Porsche enters a new era with successful IPO

29/09/2022 Dr. Ing. h.c. F. Porsche AG ("Porsche AG" and, together with its consolidated subsidiaries, the "Porsche Group" or "Porsche") has successfully crossed the finish line of its initial public offering ("IPO"). With the ringing of the bell at the Frankfurt Stock Exchange this morning, Porsche, one of the world's most successful sports car manufacturers, is entering a new era with increased entrepreneurial flexibility.

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- Europe's largest IPO by market capitalization
- Offer price set at 82.50 euros per Preferred Share offered

- Preferred Shares are listed on the Frankfurt Stock Exchange under the trading symbol "P911", German Securities Code (WKN) "PAG911" and the ISIN "DE000PAG9113"
- CEO Oliver Blume: "Today, a big dream comes true for Porsche. Our increased degree of autonomy puts us in a very good position to implement our ambitious goals in the coming years."

"Making our customers' dreams come true is what drives us. Today, a big dream comes true for us. With the completion of the IPO, we are beginning a new chapter in the unique history of our company," says Oliver Blume, Chairman of the Executive Board of Porsche AG. "This is a historic moment for Porsche. Above all, I would like to thank our more than 37,000 dedicated colleagues worldwide and all who have enabled us to announce our successful IPO today."

With today's initial listing, Porsche is the largest IPO ever carried out in Europe in terms of market capitalization of around 78 billion euros, as the calculated value of the offer price for the preferred shares and the corresponding value for the common shares. In total, Volkswagen is placing 113,875,000 non-voting preferred bearer shares with no par value of Porsche AG ("Preferred Shares") (including 14,853,260 Preferred Shares to cover over-allotments) in the IPO. The Preferred Shares placed represent 12.5 percent of Porsche AG's issued and outstanding share capital. Trading of the Preferred Shares on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard) will take place under the trading symbol "P911", the German Securities Code (WKN) "PAG911" and the ISIN "DE000PAG9113".

"We aim to inspire customers and fans around the world – with successful products and compelling financial performance. We want to share this passion with investors, and we are excited about welcoming those who have become a part of our unique Porsche family in this way," says Lutz Meschke, Deputy Chairman of the Executive Board and Member of the Executive Board for Finance and IT at Porsche AG. "Together, we are working with determination to implement our long-term strategy. Here, we can leverage the best of both worlds: the advantages of our luxury positioning and the synergies with the Volkswagen Group."

A step toward increased autonomy and entrepreneurial freedom

The IPO opens up greater entrepreneurial freedom for Porsche. The domination agreement and profit and loss transfer agreement with Volkswagen will expire at the end of 2022. It will be replaced by an industrial cooperation agreement (ICA), on an arm's length basis, pursuant to which Porsche and Volkswagen will govern their future industrial and strategic relationship. Both companies have a common interest: the sustainable and value-creating development of Porsche AG.

Ambitious goals – economically, ecologically, and socially

With the IPO, Porsche is shifting up a gear and setting itself ambitious goals: economically, ecologically, and socially. Oliver Blume: "We aim to redefine the concept of modern luxury by combining luxury with sustainability and social commitment. Porsche wants to grow with its luxury products and services and assume social responsibility." Porsche also sees itself in a leading position when it comes to electromobility and has set itself ambitious targets: In 2030, Porsche's ambition is for over 80 percent of new vehicles delivered to be battery-electric vehicles ("BEVs"). As part of its strategy, the company is also working towards a net carbon-neutral value chain in 2030 and a net carbon-neutral use-phase for future BEV models.

