

Speech

by Hans Dieter Pötsch

Chairman of the board of management of Porsche Automobil Holding SE

Annual press and analyst conference

on 21 March 2024 in Stuttgart

Check against delivery

Ladies and gentlemen,

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

I am delighted to present the figures for the past fiscal year to you today. Figures that we are very satisfied with overall – and that are, of course, strongly influenced by our two core investments.

But before we get to that, I am pleased to be able to share some interesting news with you. Porsche SE and the investment firm DTCP are launching a venture fund with an investment focus on software companies in the areas of mobility and connectivity. In this context, a joint venture named Incharge Capital Partners has been established. Porsche SE is participating in the fund with a volume of 100 million euro.

The establishment of this joint venture strengthens the partnership between Porsche SE and DTCP that I announced last year. In the long term, Porsche SE will benefit from the performance of the fund and the development of the joint venture. Other investors, including Deutsche Telekom, are also participating in the fund alongside Porsche SE.

Incharge will be launched in the coming weeks. The fund will then also be open for selected third-party investors.

Back to the balance sheet figures: The fiscal year 2023 was a very successful one for Porsche SE. Right at the beginning of last year, we completed the acquisition of 25% plus one share of the ordinary shares in Porsche AG, and in doing so acquired a second core investment. Throughout the year, we executed our financial strategy

with determination, focused on the repayment and long-term financing of our financial debt. Here too, we have made good progress. The successful refinancing gives us more leeway to intensify our investment activities and further expand Porsche SE as an investment platform.

In doing so, we align everything with our overarching goal of creating sustainable value for our shareholders. To achieve this goal, we have to invest in companies that contribute to the mid- and long-term profitability of Porsche SE with a strong technological position and future-proof business model. We will continue to expand our portfolio in a targeted manner in the mobility and industrial technology sectors as well as in adjacent areas.

The acquisition of Porsche AG ordinary shares with a total value of 10.1 billion euro was based on a sound financing plan. The purchase price of 7.1 billion euro for the first tranche of 17.5% plus one share was initially debt-financed by means of a bridge loan and bank loans. The purchase price for the second tranche of 7.5% of the ordinary shares amounted to 3.0 billion euro which was financed entirely from the special dividend that Volkswagen AG distributed to its shareholders in January 2023.

In order to finance the transaction in the long term, the short-term bridge loan was replaced first. In a first step, we placed a Schuldschein loan with a record volume of around 2.7 billion euro. Around 120 institutional investors such as banks, pension funds and insurance companies participated in this Schuldschein loan. The high level of interest shown by investors has impressively demonstrated Porsche SE's attractiveness.

This was followed by our successful debut on the bond market at the end of April 2023. We issued a first bond with a volume of 750 million euro. It has a term until September 2028. The bond was also in high demand and was oversubscribed several times.

In June 2023, we took advantage of the attractive market environment and issued a second bond with a volume of 1.25 billion euro. It is divided into two tranches with maturities until September 2027 and September 2030. This is one of world's largest unrated bond placements.

All in all, our successful issuances once again illustrate the high level of confidence that we enjoy among investors, also in the debt capital market.

It is our declared goal to consistently reduce Porsche SE's debt over the coming years. In the long term, we plan to repay an annual amount in the mid-three-digit million range. Should attractive investment opportunities arise in the meantime, we will take advantage of them in the interest of our shareholders – even if this means that the repayment schedule is postponed somewhat. In the long term, we generally aim to achieve a low-double-digit loan-to-value ratio. In this regard, we continue to be geared towards an investment grade profile.

Now to the key figures for the fiscal year 2023: Porsche SE's group profit after tax amounted to 5.1 billion euro, compared to 5.5 billion euro in the fiscal year 2022. It should be noted that the prior-year result included a non-cash accounting income of 0.6 billion euro in connection with the acquisition of Volkswagen preference shares. Without this one-off accounting effect the result for the fiscal year 2023 would have been higher than the prior-year result. As you are aware, this group result after tax was significantly influenced by the result from our core investments accounted for at

equity of 5.2 billion euro, of which 4.8 billion euro was contributed by Volkswagen and 0.4 billion euro by the investment in Porsche AG. Volkswagen AG and Porsche AG achieved good results despite the continuing difficult economic situation overall. Examples include Russia's war against Ukraine, the supply chain issues that have not yet been fully overcome and the above-average inflation in the past year.

Net debt of the Porsche SE Group decreased to 5.7 billion euro as of 31 December 2023, compared to 6.7 billion euro as of 31 December 2022. In addition to the dividends from our core investments in Volkswagen AG and in Porsche AG of more than 1.5 billion euro, Porsche SE received tax-related refunds of around 500 million euro. This has significantly strengthened our liquidity position and also increases our flexibility to repay financial debt and make further value-creating investments.

Ladies and gentlemen,

Let us take a brief look at the development of our core investments, which – as you know – have a significant influence on Porsche SE's key figures.

In the fiscal year 2023, Volkswagen once again demonstrated its substance and robustness. The entire group has made progress in its strategic core areas and is making faster progress with the restructuring than planned. This is also reflected in the figures: The VW Group delivered a total of 9.2 million vehicles, 12% more than in the prior year. This growth in deliveries is also reflected in revenue, which increased by 15% to 322.3 billion euro. The operating result was 22.6 billion euro. The result after tax stood at 17.9 billion euro, around 2 billion euro higher than in the prior year.

