The focus here is on securing sufficient liquidity, broad access to the capital market at attractive conditions and limiting financial risks. In order to ensure this, Porsche SE continues to be geared towards an investment grade profile. In the long term, Porsche SE aims to achieve a loan-to-value ratio in the low double-digit percentage range. To this end, Porsche SE also continues to strive to reduce the group net debt – subject to possible acquisitions and taking into account the dividend policy. Porsche SE's dividend distribution depends in particular on the dividend income from the core investments. At the same time, sufficient liquidity is to be secured, in particular for the purpose of acquiring investments in the future. A substantial increase in the group net debt to pay dividends is not considered. Group net debt serves as a core management indicator in this respect. This comprises financial liabilities less cash and cash equivalents, time deposits and securities each as recognized in the consolidated balance sheet of Porsche SE. The way in which the management indicator is determined in the fiscal year 2024 remains unchanged on the prior year.

Group net debt amounted to €5,160 million (€5,717 million) as of 31 December 2024.

€ million	**31/12/2024**	31/12/2023
Equity	35,108	55,096[1]
Share of total capital	82%	89%
Non-current financial liabilities	7,447	6,616
Current financial liabilities	114	109
Total financial liabilities	7,562	6,725
Share of total capital	18%	11%
Total capital	**42,669**	**61,821[1]**

[1] The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section "Changes to the prior-year period".

Porsche SE has an undrawn credit line of €1 billion with a term until 17 September 2027.

The loan-to-value ratio, i.e., the ratio of net debt to the market value of the core and portfolio investments, stands at 23.3% (19.7%) as of 31 December 2024.

Please refer to note [18] for the composition and development of financial liabilities as of the reporting date.

The decrease in equity and total capital as of 31 December 2024 is due to the non-cash impairment losses on the carrying amounts of the core investments – Volkswagen AG and Porsche AG – to their respective value in use as of 31 December 2024 (see note [4]). The valuations of the two core investments underlying the impairment losses in the form of their values in use are higher than the respective – in the case of Porsche AG derived – pro rata market values based on their stock market valuations.

The financing agreements entered into by Porsche SE contain agreed conditions, and the bank financing raised in the fiscal year 2022 contains additional financial covenants that are customary in the market. These conditions and covenants, which are monitored by Porsche SE as part of its capital management, were all met in the reporting period. The financial covenants relate in particular to the market value of Porsche SE's shares in Volkswagen AG and in Porsche AG as well as to the interest cover. The bank financing also includes conditions that link the amount of the dividend distributions of Porsche SE to its shareholders to the amount of the dividend distributions received by Porsche SE from its investments in Volkswagen AG and Porsche AG. Investments are also subject to requirements. If the conditions and financial covenants are breached, the lending banks and investors may call in the corresponding financial liabilities, regardless of the contractually agreed maturities. Based on the current financial planning, developments that would result in Porsche SE not complying with the conditions and financial covenants are not foreseeable and are considered to be unlikely.

In order to hedge against interest rate changes, Porsche SE has entered into derivative hedging instruments (see note [22]).

[22] Financial risk management and financial instruments

1 Financial risk management principles

The principles and responsibilities for managing the risks are defined by the board of management and monitored by the supervisory board. The same applies in particular to risks that could arise from financing activities and the use of financial instruments. As part of operational risk management, processes were defined in particular to govern ongoing monitoring of the liquidity situation of the Porsche SE Group, ongoing monitoring of financial covenants in the course of third-party financing, the use of financial derivatives, ongoing monitoring of the value in use and fair value of Volkswagen AG and Porsche AG, the value in use and/or fair value of the portfolio investments, of the cash investments and of developments on the capital and money markets. Concentrations of risk within the Porsche SE Group are also monitored, particularly with regard to cash investments and the use of financial derivatives. The risks are identified, evaluated, managed, monitored and documented. The guidelines and the supporting systems are checked regularly and brought into line with current market developments.

For further details on risk management and on risks relating to financing and the use of financial instruments, reference is made to the section “Opportunities and risks of future development” in Porsche SE’s combined group management report.

2 Credit and default risk

The credit and default risk arising from financial assets involves the risk of default by counterparties, and therefore comprises at a maximum the amount of the carrying amounts recognized.

Cash and cash equivalents, time deposits, securities are invested and derivative financial instruments are entered into with different counterparties in Germany and abroad in order to spread the risk.

At the Porsche SE Group, the expected credit loss model under IFRS 9 is generally applied consistently to all financial assets and other risk exposures. In particular, all financial assets measured at amortized cost are subject to the general approach provided there is no objective evidence of impairment upon initial recognition. The general approach divides the financial assets into three risk provisioning levels. Level 1 comprises financial assets that are recognized for the first time or do not show any significant increase in the probability of default. This level involves calculating anticipated bad debts for the next twelve months. Level 2 comprises financial assets that show a significant increase in the probability of default. Level 3 comprises financial assets that already show objective evidence of default. These two levels involve calculating anticipated bad debt for the entire term.

At the Porsche SE Group, the impairment model pursuant to IFRS 9 applies to assets with a total carrying amount of €2,414 million (€1,014 million).

Financial assets measured at amortized cost at the Porsche SE Group largely comprise cash and cash equivalents, securities and time deposits. The time deposits have a weighted average original maturity of around seven months and a weighted average remaining maturity as of the reporting date of two months. These financial instruments are allocated to risk provisioning level 1.

There are no significant impairment losses that need to be recognized.

3 Liquidity risk

The Porsche SE Group needs sufficient liquidity to meet its financial obligations.

The solvency and liquidity of the Porsche SE Group is continuously monitored by means of liquidity planning. Solvency and liquidity are additionally secured by a cash liquidity reserve and an undrawn credit line. The undrawn credit line had a volume of €1 billion as of the reporting date.

The following overview shows the contractual undiscounted cash outflows from financial liabilities:

	Remaining contractual maturities			
€ million	within 1 year	in 1 to 5 years	more than 5 years	Total
31/12/2024				
Non-current financial liabilities	211	6,338	2,149	8,699
Non-current other financial liabilities	0	33	0	34
Trade payables	3			3
Current financial liabilities	114			114
Current other financial liabilities	1			1
	329	**6,372**	**2,150**	**8,850**
31/12/2023				
Non-current financial liabilities	221	6,365	1,244	7,830
Non-current other financial liabilities	–18	58	1	41
Trade payables	1			1
Current financial liabilities	109			109
	313	**6,422**	**1,245**	**7,980**

The cash outflows resulting from financial liabilities recognized as non-current as of 31 December 2024 primarily relate to interest and principal payments for bank loans, Schuldschein loans and bonds, in the case of variable interest taking into account EURIBOR interest curves. The cash outflows resulting from financial liabilities recognized as current as of 31 December 2024 primarily relate to interest payments for bank loans, Schuldschein loans and bonds. The cash outflows resulting from non-current other financial liabilities as of 31 December 2024 within the next year relate to payments from interest rate hedging instruments with negative fair values as of the reporting date, taking into account EURIBOR interest curves. The accrued interest of €3 million related to these instruments is included in current other financial assets as of the reporting date and is therefore not included in the table above. Both the non-current and current financial liabilities contain lease liabilities totaling €1 million (€1 million).

The financing agreements are subject to conditions and financial covenants that are customary in the market. The latter result from the bank financing agreements and relate in particular to the market value of Porsche SE's shares in Volkswagen AG and in Porsche AG as well as to the interest cover. Conditions link the amount of the dividend distributions of Porsche SE to its shareholders to the amount of the dividend distributions received by Porsche SE from its investments in Volkswagen AG and Porsche AG. Investments are also subject to requirements. A breach of conditions and financial covenants can in principle lead to the outstanding financing volume falling due and therefore to liquidity risks. Such developments are not foreseeable at present and are considered to be unlikely.

In connection with investments in portfolio companies, there were outstanding investment commitments amounting to €126 million as of the reporting date.

There are no significant concentrations of risk that are not evident from the notes to the financial statements and the combined group management report.

4 Market risk

The Porsche SE Group is exposed to interest rate, stock price and currency risks in the course of its general business activities. There are no significant concentrations of risk that are not evident from the notes to the financial statements and the combined group management report.

