Speech

by Hans Dieter Pötsch
Chairman of the board of management of Porsche Automobil Holding SE

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Check against delivery

Ladies and gentlemen,

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

2024 was a challenging year for the European automotive industry. Our core investments, Volkswagen AG and Porsche AG, had to cope with increasingly difficult economic and political conditions: the intensifying competition in the automotive sector, market developments in China and the slower ramp-up of electromobility, to name just a few. Geopolitical tensions and protectionist tendencies also increased.

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

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

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

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

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

This is fundamentally due to two reasons: Our performance indicator should be comparable between different financial periods and we would like to use it to reflect the actual operating performance of our core investments in the current reporting period. More details can be found in the annual report.

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

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

Volkswagen Group delivered 9 million vehicles worldwide in the past fiscal year. That is 2.3% less than in the prior year. The main reason for this decline is the fierce price competition in China. At 324.7 billion euro, the Volkswagen Group's revenue was up slightly on the prior year.

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

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

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

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

From Porsche SE's perspective, one thing is clear: Our core investments must become more competitive and profitable and focus on the sustainable implementation of their strategic programs for the future. We therefore welcome the

“Zukunft Volkswagen” agreement reached between Volkswagen AG and its employee representatives at the end of 2024.

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

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

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

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

- **Flix SE** is the market leader in long-distance bus travel in Europe, North America and Turkey with its mobility platform. We invested in Flix SE because we see great growth potential for sustainable and affordable mobility services. This is the first time that we have expanded our portfolio with an investment in a platform provider in the end-consumer business.

- **Waabi** is developing an AI-based solution for self-driving trucks. The company uses a simulation-based approach to develop and train its own AI model. This results in a significant reduction of test drives to validate and secure the system. This technology has an enormous market potential. With its innovative AI approach, Waabi offers a convincing, cost-efficient and scalable solution to enable safe autonomous driving in a variety of driving environments.

- **Quantum Systems** produces drones for sensor-based data acquisition, surveillance and reconnaissance purposes. Drone technology has developed rapidly in recent years. The market potential is extremely high. We are convinced that Quantum Systems is very well positioned with its technology platform to participate exceptionally from the strong growth of this sector.

- However, we did not just invest in companies on our own last year. Together with the asset manager DTCP, we founded **Incharge Capital Partners** and launched the “Incharge” venture fund. Porsche SE has invested 100 million euro in the fund and will therefore benefit from both the performance of the fund and the development of the joint venture with DTCP. The investment focus of the Incharge fund is on software companies that are active in the field of connected mobility. With the establishment of Incharge Capital

Partners, Porsche SE continues to pursue its investment strategy and cooperation with strong partners.

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

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

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

Porsche SE continues to be involved in legal proceedings in connection with increasing the investment in Volkswagen AG and in connection with the diesel issue.

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

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

Ladies and gentlemen,

Let us look ahead to the current 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 net debt to be between 4.9 billion euro and 5.4 billion euro as of 31 December 2025.

I would now like to turn to the dividend proposal that we will be submitting to our annual general meeting on 23 May. We will ensure that our shareholders participate in the financial development of Porsche SE in the usual reliable and appropriate manner.

Our ability to pay dividends depends largely on the dividend inflows we receive from our core investments. We expect to receive dividends totaling 1.0 billion euro from Volkswagen AG and Porsche AG. This sum already includes a deduction of capital gains tax and solidarity surcharge, which is expected to total 0.3 billion euro. This will result in a corresponding tax refund in subsequent years.

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

Ladies and gentlemen,

To sum it up:

- The challenging situation at our core investments is having an impact on Porsche SE. As a result of a non-cash impairment loss on the carrying amounts of the investments in Volkswagen AG and Porsche AG, the Porsche SE Group's result after tax amounted to minus 20.0 billion euro.

- Adjusted for these impairment effects on the two core investments, Porsche SE generated a profit in the fiscal year 2024. The adjusted group result after tax stands at 3.2 billion euro.

- Our robust and balanced financial profile provides us with the necessary financial headroom to implement our investment strategy. Porsche SE's financial position remains very solid. The financial strength of our company is high. This is reflected in the group net debt, which we improved to 5.2 billion euro as planned in the past fiscal year.

- Porsche SE is decisively continuing its path to become a diversified investment platform. Accordingly, we have expanded our portfolio with the attractive investments in Flix SE, Waabi and Quantum Systems. Together with DTCP, we also founded Incharge Capital Partners and launched the

"Incharge" venture fund. In addition, we continuously screen new investment opportunities, both in the portfolio and core investment segments.

- We will allow our shareholders to participate appropriately in the financial development of Porsche SE. We therefore propose that a dividend of 1.91 euro per preference share and 1.904 euro per ordinary share be distributed for the fiscal year 2024. This is equivalent to a total distribution of around 584 million euro.

It is already becoming apparent that the macroeconomic and political conditions will remain challenging in 2025. Nevertheless, we continue to see substantial value creation potential for our company and consistently pursue our investment and diversification strategy.

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