Porsche AG also performed impressively in the past fiscal year, delivering around 320,000 vehicles. This is an increase of more than 3% compared to the prior year. Group revenue increased by 7.7% to 40.5 billion euro. The operating result increased by 7.6% to 7.3 billion euro. The operating return on sales was stable at 18.0%. The result after tax was 5.2 billion euro.

Porsche AG is also planning a product offensive for the current year with four models that have either been newly developed or considerably revised. A first in the company's history.

As you can see: Both Volkswagen AG and Porsche AG have delivered under difficult conditions and in volatile markets. We are convinced that Volkswagen's board of management led by Oliver Blume has addressed the right topics to make the group fit for the future. In particular, we support the overall strategic orientation with a focus on profitability and cash flow. This also applies to the VW brand's ambitious performance program, which aims to achieve a sustainable return on sales of 6.5% by 2026. We are certain that the Volkswagen Group will successfully master the transformation with its strong brands.

Let me now come to the portfolio investments segment at Porsche SE. In the past fiscal year, we were able to invest in further promising growth companies.

We invested a double-digit million amount in the Swiss company ABB E-mobility. ABB E-mobility is a leading provider of charging solutions for electric vehicles and has the largest installed base of fast chargers in the market with over 50,000 DC charging stations sold.

In the field of young technology companies, we were able to invest in three exciting companies.

One was an investment in Quantum Motion Technologies, a start-up which was spun off from the University of Oxford and University College London. Quantum Motion Technologies is developing a quantum computer based on an innovative new technology approach. The company uses existing manufacturing processes from the semiconductor industry to develop high-performance quantum computers in a cost-efficient manner in the future.

In addition, we acquired a stake in Ethernovia. The company is developing ethernet technology for in-vehicle data transmission using advanced semiconductor processes. Compared to other solutions, Ethernovia's systems offer significantly higher transfer rates, improved energy efficiency and additional security features. Furthermore, Ethernovia's semiconductors can be used in both existing as well as new vehicle architectures.

The topic of artificial intelligence also plays an important role in Porsche SE's investment strategy. Last year, for example, we invested in the California based company Celestial AI. Celestial AI is developing an optical interconnect technology with high bandwidth, low power consumption and low latency. This makes it possible to scale memory capacity and computing power. The technology is a central building block for new types of data centers that are specially designed to calculate models in the field of artificial intelligence.

We are planning annual investments in the low-three-digit million range for the further expansion of the portfolio investments segment. To date, we have invested around 500 million euro in portfolio investments and have already been able to

profitably realize a significant portion of this through the sale of shares. This shows that our investment strategy is working and is creating value for our shareholders.

Ladies and gentlemen,

Let me briefly address the ongoing legal proceedings. We have made further progress here. In March 2023, the Higher Regional Court of Stuttgart issued a model case ruling in a capital markets model case in connection with the diesel issue. The plaintiffs accuse Porsche SE of alleged nonfeasance of capital market information or alleged incorrect capital market information in connection with the diesel issue. In its ruling, the Higher Regional Court did not side with the plaintiffs and the establishment objectives sought against Porsche SE were overwhelmingly not made. 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 ruling is not yet legally binding. The model case plaintiff, several co-plaintiffs and Porsche SE have filed an appeal on points of law against the model case ruling with the Federal Court of Justice.

There were no significant developments in the fiscal year 2023 in the capital markets model case in connection with the increase in our investment in Volkswagen AG. As you know, the plaintiffs had filed an appeal against the model case ruling of the Higher Regional Court of Celle with the Federal Court of Justice.

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

Ladies and gentlemen,

To sum up:

- The group result after tax of Porsche SE amounted to 5.1 billion euro in the fiscal year 2023. Net debt decreased considerably to 5.7 billion euro compared to 6.7 billion euro as of 31 December 2022.
- We have systematically further developed our financial and investment strategy. The successful issuances in the past fiscal year were milestones for Porsche SE and clearly show that we enjoy a high level of confidence among investors in the debt capital market.
- At the same time, Porsche SE has continued its partnership strategy for its investments. We have expanded our activities in this area and invested in further promising growth companies. The newly established joint venture Incharge shows that we are continuing along this path – together with our partner DTCP.

For the fiscal year 2024, we expect Porsche SE to record a group result after tax of between 3.8 billion euro and 5.8 billion euro. We also aim to further reduce the group's net debt by 31 December 2024. The group's net debt is estimated to amount to between 5.0 billion euro and 5.5 billion euro.

As in prior years, we would like the shareholders to participate in our company's success. We pursue a dividend policy based on reliability and stability. For the fiscal

year 2023, we propose an unchanged dividend compared to the prior year of 2.56 euro per share to be distributed to the holders of preference shares and of 2.554 euro per share to the holders of ordinary shares. This is equivalent to a total distribution of around 783 million euro.

Ladies and gentlemen,

In the past fiscal year, we developed Porsche SE successfully and in a value-oriented manner. With our two strong core investments and a significantly enhanced portfolio in attractive technological areas, we are strategically well positioned. We will continue to take advantage of opportunities for value-enhancing investments in the future, in line with our financial goal of further reducing net debt in 2024.

That's it from me. I will now hand over to Dr. Zemelka and Mr. Hoeldtke, who are hosting the Q&A session.