4.1 Interest rate risk

4.1.1 Risk situation, risk management strategy and objective

Interest rate risks generally result from changes in market interest rates and affect the fair value of fixed-interest time deposits and securities, interest rate derivatives, financial receivables and liabilities as well as the interest of floating-rate assets and liabilities. The risk management strategy of Porsche SE aims to achieve a balanced reduction in uncertainty surrounding earnings and liquidity as a result of variable interest payments from borrowings.

Fixed-payer rate swaps were already concluded in prior years as part of the implementation of the risk management strategy to hedge the interest rate risks resulting from the financing components. In the reporting year, Porsche SE's interest rate risk changed in particular as a result of the issue of two further fixed-interest bonds and the proportionate repayment of the variable-interest bank loans (see note [18]) as well as the increase in Porsche SE's variable-interest cash investments. As a result, the portfolio of interest rate hedging instruments was adjusted by terminating interest rate swaps. After these adjustments, there were interest rate swaps with a notional amount of €2.0 billion with an average fixed interest rate of around 2.74% and terms of up to around five years as of 31 December 2024. As of 31 December 2024, there were variable-interest financial liabilities with a nominal value of around €3.2 billion. The interest rate swaps terminated in the fiscal year 2024 had a total positive market value overall of €1 million at the time of their termination. The hedging instruments and financing components of Porsche SE are based on the same hedged risk in the form of the EURIBOR interest rate risk. The interest rate hedging instruments are accounted for under hedge accounting pursuant to IFRS 9 in the form of cash flow hedges.

Effects of the interest rate risk on the result and equity arose in particular from the financial liabilities as well as their interest rate hedges.

Interest rate risk within the meaning of IFRS 7 is determined using sensitivity analyses. The effects of the risk-variable market rates of interest on the financial result and on equity are presented, net of tax. If market interest rates had been 100 basis points higher as of 31 December 2024, equity would have been €40 million (€72 million) higher and the result after tax unchanged as in the prior year. If market interest rates had been 100 basis points lower as of 31 December 2024, equity would have been €41 million (€75 million) lower and the result after tax unchanged as in the prior year.

4.1.2 Hedge accounting

Disclosures on gains and losses from cash flow hedges

€ million	**2024**	2023
Gains or losses (statement of comprehensive income) from changes in fair value of hedging instruments within hedge accounting	**31**	**–71**
Recognized in cash flow hedge reserve through other comprehensive income	–17	–103
Recognized in the profit or loss (ineffectiveness)		
Reclassification from the cash flow hedge reserve to profit or loss	**48**	**32**
Due to early discontinuation of the hedging relationship		
Due to realization of the hedged item	48	32

Changes in deferred tax liabilities of minus €5 million (minus €31 million) were recognized as a result of the changes in the cash flow hedge reserve presented in the table.

The gain or loss from changes in the fair value of hedging instruments used in hedge accounting corresponds to the basis for determining hedge ineffectiveness. The ineffective portion of a cash flow hedge is the income or expense resulting from changes in the fair value of the hedging instrument that exceed the changes in the fair value of the hedged item. This hedge ineffectiveness is attributable to differences in the parameters for the hedging instrument and the hedged item. There were no cases of hedge ineffectiveness in the reporting year and the prior year.

The reclassifications from the cash flow hedge reserve to the income statement due to the realization of the hedged item include interest from hedging instruments as well as reclassifications from the cash flow hedge reserve of discontinued hedges that remain economically effective (see note [10]). Of these reclassifications, €2 million (€4 million) relates to expenses and €50 million (€37 million) to income.

Disclosures on hedging instruments in hedge accounting

The table below shows the notional amounts, fair values and thus the carrying amount as well as base variables for determining the ineffectiveness of hedging instruments designated in cash flow hedges:

€ million	Notional amount	Other financial assets	Other financial liabilities	Fair value changes to determine hedge ineffectiveness
31/12/2024				
Interest rate swaps to hedge interest rate risks	2,002	3	36	−11

€ million	Notional amount	Other financial assets	Other financial liabilities	Fair value changes to determine hedge ineffectiveness
31/12/2023				
Interest rate swaps to hedge interest rate risks	3,252	13	43	−65

The fair value change used to determine ineffectiveness corresponds to the fair value change of the designated component.

The summary below presents the remaining maturities of the notional amounts of the hedging instruments:

	Remaining maturity			Notional amount total
€ million	within 1 year	1 to 5 years	more than 5 years	**31/12/2024**
Interest rate swaps to hedge interest rate risks		1,896	106	2,002

	Remaining maturity			Notional amount total
€ million	within 1 year	1 to 5 years	more than 5 years	31/12/2023
Interest rate swaps to hedge interest rate risks		3,146	106	3,252

The maturities of the hedging instruments do not exceed the expected remaining maturities of the hedged items.

The fair value of the hedging instruments is determined using market data as of the reporting date as well as appropriate valuation techniques. The following forward interest rate structures were used as a basis for the calculation:

%	EURIBOR 3 months	EURIBOR 6 months
Interest rate for 3 months	2.2359%	2.3177%
Interest rate for 6 months	2.0361%	2.0428%
Interest rate for 1 year	1.9178%	2.0563%
Interest rate for 3 years	2.2365%	2.2629%

<u>Disclosures on hedged items in hedge accounting</u>

Components of notional amounts of the financing volume have been designated as hedged items, with the hedged notional amount components being fully designated in each case. The notional amounts of the hedging instruments stated in the section above match the hedged notional amount components of the hedged items. The table below shows the base variables for determining the ineffectiveness and the amounts recognized in the cash flow hedge reserve for active hedging relationships:

€ million	Fair value changes to determine hedge ineffectiveness	Reserves for active cashflow hedges	Reserves for discontinued cashflow hedges
31/12/2024			
Hedged items	11	–36	45
Deferred tax assets		11	–14
31/12/2023			
Hedged items	67	–40	66
Deferred tax assets		12	–20

Hedged items in cash flow hedges are expected to be realized in accordance with the maturity patterns of the hedging instruments.

Development of the cash flow hedge reserve

Applying cash flow hedge accounting requires the designated effective changes in fair value of the hedging instruments to be recognized in the cash flow hedge reserve via other comprehensive income. They are reclassified to profit or loss in the case of hedges of variable-interest financial liabilities at the times when the hedged future interest payments have an impact on the income statement; reclassifications are recognized in the financial result under finance costs (see note [10]). This principle applies equally to the changes in value recognized in the cash flow hedge reserve of already discontinued hedging instruments that remain economically effective. They are reclassified to profit or loss over the shorter of the term of the follow-up financing and the remaining term of the hedging instrument upon termination. Any additional changes in the fair value of the designated or non-designated components are recognized in profit or loss as ineffectiveness.

The table below shows the development of the cash flow hedge reserve:

€ million	**2024**	2023
As of 1 January	26	129
Gains (+) or Losses (-) from effective hedging relationships	31	–71
Reclassification due to changes in whether the hedged item is expected to occur		
Reclassification due to realization of the hedged item	–48	–32
As of 31 December	**9**	**26**

Methods for monitoring hedge effectiveness

Hedge effectiveness is examined on a prospective basis using the critical terms match method, which requires a comparison of the base variables for the valuation of hedging instruments and hedged items. On this basis, a systematic compensating effect of hedged items and hedging instruments could be expected prospectively for all hedging relationships due to an economic relationship with respect to the hedged risk. Retrospective analysis of effectiveness or ineffectiveness uses a test for ineffectivities in the form of the dollar offset method. Under the dollar offset method, the changes in value of the hedged item expressed in monetary units are compared with the changes in value of the hedging instrument expressed in monetary units.

In the case of interest rate hedges at Porsche SE, the critical terms match method gives rise to the expectation of prospective effectiveness of the hedges as of 31 December 2024. There was no ineffectiveness in the fiscal year and the prior year.

4.2 Stock price risk

Stock price risks arise from fluctuations in market prices.

Effects of the stock price risk on the result or on equity stem from investments whose equity instruments are listed.

For portfolio investments whose equity instruments are listed, the share prices observable on the market are monitored and regularly marked to market. Changes in share prices fully affect the group result of Porsche SE as a result of accounting for equity instruments at fair value through profit or loss.