Return on sales of the Group of 17 to 18 percent targeted for 2022

Porsche is in a robust financial position. For the year ending 31 December 2022, Porsche expects an operating return on sales to be in the range of 17 to 18 percent. This is based on assumed Group sales revenue for the year ending 31 December 2022 in the range of approximately 38 billion euros to 39 billion euros. In the medium term, Porsche is targeting an operating return on sales of 17 to 19 percent. Porsche also aims to increase its Automotive EBITDA margin over the years to come, with a mid-term Automotive EBITDA margin target in the range of approximately 25 to 27 percent. The top end of the targeted range is supported by the assumption that the euro remains weak against the currencies of the Group's main markets. The Group is also targeting growth in its Automotive net cash flow margin, targeting a mid-term Automotive net cash flow margin of approximately 12.5 to 14 percent, supported primarily by Porsche's capital management. In the long term, the sports car manufacturer's ambition is to achieve an operating return on sales of more than 20 percent. The outlook is based on certain assumptions set out under the "Important Notice" below.

Private investors receive around 7.7 percent of the placement volume

Retail investors that placed orders with syndicate banks were allocated approximately 7.7% of the total placement volume of, in aggregate, 113,875,000 Preferred Shares (including 14,853,260 Preferred Shares in connection with over-allotments). As the offer was oversubscribed, not all purchase orders from retail investors could be considered in full. All orders placed by retail investors with syndicate banks were allocated according to the following allocation key: Up to an amount of 30 Preferred Shares, each order received a full allocation. Higher orders were allocated approximately 23% for the Preferred Shares exceeding this amount. The principles for the allocation of shares to retail investors issued by the ministry of finance's stock exchange expert commission were followed and the allocation to retail investors in connection with the offering followed the same criteria for all syndicate banks and their affiliated institutions.

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This announcement contains forward-looking statements that reflect Porsche's current views about future events. The words "will," "target," "aim," "ambition", "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "can," "could," "plan," "project," "should" and similar expressions are used to identify forward-looking statements. These statements are subject to many risks, uncertainties and assumptions. If any of these risks and uncertainties materializes or if the assumptions underlying any of Porsche's forward-looking statements prove to be incorrect, the actual results may be materially different from those Porsche expresses or implies by such statements. Forward-looking statements in this announcement are based solely on the circumstances at the date of publication.

The forward-looking financial information set forth above is based on a number of assumptions, including no significant deterioration of economic conditions or the COVID-19 pandemic situation in Porsche's main markets, no significant disruptions in the supply chain, especially relating to semiconductors, energy and materials parts and components, no material price increases of raw materials and no further escalation of the conflict in Ukraine. Such forward-looking financial information also assumes that in the second half of the fiscal year 2022 the euro remains weak against the currencies of Porsche's main markets.

Subject to compliance with applicable law and regulations, neither Porsche AG nor any other member of the Porsche Group, nor Volkswagen AG, nor BofA Securities Europe SA, Citigroup Global Markets Europe AG, Goldman Sachs Bank Europe SE, J.P. Morgan SE, BNP Paribas, Deutsche Bank Aktiengesellschaft, Morgan Stanley Europe SE, Banco Santander, S.A., Barclays Bank Ireland Plc, Société Générale, UniCredit Bank AG, COMMERZBANK Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Landesbank Baden-Württemberg and Mizuho Securities Europe GmbH (together, the "Banks") nor their respective affiliates intend to update, review, revise or conform any forward looking statement contained in this announcement to actual events or developments whether as a result of new information, future developments or otherwise, and do not undertake any obligation to do so.

This announcement also contains certain financial measures that are not recognized under International Financial Reporting Standards ("IFRS"). These non-IFRS measures are presented because Porsche AG believes that they and similar measures are widely used in the markets in which it operates as a means of evaluating a company's operating performance and financing structure. They may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles.

This announcement also contains statements relating to certain of Porsche's sustainability-related ambitions, including without limitation in relation to electrification of its vehicles and its ambition to work towards a net carbon neutral value chain, including a net carbon neutral use phase for future BEV models (including its ambition to procure green energy certificates to enable such net carbon neutral use phase). Emissions from cars delivered in previous years, before achieving net carbon neutrality, will not be included in the assessment of carbon neutrality. Such ambitions are subject to progress made in individual areas, such as technological advancements, market and regulatory developments and other matters that in certain cases cannot be influenced by Porsche, and therefore might not be achievable. In addition, offsets (including carbon reduction and carbon removal) are included in Porsche's decarbonization ambitions.