The Porsche SE Group is not exposed to any significant risks from share price fluctuations in its operating activities.

4.3 Foreign currency risk

The Porsche SE Group is not exposed to any significant risks from exchange rate fluctuations in its operating activities.

5 Measurement of financial instruments

The following table shows the reconciliation of the items of the balance sheet to the classes of financial instruments corresponding to the measurement categories at the Porsche SE Group, broken down by the carrying amount and fair value of the financial instruments:

	31/12/2024				
	Measured at fair value through profit or loss	Measured at amortized cost		Not assigned to any measurement category	Balance sheet item
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	
Non-current assets					
Investments accounted for at equity	n/a	n/a	n/a	40,270	40,270
Other financial assets	149	1	1	n/a	150
Current assets					
Other financial assets	3	9	9	n/a	13
Securities	n/a	576	576	n/a	576
Time deposits	n/a	140	140	n/a	140
Cash and cash equivalents	n/a	1,686	1,686	n/a	1,686
Non-current liabilities					
Financial liabilities	n/a	7,447	7,673	0	7,447
Other financial liabilities	36	n/a	n/a	n/a	36
Current liabilities					
Trade payables	n/a	3	3	n/a	3
Financial liabilities	n/a	114	114	1	114
Other financial liabilities	n/a	1	1	n/a	1

	31/12/2023				
	Measured at fair value through profit or loss	Measured at amortized cost		Not assigned to any measurement category	Balance sheet item
€ million	Carrying amount	Carrying amount	Fair value	Carrying amount	
Non-current assets					
Investments accounted for at equity	n/a	n/a	n/a	60,993[1]	60,993[1]
Other financial assets	101	2	2	n/a	103
Current assets					
Other financial assets	10	8	8	n/a	19
Securities	n/a	283	283	n/a	283
Time deposits	n/a	230	230	n/a	230
Cash and cash equivalents	n/a	494	494	n/a	494
Non-current liabilities					
Financial liabilities	n/a	6,616	6,903	0	6,616
Other financial liabilities	43	n/a	n/a	n/a	43
Current liabilities					
Trade payables	n/a	1	1	n/a	1
Financial liabilities	n/a	108	108	1	109
Other financial liabilities	n/a	1	1	n/a	1

1 The prior-year figures were adjusted due to a prior-year correction in accordance with IAS 8 at the level of the Volkswagen Group. Reference is made to the explanations in note [1], in the section “Changes to the prior-year period”.

The allocation of fair value to the various levels is based on the availability of observable market data on an active market. Level 1 presents the fair values of financial instruments where a market price on active markets can be determined. Level 2 presents the fair value of financial instruments for which market data are directly or indirectly observable. In particular, the inputs used are yield curves or index and currency rates. The presented fair values of the assets are determined using pricing methods or present value methods. Fair values of financial instruments in level 3 are determined using inputs that are not based on observable market data.

For financial liabilities not measured at fair value, fair value as of 31 December 2024 can be derived directly from observable market prices in the case of bonds and in the case of bank loans as well as Schuldschein loans by calculating present values using yield curves and risk premiums of own bonds. The carrying amount of current assets and current liabilities not measured at fair value through profit or loss provides a reasonable approximation of their fair value. Transfers between the levels are taken into account on the respective reporting dates.

The following overview contains the breakdown of the financial instruments measured at fair value by level:

€ million	**31/12/2024**	Level 1	Level 2	Level 3
Financial instruments measured at fair value				
Non-current other financial assets	149	0		148
Current other financial assets	3		3	
Non-current other financial liabilities	36		36	

€ million	31/12/2023	Level 1	Level 2	Level 3
Financial instruments measured at fair value				
Non-current other financial assets	101	2	3	96
Current other financial assets	10		10	
Non-current other financial liabilities	43		43	

Non-current other financial assets contain investments in portfolio companies. The fair value of these assets is based on stock prices, information derived from most recently performed financing measures or the discounted cash flow method.

The interest rate swaps entered into to hedge the interest rate risk are recognized under current other financial assets or financial liabilities in the amount of the interest result caused in the current interest period by the reporting date. The remaining fair value (clean price) is recognized under non-current other financial assets or non-current other financial liabilities. The fair values of the interest rate swaps constitute level 2 fair values as their measurement is based on observable yield curves.

There were no transfers between the levels in the fiscal year and the prior year.

The table below shows a reconciliation of the fair value of the non-current financial assets that were allocated to level 3 in the fiscal year 2024:

€ million	2024	2023
Fair value as of 1 January	96	56
Profit /loss recognized through profit or loss	–15	0
Reclassification in investments accounted for at equity		–9
Investments	68	49
Disposals	–1	
Fair value as of 31 December	**148**	**96**

The net gains or losses of the respective measurement categories are as follows:

€ million	2024	2023
Assets at fair value through profit or loss	–17	0
Financial assets measured at amortized cost	78	24
Financial liabilities measured at amortized cost	–313	–288
	–251	**–264**

In the reporting year, net gains or losses from financial assets measured at fair value through profit or loss result from the measurement of investments in portfolio companies at fair value. The measurements are recognized in the consolidated income statement under income/expenses from investment valuation (see note [6]). Net gains or losses from assets measured at fair value through profit or loss contain unrealized gains of €12 million (€1 million) and unrealized losses of €28 million (€1 million).

Net gains and losses from financial assets measured at amortized cost result in particular from the interest income from fixed-term deposits and securities classified as current assets and the net gains and losses from financial liabilities measured at amortized cost from the interest expenses from financial liabilities (see note [10]).

[23] Contingent liabilities from legal disputes

Porsche SE is involved in various legal proceedings. Porsche SE's assessment of the actions pending as of 31 December 2024 is presented below. To date, provisions have been recorded for the expected legal fees and litigation expenses for all cases, but not for the underlying claims, as the likelihood of plaintiffs prevailing is estimated to be 50% or less. Due to the complexity of the underlying facts and legal issues, the financial extent of the amount in dispute is stated below.

Legal proceedings and legal risks in connection with the increase of the investment in Volkswagen AG

A model case according to the Capital Markets Model Case Act ("KapMuG") against Porsche SE initiated by an order of reference of the Regional Court of Hanover dated 13 April 2016 was pending with the Higher Regional Court of Celle. Subject of those actions were alleged damage claims based on alleged market manipulation and alleged inaccurate information in connection with Porsche SE's increase of the investment in Volkswagen AG. In part these claims were also based on alleged violations of antitrust regulations. In the six initial proceedings suspended with reference to the model case, a total of 40 plaintiffs are asserting alleged claims for damages of about €5.4 billion (plus interest). By decision of 30 September 2022, all of the establishment objectives requested by the plaintiffs were dismissed or declared groundless by the Higher Regional Court of Celle. The Higher Regional Court of Celle substantiates its decision on the opinion that Porsche SE cannot be deemed liable under any legal aspect and that the opposed pleading of the plaintiffs is inconclusive. With this decision, Porsche SE considers its legal position justified that the claims asserted in the suspended initial proceedings are without merit. The decision of the Higher Regional Court of Celle is not yet final. The plaintiffs filed an appeal on points of law against the decision with the Federal Court of Justice.

In a proceeding pending before the Regional Court of Frankfurt against an incumbent and a former, meanwhile deceased, member of the supervisory board of Porsche SE, Porsche SE joined as intervener in support of the defendants. In this proceeding the same alleged claims are asserted that are already subject of an action currently suspended with regard to the KapMuG-proceedings now before the Federal Court of Justice with alleged damages of about €1.8 billion (plus interest) pending against Porsche SE before the Regional Court of Hanover. No new developments occurred in this proceeding during the reporting period. Porsche SE considers these claims to be without merit and sees itself justified in this legal position by the decision of the Higher Regional Court of Celle of 30 September 2022.

Since 2012, Porsche SE and two companies of an investment fund have been in dispute over the existence of alleged claims in the amount of about US$195 million and have filed lawsuits in Germany and England respectively. On 6 March 2013, the English proceedings were suspended at the request of both parties until a decision had been reached in the proceedings commenced in the Regional Court of Stuttgart concerning the question of which court is the court first seized. On 19 September 2024, the Higher Regional Court of Stuttgart issued a final decision that the Regional Court of Stuttgart is the court first seized. An objection against this decision by the opposing parties claiming a violation of their right to be given an effective and fair legal hearing has been dismissed by the Higher Regional Court of Stuttgart on 29 October 2024. The Regional Court of Stuttgart will now hear Porsche SE's claim for a negative declaratory judgement. Porsche SE considers the claim for a negative declaratory judgement to be admissible and with merit and the action filed in England to be inadmissible and the asserted claims to be without merit.

Legal proceedings and legal risks in connection with the diesel issue

In connection with the diesel issue, Porsche SE is a model case defendant in two KapMuG proceedings. The starting point of both KapMuG proceedings are legal disputes against Porsche SE, which are predominantly pending at the Regional Court and Higher Regional Court of Stuttgart and to a lesser extent at the Regional Court of Braunschweig ("initial proceedings"). The total value involved in the initial proceedings against Porsche SE (according to the current assessment of the partially unclear head of claims) amounts to approximately €927 million (plus interest). In addition, some of the initial proceedings aim for establishment of liability for damages. The plaintiffs accuse Porsche SE of alleged nonfeasance of capital market information or alleged incorrect capital market information in connection with the diesel issue. Some of the initial proceedings are directed against both Porsche SE and Volkswagen AG. Porsche SE considers the initial proceedings to be inadmissible in part, but in any case to be without merit.

A substantial part of the initial proceedings pending against Porsche SE, with a total value of approximately €91.4 million are currently suspended, with the majority of the suspended initial proceedings being suspended with reference to a KapMuG proceeding currently pending before the Federal Court of Justice. Initial proceedings in the first instance amounting to approximately €701 million and in the second instance amounting to approximately €135 million are currently not suspended. Regardless of the outcome of the KapMuG proceedings, Porsche SE is of the opinion that these proceedings should be dismissed for plaintiff-specific reasons. For these reasons, the initial proceedings pending in the second instance, insofar as they are not suspended, were dismissed in the first instance. Furthermore, lawsuits amounting to approximately €160 million have already been withdrawn or finally dismissed.

One of the KapMuG proceedings against Porsche SE was pending before the Higher Regional Court of Stuttgart. In a model case ruling of 29 March 2023, the Higher Regional Court of Stuttgart found among other things that, in principle, an ad-hoc disclosure obligation of Porsche SE can also exist with respect to circumstances at Volkswagen AG. A requirement for any ad-hoc disclosure obligation is that a member of the board of management of Porsche SE must either be aware of the alleged insider information or the board of management of Porsche SE must have breached an obligation to ensure that insider information can reach the board of management. The Higher Regional Court of Stuttgart also ruled that any knowledge of confidential circumstances at Volkswagen AG of board members of Volkswagen AG who are also members of the board of management of Porsche SE cannot be attributed to Porsche SE. In addition, the Higher Regional Court of Stuttgart ruled that any knowledge of circumstances at Volkswagen AG on the level below the board of management of Volkswagen AG cannot be attributed to Porsche SE. Finally, the Higher Regional Court of Stuttgart ruled that the members of the board of management of Porsche SE at the time, Dr. Wendelin Wiedeking and Holger P. Härter, had no knowledge of the diesel issue and such missing knowledge was also not based on gross negligence on their side. The establishment objectives sought by the plaintiffs against Porsche SE were therefore overwhelmingly not made by the Higher Regional Court of Stuttgart. On the basis of the establishment objectives made in the 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 ruling is not yet final. The model case plaintiff, several plaintiffs and Porsche SE have filed an appeal on points of law against the model case ruling to the Federal Court of Justice.

The second KapMuG proceeding is pending before the Higher Regional Court of Braunschweig. In this proceeding, no establishment objectives against Porsche SE have been admitted yet. On 7 July 2023 the Higher Regional Court of Braunschweig issued an order to take evidence. The requested gathering of evidence focuses initially on the question whether or not Volkswagen AG's board of management, individual members thereof and/or members of its ad-hoc clearing committee had knowledge of the installation of switch functions in Volkswagen AG vehicles that are inadmissible pursuant to US law. Furthermore, evidence will be gathered on expectations of the persons responsible for ad-hoc publications within Volkswagen AG regarding possible effects on the share price resulting from the information available to each of them. Witness hearings have been taking place in this legal proceeding since autumn of 2023.

During the reporting period, no significant new developments occurred with regard to claims asserted out of court and not yet brought to court against Porsche SE with a total amount of approximately €63 million and in some cases without defined amounts as well as with regard to the waiver of the statute of limitations defense granted by Porsche SE to the United States of America for alleged claims for damages.

In connection with the diesel issue, in April 2021, two plaintiffs filed a derivative action against Porsche SE, current and former members of the management and supervisory boards of Volkswagen AG, current and former executives of Volkswagen AG and its subsidiaries, four Volkswagen AG subsidiaries and others in the Supreme Court of the State of New York, County of New York. The plaintiffs claim to be shareholders of Volkswagen AG and allege claims of Volkswagen AG on its behalf. The action is based, inter alia, on an alleged violation of duties vis-à-vis Volkswagen AG pursuant to the AktG ["Aktiengesetz": German Stock Corporation Act] and the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK). The plaintiffs request, inter alia, a declaration that the defendants have breached their respective duties vis-à-vis Volkswagen AG, and an award to Volkswagen AG as compensation for the alleged damages it sustained as a result of the alleged violation of duties, plus interest. In September 2021, the parties filed a stipulation, which is subject to court approval, accepting service on behalf of certain defendants including Porsche SE, staying all discovery and setting a motion to dismiss briefing schedule.

[24] Related parties

Related parties of Porsche SE

In accordance with IAS 24, transactions and relationships with third parties which are in control of or controlled by the Porsche SE Group must be disclosed. Pursuant to a consortium agreement, the Porsche and Piëch families as ordinary shareholders have control of the parent company Porsche SE.

The disclosure requirements under IAS 24 also extend to persons who have the power to exercise significant influence over the entity, i.e., who have the power to participate in the financial and operating policies of the entity, but do not control it. In the fiscal year 2024 and in the comparative period, this concerns members of the supervisory board and the board of management of Porsche SE as well as their close family members.

The disclosure requirements pursuant to IAS 24 also include persons and entities over which the Porsche SE Group can exercise a significant influence. In the reporting period and the comparative period, related parties included the associates as well as their subsidiaries and therefore in particular Volkswagen AG and its subsidiaries including Porsche AG and its subsidiaries as core investments.

Disclosures on related parties and relationships with associates

The table below contains the receivables and liabilities contained in the balance sheet as of 31 December 2024 as well as the supplies and services rendered and received and other income and expenses for the fiscal year 2024 resulting from business transactions between the Porsche SE Group and its related parties:

	Supplies and services rendered and other income		Supplies and services received and other expenses	
€ million	**2024**	2023	**2024**	2023
Porsche and Piëch families	0	0		
Associates	2	218	5	5
	2	**218**	**5**	**5**

	Receivables		Liabilities	
€ million	**31/12/2024**	31/12/2023	**31/12/2024**	31/12/2023
Porsche and Piëch families	0			
Associates	2	0	0	0
	2	**0**	**0**	**0**

Transactions with ordinary shareholders

The table above does not include the dividend of €391 million (€391 million) paid out to ordinary shareholders of Porsche SE.

Transactions with core investments

Service transactions with core investments

As in the prior year, service transactions were primarily with the Volkswagen Group in the reporting year, which are included in the table above. Supplies and services received and other expenses in the reporting period mainly consisted of services as well as the provision of vehicles.

Dividend payments from core investments

The dividend of €1,441 million (€1,415 million) received from Volkswagen AG in the fiscal year 2024 is not included in the table above.

In addition, the dividend of €262 million (€114 million) received from Porsche AG in the fiscal year 2024 is not included in the table above.

Other transactions with core investments

The following agreements were entered into by Porsche SE, Volkswagen AG and entities of the Porsche Holding Stuttgart GmbH Group in connection with the contribution of the holding business operations of Porsche SE to Volkswagen AG in the fiscal year 2012 and the comprehensive agreement prior to that as well as the associated agreements implementing it, which continued to be valid:

- Volkswagen AG has indemnified Porsche SE internally against claims by the Einlagensicherungsfonds (German deposit protection fund) after Porsche SE submitted an indemnification agreement required by the Bundesverband Deutscher Banken (Association of German Banks) to the Einlagensicherungsfonds in August 2009. Volkswagen AG has also undertaken to indemnify the Einlagensicherungsfonds against any losses caused by measures taken by the latter in favor of a bank in which Volkswagen AG holds a majority interest.

- During the assessment periods 2006 to 2009, Porsche SE was initially the legal successor of Porsche AG and later the ultimate tax parent and thus liable for tax payments. In the course of the contribution of the business operations in the fiscal year 2012, the tax obligations of Porsche SE and its subsidiaries for the period to until 31 July 2009 were not transferred to Volkswagen AG. Under the contribution agreement, Porsche SE in certain circumstances holds Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors harmless from tax disadvantages that exceed the obligations from periods up until and including 31 July 2009 recognized at the level of these entities. In return, Volkswagen AG has undertaken to reimburse Porsche SE for any tax advantages of Porsche Holding Stuttgart GmbH, Porsche AG and their legal predecessors and subsidiaries relating to tax assessment periods up to 31 July 2009. The amount of tax benefits and tax disadvantages to be taken into account is regulated in the contribution agreement. It was therefore not possible to reasonably determine any potential compensation claim until the tax field audit of Porsche AG for the 2009 assessment period had been completed. After the tax field audit of Porsche AG for the assessment period 2009 was substantively completed in the fiscal year 2023, the findings of the tax field audit of Porsche AG were accepted by Porsche SE which is liable for the tax payments as the former ultimate tax parent. Based on the findings of the tax field audit of Porsche AG for the assessment periods 2006 to 2009, Porsche SE had a claim for compensation of €209 million against Volkswagen AG net of €9 million provisions previously recognized, which was settled by Volkswagen in the fiscal year 2023. The table above contains the corresponding income of Porsche SE of €218 million in the fiscal year 2023.

Within the scope of the comprehensive agreement, Porsche SE and Volkswagen AG had granted each other put and call options relating to the 50.1% shares in Porsche Holding Stuttgart GmbH remaining at Porsche SE prior to the contribution of its holding business operations to Volkswagen AG. Both Volkswagen AG (in the event it exercises its call options) as well as Porsche SE (in the event that it exercises its put options) had both agreed to bear any tax expenses arising from exercising the options and from any downstream measures with respect to the investment in Porsche Holding Stuttgart GmbH (e.g., from back taxes on the 2007 and/or 2009 spin-off). If Volkswagen AG, Porsche Holding Stuttgart GmbH, Porsche AG or their respective subsidiaries had enjoyed tax benefits as a result of subsequent taxation on the 2007 and/or 2009 spin-off, the purchase price payable by Volkswagen AG for the transfer of the remaining 50.1% share in Porsche Holding Stuttgart GmbH would have increased by the present value of the tax benefit if Porsche SE had exercised its put options. This rule was taken over in the course of contribution agreement to the extent that Porsche SE has a payment claim against Volkswagen AG equivalent to the present value of the recoverable tax benefits from any recapture taxation of the spin-off 2007 as a result of back tax payments on the 2007 spin-off owing to the contribution. In connection with the contribution it was also agreed that Porsche SE would release Volkswagen AG, Porsche Holding Stuttgart GmbH and its subsidiaries from any tax liability with respect to subsequent taxation in 2012 resulting from any action or omission by Porsche SE upon or subsequent to the execution of the contribution. Also in that event, too, Porsche SE has a payment claim against Volkswagen AG in the amount of the present value of the recoverable tax benefits resulting from such a transaction at the level of Volkswagen AG or one of its subsidiaries.

Further agreements were entered into and declarations were issued in connection with the contribution of Porsche SE’s holding company operating business to Volkswagen AG, in particular:

- Porsche SE holds it subsidiaries transferred under the contribution agreement, Porsche Holding Stuttgart GmbH and Porsche AG and its subsidiaries, harmless from certain obligations towards Porsche SE pertaining to the period up to and including 31 December 2011 and that go beyond the obligations recognized for these entities for this period.

- In addition, Porsche SE holds Volkswagen AG, Porsche Holding Stuttgart GmbH, Porsche AG and their subsidiaries harmless from half of the amount of the tax (with the exception of income tax) arising at their respective levels in connection with the contribution and that would not have been incurred had the call options been exercised for the shares in Porsche Holding Stuttgart GmbH remaining at Porsche SE prior to the contribution. Accordingly, Volkswagen AG holds Porsche SE harmless for half the amount of such tax incurred there.

- It was also agreed to allocate based on causation any subsequent VAT receivables and/or VAT liabilities from transactions up to 31 December 2009 between Porsche SE and Porsche AG. A corresponding receivable by Porsche SE from Porsche AG is contained in the table above.

Various information, conduct and cooperation duties were agreed in the contribution agreement between Porsche SE and the Volkswagen Group As part of the initial public offering ("IPO") and the acquisition of ordinary shares of Porsche AG by Porsche SE in the fiscal year 2022, Porsche SE and Volkswagen AG also entered, among other arrangements, into a "procedural and amendment agreement and agreement to amend the comprehensive agreement". The latter led to amendments to some provisions, including those on appointments to governing bodies of Porsche AG, contained in the comprehensive agreement. In this context, Volkswagen AG and Porsche SE agreed on the significant participation of representatives of Porsche SE on the supervisory board of Porsche AG. Ultimate decision rights of the shareholder representatives determined by Volkswagen on the supervisory board with regard to the ability to direct the relevant activities at Porsche AG within the meaning of IFRS 10 will ensure continued control by Volkswagen AG. Under the share purchase agreement, Volkswagen AG as warrantor provided several warranties to Porsche SE, which essentially put Porsche SE in the same position as buyers of the preferred shares sold in the IPO. In addition, Volkswagen AG assumes a small number of other standard market guarantees, most of them limited to positive knowledge of Volkswagen AG. The sale of ordinary shares of Porsche AG is subject to restrictions until 2027.

Transactions with portfolio investments

The table above does not include contributions made to Incharge Fund I and Incharge Team I totaling €7 million. In this connection, please also refer to the corresponding explanations in note [3].

Disclosures on the relationships with members of the board of management and supervisory board

The following benefits and payments were recorded for the board work of the members of the board of management and the supervisory board of Porsche SE:

€ million	**2024**	2023
Short-term employee benefits	6	6
Post-employment benefits	1	1
Other long-term benefits	2	2
	9	**9**

Post-employment benefits contain additions to the pension provisions. Other long-term benefits concern the addition to provisions for the long-term component of the variable incentive of the members of the board of management of Porsche SE.

As of the end of the fiscal year 2024, the outstanding balances for the remuneration of active members of Porsche SE's board of management and supervisory board amounted to €15 million (€11 million).

[25] Remuneration of the board of management and the supervisory board[1]

The total remuneration of members of Porsche SE's board of management amount to €5 million in the fiscal year 2024 (€5 million).

Remuneration for former board of management members amounts to €0 million (€0 million).

The provisions for post-employment benefits recognized for former members of the board of management amount to €2 million (€2 million) as of the reporting date.

The total remuneration of the supervisory board for the fiscal year 2024 amounts to €1 million (€1 million).

[1] Disclosure pursuant to Sec. 314 (1) No. 6a Sentence 1 to 4, 6b HGB in conjunction with Sec. 315e HGB

[26] Auditor’s fees

The auditor’s fees charged by the auditor Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, for the fiscal year 2024 in accordance with Sec. 314 (1) No. 9 HGB break down as follows:

€ thousand	**2024**	2023
Audit of financial statements services	539	490
Other assurance services	70	26
	609	**517**

Other assurance services relate to the audit in accordance with the European Market Infrastructure Regulation (“EMIR”) as well as the issue of a comfort letter.

[27] Subsequent events

A restructuring program has been announced for the development area of Cariad SE; implementation is expected to commence in April 2025. At the level of the Volkswagen Group, these measures are expected to result in expenses in the low triple-digit million euro range, which will be recognized in the first quarter of 2025.

On 17 March 2025, Audi management and the works council agreed on key points for a future-oriented realignment of AUDI AG’s German sites. These include socially responsible layoffs of up to 7,500 jobs by 2029.

The rating agency Moody's announced on 17 March 2025 that it had downgraded Volkswagen AG’s rating from “A3” to “BAA1”.

Volkswagen Group announced on 19 March 2025 the successful placement of €360 million in shares of TRATON SE for a price of €32.75 per TRATON SE share. The placement corresponds to 2.2% of the outstanding share capital of TRATON SE, which reduces Volkswagen Group’s direct interest from 89.7% to 87.5%. The TRATON SE shares were sold via a private placement in an accelerated bookbuild offering with institutional investors.

Otherwise, there were no events with a significant effect on net assets, financial position and results of operations after 31 December 2024.

[28] Declaration on the German Corporate Governance Code

The board of management and supervisory board of Porsche SE submitted the annual declaration of compliance in accordance with Sec. 161 AktG in December 2024 and made it permanently accessible to shareholders on the company's website at www.porsche-se.com/en/company/corporate-governance/.

Stuttgart, 19 March 2025

Porsche Automobil Holding SE
The board of management

Hans Dieter Pötsch Dr. Manfred Döss Dr. Johannes Lattwein Lutz Meschke

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Additional information

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Additional information

Responsibility statement

We assure to the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report, which has been combined with the management report of Porsche SE, includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Stuttgart, 19 March 2025

Porsche Automobil Holding SE
The board of management

Hans Dieter Pötsch   Dr. Manfred Döss   Dr. Johannes Lattwein   Lutz Meschke

The following copy of the auditor's report also includes a "Report on the assurance of electronic rendering, of the consolidated financial statements and the group management report, prepared for publication purposes in accordance with Sec. 317 (3b) HGB" ("Separate report on ESEF conformity"). The subject matter (ESEF documents) to which the separate report on ESEF conformity relates is not attached. The audited ESEF documents can be inspected in or retrieved from the Unternehmensregister (German Company Register) and the Porsche SE-Homepage.

Auditor's report of the independent auditor

[Note: This document is a convenience translation of the German original. The original German language document is the authoritative version.]

To the Porsche Automobil Holding SE, Stuttgart

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of Porsche Automobil Holding SE, Stuttgart, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit and loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2024 to 31 December 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Porsche Automobil Holding SE, Stuttgart, for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the disclosures on the appropriateness and effectiveness of the risk management system and the internal control system contained in the subsection "Internal control system including internal control system of Porsche SE relevant for the financial reporting process" of the section "Risk management and internal control system of the Porsche SE Group" of the group management report and the disclosures contained in the subsection "Monitoring the effectiveness of the risk management system and the internal control system" of the section "Risk early warning system at Volkswagen" of the group management report as well as the declaration of compliance contained in the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024, and

- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the non-audited parts of the group management report listed above.

Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 316 ff. HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2024 to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

In the following, we present the key audit matters from our point of view:

❶ Valuation of the investment in Volkswagen AG

❷ Valuation of the investment in Porsche AG

❷ Assessment of legal risks and their presentation in the consolidated financial statements

We have structured our presentation of these key audit matters as follows:

① Risk for the consolidated financial statements

② Audit approach

③ Reference to related information

❶ Valuation of the investment in Volkswagen AG

① Risk for the consolidated financial statements

In the company’s consolidated financial statements, the share in the associated company Volkswagen AG amounting to EUR 33.0 billion (77% of total assets) is reported under the balance sheet item “Investments accounted for using the equity method”. This amount is reduced by an impairment loss of EUR 19.9 billion recognized in the 2024 financial year. The investment in Volkswagen AG therefore represents the most significant asset of Porsche SE and, as it is accounted for using the equity method, has a significant influence on the results of operations and net assets of the Porsche SE Group through the profit/loss attributable to Porsche SE on a pro rata basis. The assessment of the executive directors of Porsche SE regarding the recoverability of the investment accounted for at equity in Volkswagen AG is subject to a high degree of estimation and judgment uncertainty with regard to key measurement parameters as well as with regard to the assumptions made regarding the estimation of future cash flows, taking analysts’ estimates into account. This applies in particular due to an increasingly uncertain political environment in the 2024 financial year, growing trade restrictions and geopolitical tensions as well as increasing competitive intensity. Due to the resulting effects on the result and assets of Porsche SE, this matter was of particular significance in the context of our audit.

② Audit approach

As part of our audit, we first examined the underlying process and its suitability for assessing the recoverability of the investment in the investee in order to assess the recoverability of the carrying amount of the investment in Volkswagen AG performed by the executive directors of Porsche SE. We involved our valuation specialists in the audit for the methodological and mathematical assessment of the valuation model and the calculation parameters applied. In addition, we compared the planning prepared in previous periods with the actual results in order to assess the accuracy of the planning. Based on analysts' estimates and the corporate planning approved by the executive directors and supervisory board of Volkswagen AG, we critically assessed the derivation of the cash flows used for impairment testing purposes by Porsche SE. For this purpose, we assessed both the suitability of the analyst estimates used and the corporate planning prepared by Volkswagen AG as well as the consistency of the corporate planning derived by Porsche SE for the purposes of the impairment test. We also assessed the derivation of the risk-adjusted capitalization rate, in particular by questioning the peer group, comparing the market data used with external evidence and verifying the mathematical accuracy. We assessed whether the recoverable amount determined was appropriately compared with the amortized equity carrying amount in order to determine any need for impairment. As part of our audit, we also asked the executive directors about the appropriateness of the impairment loss recognized. With regard to the audit of the ongoing at-equity valuation, we also issued audit instructions to the auditor of the consolidated financial statements of Volkswagen AG in which we provided guidance on risk classification and the audit approach. In addition, we regularly obtained information on the current status of the audit in personal meetings and reviewed the working papers of the group auditor.

Our audit procedures did not lead to any reservations relating to the valuation of Volkswagen AG.

③ Reference to related information

The accounting policies applied to the investment in Volkswagen AG and the related disclosures on the judgements made by the executive directors with regard to the assessment of the recoverability of the investment in Volkswagen AG are presented in section [1] “Significant accounting policies” in the notes to the consolidated financial statements and in the sections “Accounting policies”, [2] “Accounting judgements, estimates and assumptions of the management” section “Further judgments, estimates and assumptions of the management at the level of the Volkswagen Group “, [4] “Disclosures on significant investments accounted for at equity”, [5] “Result from investments accounted for at equity”, [13] “Investments accounted for at equity” and in the group management report in the sections “Significant events and developments at the Porsche SE Group”, subsection “Significant developments in relation to the at-equity investment in Volkswagen AG” and “Opportunities and risks of the Porsche SE Group”.

❷ Valuation of the investment in Porsche AG

① Risk for the consolidated financial statements

In the company's consolidated financial statements, the share in the associated company Porsche AG amounting to EUR 7.2 billion (17% of total assets) is reported under the balance sheet item "Investments accounted for using the equity method". This amount is reduced by an impairment loss of EUR 3.4 billion recognized in the 2024 financial year. The investment in Porsche AG represents a significant asset of Porsche SE and, as it is accounted for using the equity method, affects the results of operations and net assets of the Porsche SE Group through the profit/loss attributable to Porsche SE on a pro rata basis. The assessment of the executive directors of Porsche SE regarding the recoverability of the investment accounted for at equity in Porsche AG is subject to a high degree of estimation and judgment uncertainty with regard to key measurement parameters as well as with regard to the assumptions made for the estimation of future cash flows. This applies in particular due to an increasingly uncertain political environment in the 2024 financial year, growing trade restrictions and geopolitical tensions as well as increasing competitive intensity. Due to the resulting effects on the result and assets of Porsche SE, this matter was of particular significance in the context of our audit.

② Audit approach

As part of our audit, we first examined the underlying process and its suitability for assessing the recoverability of the carrying amount of the investment in Porsche AG in order to evaluate the assessment of the recoverability of the investment made by the executive directors of Porsche SE. We involved our valuation specialists in the audit for the methodological and mathematical assessment of the valuation model and the calculation parameters applied. Based on analyst estimates and the corporate planning approved by the executive directors and supervisory board of Porsche AG, we critically assessed the derivation of the cash flows used by Porsche SE for the purposes of the impairment test. For this purpose, we assessed both methodologically necessary adjustments for the purposes of the impairment test in accordance with IAS 36 and the consistency of the corporate planning derived by Porsche SE for the purposes of the impairment test. Furthermore, we assessed the corporate planning approved by the executive directors and supervisory board of Porsche AG and compared key planning assumptions with external analyst estimates. In addition, we compared the plans prepared in prior periods with the results actually achieved in order to assess the accuracy of the plans. We also assessed the derivation of the risk-adjusted capitalization rate, in particular by questioning the peer group, comparing the market data used with external evidence and verifying the mathematical accuracy. We assessed whether the recoverable amount determined was appropriately compared with the amortized equity carrying amount in order to determine any need for impairment. As part of our audit, we also asked the executive directors about the appropriateness of the impairment loss recognized. With regard to the audit of the ongoing at-equity valuation, we also issued audit instructions to the auditor of the consolidated financial statements of Porsche AG in which we provided guidance on risk classification and the audit approach. In addition, we regularly obtained information on the current status of the audit in personal meetings and reviewed the working papers of the group auditor.

Our audit procedures did not lead to any reservations relating to the valuation of the investment in Porsche AG.

③ Reference to related information

The accounting policies applied with regard to the investment in Porsche AG and the related disclosures on the exercise of judgement by the executive directors with regard to the assessment of the recoverability of the investment in Porsche AG are presented in section [1] "Significant accounting policies" in the notes to the consolidated financial statements and in the sections "Accounting policies", [2] "Accounting judgements, estimates and assumptions of the management" section "Further judgments, estimates and assumptions of the management at the level of the Volkswagen Group", [4] "Disclosures on significant investments accounted for at equity", [5] "Result from investments accounted for at equity", [13] "Investments accounted for at equity" and in the group management report in the sections "Significant events and developments at the Porsche SE Group", subsection "Significant developments in relation to the at-equity investment in Volkswagen AG" and "Opportunities and risks of the Porsche SE Group".

❸ Assessment of legal risks and their presentation in the consolidated financial statements

① Risk for the consolidated financial statements

As an investment-managing holding company, Porsche SE holds the investment in Volkswagen AG in particular. In connection with the establishment of the investment in Volkswagen AG and in connection with the diesel issue that became known at Volkswagen AG in September 2015, the company is exposed to legal risks in the form of lawsuits filed directly against Porsche SE, which could lead to significant expenses and cash outflows for the company in the event of a negative outcome of the proceedings. The assessment of the probability of occurrence of these legal risks at the level of Porsche SE is subject to a high degree of estimation and judgement uncertainty. Against this background, the assessment of these legal risks and their presentation in the consolidated financial statements was of particular significance in the context of our audit.

② Audit approach

In assessing the estimates of the legal risks made by the executive directors, we first obtained an understanding of the process in order to identify which controls the executive directors have implemented to recognize and assess risks at an early stage. In order to assess the estimates made by the executive directors of Porsche SE regarding the probability of occurrence of the legal risks, we discussed the risks and pending proceedings with the legal department, the company's executive board member responsible for legal affairs and compliance and representatives of the law firms handling the proceedings, taking into account current developments during the reporting period. We involved internal legal experts in our audit and obtained written confirmation letters from external lawyers. Furthermore, we evaluated the company's disclosures in the notes to the consolidated financial statements.

Our audit procedures did not lead to any reservations relating to the assessment of legal risks and their presentation in the consolidated financial statements.

③ Reference to related information

The executive directors' assessment of the legal risks is contained in the notes to the consolidated financial statements in the section [23] "Contingent liabilities from legal disputes" and in the group management report in the sections "Significant events and developments at the Porsche SE Group" and "Opportunities and risks of the Porsche SE Group".

Other Information

The executive directors are responsible for the other information. The other information comprises:

- the disclosures on the appropriateness and effectiveness of the risk management system and the internal control system contained in the "Internal control system including internal control system of Porsche SE relevant for the financial reporting process" subsection of the "Risk management and internal control system of the Porsche SE Group" section of the group management report,

- the disclosures contained in the "Monitoring the effectiveness of the risk management system and the internal control system" subsection of the "Risk early warning system at Volkswagen" section of the group management report, which are not audited components of the group management report,

- the declaration of compliance pursuant to Sections 289f HGB and 315d HGB,

- the declaration pursuant to Section 297 (2) sentence 4 HGB on the consolidated financial statements and pursuant to Section 315 (1) sentence 5 HGB on the group management report,

- the report of the supervisory board contained in the "Annual Report 2024",

- the remuneration report contained in the "Annual Report 2024" in accordance with Section 162 AktG and

- the other parts of the "Annual Report" outside the consolidated financial statements, the group management report and our auditor's report thereon.

The executive directors and the supervisory board are responsible for the declaration pursuant to Section 161 AktG on the German Corporate Governance Code, which forms part of the declaration on corporate governance, and for the remuneration report pursuant to Section 162 AktG. The supervisory board is responsible for the report of the Supervisory Board. In all other respects, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the supervisory board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 316 ff. HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance of Electronic Rendering, of the Consolidated Financial Statements and the Group Management Report, Prepared for Publication Purposes in Accordance with Section 317 Paragraph 3a HGB

Assurance Opinion

We have performed assurance work in accordance with section 317 paragraph 3a HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in in the electronic file „Porsche SE_KA+KLB_ESEF-2024-12-31-de.zip“ and prepared for publication purposes complies in all material respects with the requirements of section 328 paragraph 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of section 328 paragraph 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January 2024 to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering, of the consolidated financial statements and the group management report, contained in the file identified above in accordance with section 317 paragraph 3a HGB and the IDW Assurance Standard "Assurance on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with Section 317 Paragraph 3a HGB" (IDW AsS 410) (06.2022) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1 "Requirements for Quality Management in the Audit Firm" (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the supervisory board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the group management report in accordance with section 328 paragraph 1 sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with section 328 paragraph 1 sentence 4 no. 2 HGB.

In addition, the executive directors of the company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.

- Evaluate whether the ESEF documents enables a XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL), in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the closing date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 11 June 2024. We were engaged by the supervisory board on 12 November 2024. We have been the group auditor of the Porsche Automobil Holding SE, Stuttgart, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Prof. Dr. Thomas Senger.

Düsseldorf, 19 March 2025

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Prof. Dr. Martin Jonas
Wirtschaftsprüfer
[German Public Auditor]

Prof. Dr. Thomas Senger
Wirtschaftsprüfer
[German Public Auditor]

Report of the independent auditor for the remuneration report

[Note: This document is a convenience translation of the German original. The original German language document is the authoritative version.]

To the Porsche Automobil Holding SE, Stuttgart

Opinion on the audit of the remuneration report

We have audited the remuneration report of Porsche Automobil Holding SE, Stuttgart, for the financial year from 1 January 2024 to 31 December 2024 including the related disclosures, which was prepared to comply with section 162 German Stock Corporations Act [Aktiengesetz – AktG].

Responsibility of the management board and the supervisory board

The management board and the supervisory board of Porsche Automobil Holding SE are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of section 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the remuneration report. The procedures selected depend on the auditor's judgement. This includes the assessment of the risks of material misstatement of the remuneration report, whether due to fraud or error, including the related disclosures. In making those risk assessments, the auditor considers the internal control system relevant to the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the company's internal control system. An audit also includes assessing the accounting principles used and the reasonableness of accounting estimates made by management and the supervisory board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, based on our audit, the remuneration report for the financial year from 1 January 2024 to 31 December 2024, including the related disclosures, complies in all material respects with the accounting provisions of section 162 AktG.

Reference to an other matter – Formal audit of the remuneration report in accordance with section 162 AktG

The substantive audit of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by section 162 paragraph 3 AktG, including the issue of an audit opinion on this audit. Since we express an unqualified opinion on the content of the remuneration report, this opinion includes that the information pursuant to section 162 paragraph 1 and 2 AktG have been made in all material respects in the remuneration report.

Restriction of use

We issue this auditor's report on the basis of the engagement agreed with Porsche Automobil Holding SE. The audit was conducted for the purposes of the Company and the auditor's report is solely intended to inform the Company about the results of the audit. Our responsibility for the audit and for our auditor's report is solely to the Company in accordance with this engagement. The auditor's report is not intended for third parties to make (investment and/or asset) decisions based on it. Accordingly, we do not assume any responsibility, duty of care or liability towards third parties; in particular, no third parties are included in the scope of protection of this contract. Section 334 of the German Civil Code [Bürgerliches Gesetzbuch – BGB], according to which defences arising from a contract can also be asserted against third parties, is not waived.

Düsseldorf, 20 March 2025

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Prof. Dr. Martin Jonas
Wirtschaftsprüfer
[German Public Auditor]

Prof. Dr. Thomas Senger
Wirtschaftsprüfer
[German Public Auditor]

Multi-year summary

Figures

Porsche SE Group		2024 IFRS	2023[1] IFRS	2022[1] IFRS	2021 IFRS	2020 IFRS
Total assets	€ million	42,841	62,126	59,302	42,533	36,250
Equity	€ million	35,108	55,096	51,930	42,196	35,946
Investments accounted for at equity	€ million	40,270	60,993	58,335	41,527	35,259
Result from investments	€ million	−19,878	5,208	5,263	4,615	2,700
Financial result	€ million	−241	−269	−57	−7	−4
Result before tax	€ million	−20,150	5,122	5,343	4,565	2,654
Result after tax from continuing operations	€ million	−20,017	5,074	5,396	4,563	2,630
Result after tax	€ million	−20,017	5,074	5,492	4,566	2,624
Adjusted result after tax[2]	€ million	3,151	5,074	4,899	4,566	2,498
Earnings per ordinary share[3]	€	−65.36	16.57	17.62	14.90	8.59
Earnings per preference share[3]	€	−65.36	16.57	17.62	14.90	8.59
Adjusted earnings per ordinary share[2,3]	€	10.29	16.57	15.99	14.90	8.15
Adjusted earnings per preference share[2,3]	€	10.29	16.57	16.00	14.90	8.16
Net debt[2,4]	€ million	5,160	5,717	6,672	−641	−563
Employees as of 31 December		48	42	38	882	916

Porsche SE		2024 HGB	2023 HGB	2022 HGB	2021 HGB	2020 HGB
Net loss/profit	€ million	−1,521	1,441	4,104	824	703
Net profit available for distribution	€ million	584	783	2,052	783	676
Dividend per ordinary share	€	1.904[5]	2.554	2.554	2.554	2.204
Dividend per preference share	€	1.910[5]	2.560	2.560	2.560	2.210

1 Adjusted
2 For the definition see glossary
3 From continuing operations, basic and diluted
4 Negative net debt equals positive net liquidity
5 Proposal to the annual general meeting of Porsche SE

Glossary

Adjusted group result after tax

The adjusted group result after tax is derived from the group result after tax by adjusting for the following items relating to the core investments:

Adjusted group result after tax

	Group result after tax	
−/+	Income/expenses from impairment tests and remeasurements	with regard to the core investments
−	Profits from bargain purchases	with regard to the core investments
−/+	Profits/losses from the sale of shares	with regard to the core investments
−/+	Income/expenses from deferred tax effects due to the above-mentioned items	with regard to the core investments
=	**Adjusted group result after tax**	

The reconciliation of the adjusted group result after tax to the group result after tax is shown in the consolidated income statement of Porsche SE.

The item “Income/expenses from impairment tests and remeasurements” includes, on the one hand, income/expenses from write-ups/write-downs to the recoverable amount – i.e., the higher of the value in use and the fair value less costs of disposal – as part of the regular impairment tests in accordance with IAS 36, in each case with regard to the core investments. On the other hand, the item includes expenses from measurements at fair value less costs to sell as a result of a plan to sell as of the reporting date in accordance with IFRS 5 and income from remeasurements within the scope of IFRS 5, in each case with regard to the core investments.

The item “Profits from bargain purchases” relates to income from first-time at equity accounting of acquired or newly acquired shares in core investments within the meaning of IAS 28 in conjunction with IFRS 3. Profits from bargain purchases are recognized if the pro rata remeasured equity of the investee exceeds its acquisition costs. Any (higher) expenses in subsequent periods arising from the amortization of hidden reserves identified in the course of a purchase price allocation that have resulted in a profit from bargain purchases are not corrected due to the lack of clear identifiability.

The item “Profits/losses from the sale of shares” comprises profits from the sales of shares within the meaning of IAS 28 that arise when the sales price is higher than the carrying amount of the investment accounted for using the equity method, as well as losses from the sale of shares within the meaning of IAS 28 that arise when the sales price is lower than the carrying amount of the investment accounted for using the equity method, in each case with regard to the core investments.

The item “Income/expenses from deferred tax effects due to the above-mentioned items” relates to both changes in deferred tax liabilities due to changes in the carrying amounts of the investments in the core investments and the resulting changes in deferred tax assets on tax loss and interest carryforwards, the amount of which in the Porsche SE Group depends on the amount of deferred tax liabilities.

Adjusted result per ordinary and preference share

Earnings per share are calculated by dividing the share of the result of Porsche SE’s shareholders by the weighted average number of ordinary and preference shares outstanding during the fiscal year. The same applies to the adjusted earnings per share, which is, however, calculated on the basis of the adjusted group result after tax.

Group net debt

Group net debt comprises the group’s financial liabilities less current securities and time deposits as well as cash and cash equivalents as reported in the consolidated balance sheet.

Holding discount

Holding companies such as Porsche SE are generally valued slightly lower by the capital market than their net asset value. This relative or absolute discount is usually referred to as the holding discount. The absolute holding discount is calculated at Porsche SE as the difference between its net asset value and its current market capitalization. To determine the market capitalization of Porsche SE, the unlisted ordinary shares are valued at the market price of the preference shares. The relative holding discount of Porsche SE is calculated as the ratio between this absolute discount and the net asset value of Porsche SE.

Loan-to-value ratio

Ratio of the Porsche SE Group’s net debt in relation to the total market value of the core and portfolio investments. The market value of the core investment in Volkswagen AG is derived from the stock market prices on the respective reporting date. The market value of the core investment in Porsche AG is derived from the stock market price of the preference shares as of the respective reporting date plus an ordinary share premium of 7.5% derived from the acquisition of the investment. For simplification purposes, the market values of the portfolio investments are based on the IFRS group carrying amounts which may differ from the fair values of the investments accounted for at equity.

Net asset value

The net asset value is regularly used to measure holding companies. The net asset value is calculated as the difference between the sum of the market values of the core and portfolio investments and group net debt. The market values of the core and portfolio investments are calculated in the same way as the loan-to-value ratio.

Note on the use of alternative performance indicators

All metrics listed in the glossary are alternative performance indicators. These are not defined by IFRS. Their calculation methods may therefore differ from those of other companies.

Imprint

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Disclaimer

This annual report contains forward-looking statements. These statements are based on current assumptions and estimates of Porsche Automobil Holding SE or originate from third party sources and are subject to both uncertainties and risks. Various known and unknown risks, uncertainties and other factors could lead to significant differences (both positive and negative) between actual developments and the results of Porsche Automobil Holding SE and the Porsche SE Group and the estimates given here. Porsche Automobil Holding SE accepts no liability for the assumptions and estimates being up-to-date, correct and complete or for the expectations and targets being met.

We do not assume any obligation to update the forward-looking statements contained in this report beyond the statutory requirements.

The annual report contains references and links to websites with further information outside this publication. These links are provided for convenience only. The information contained on such websites is not part of this annual report.

This annual report is published in English and German. In the event of discrepancies, the authoritative German version of the document takes precedence over the English translation.

For technical reasons, there may be differences between the financial statements contained in this document and those published in accordance with legal requirements.

This document does not constitute, and should not be construed as, investment advice or an offer, a recommendation, or a solicitation to purchase, sell or subscribe to securities The document is not intended to provide the basis for a valuation of securities or other financial instruments.

Financial calendar

26 March 2025
Annual Press and Analyst Conference

14 May 2025
Group quarterly statement 1st Quarter 2025

23 May 2025
Annual General Meeting 2025

13 August 2025
Half-yearly financial report 2025

11 November 2025
Group quarterly statement 3rd Quarter 2025

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