This announcement does not purport to contain all information required to evaluate Porsche AG, the Porsche Group and/or their respective financial position(s). Financial information (including percentages) has been rounded according to established commercial standards.

The Banks are acting exclusively for Porsche AG, the Selling Shareholder and Volkswagen AG and no-one else in connection with the planned IPO. They will not regard any other person as their respective clients in relation to the planned IPO and will not be responsible to anyone other than Porsche AG, the Selling Shareholder and Volkswagen AG for providing the protections afforded to its clients, nor for providing advice in relation to the offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the planned IPO, the Banks and their respective affiliates may take up a portion of the shares offered in the planned IPO as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of Porsche AG or related investments in connection with the planned IPO or otherwise. In addition, the Banks and their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Banks and their respective affiliates may from time to time acquire, hold or dispose of shares of Porsche AG. The Banks do not intend to disclose the extent of any such investment or transactions, other than in accordance with any legal or regulatory obligations to do so.

None of the Banks nor any of their respective affiliates nor any of the Banks' or such affiliates' directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this release (or whether any information has been omitted from the release) or any other information relating to Porsche AG, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection therewith.

To cover potential over-allotments, the Selling Shareholder has agreed to make available a specified number of Preferred Shares of Porsche AG (the “Shares”) to the Banks. In addition, the Selling Shareholder has granted the Banks an option to acquire a number of Shares equal to the number of Shares allotted to cover over-allotments during the Stabilisation Period (as defined below). In connection with the placement of Shares, BofA Securities Europe SA will act as the stabilisation manager and may, as stabilisation manager, make over-allotments and take stabilisation measures in accordance with legal requirements (Art. 5(4) and (5) of Regulation (EU) No 596/2014 in conjunction with Articles 5 through 8 of Commission Delegated Regulation (EU) 2016/1052) to support the market price of the Shares and thereby counteract any selling pressure. The stabilisation manager is under no obligation to take any stabilisation measures. Therefore, stabilisation may not necessarily occur and may cease at any time. Such measures may be taken on the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) from the date when trading in the Shares is commenced on the regulated market segment (regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse), expected on or around 29 September 2022, and must be terminated no later than 30 calendar days after this date (the “Stabilisation Period”). Stabilisation transactions aim at supporting the market price of Shares during the Stabilisation Period. These measures may result in the market price of Shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offering. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

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MEDIA ENQUIRIES

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Consumption data

911 Targa 4 GTS
Fuel consumption / Emissions

WLTP*
Fuel consumption* combined (WLTP) 11.3 – 10.8 l/100 km
CO emissions* combined (WLTP) 257 – 245 g/km
CO2 class G Class

911 Turbo
Fuel consumption / Emissions

WLTP*
Fuel consumption* combined (WLTP) 12.3 – 12.0 l/100 km
CO emissions* combined (WLTP) 279 – 271 g/km
CO2 class G Class

Taycan Sports Sedan Models (2023)
Fuel consumption / Emissions

WLTP*
Electric power consumption* combined (WLTP) 24.1 – 19.6 kWh/100 km
CO emissions* combined (WLTP) 0 g/km
CO2 class A Class

911 GT3 RS
Fuel consumption / Emissions

WLTP*
Fuel consumption* combined (WLTP) 13.4 l/100 km
CO emissions* combined (WLTP) 305 g/km
CO2 class G Class

*Further information on the official fuel consumption and the official specific CO emissions of new passenger cars can be found in the "Leitfaden über den Kraftstoffverbrauch, die CO-Emissionen und den Stromverbrauch neuer Personenkraftwagen" (Fuel Consumption, COEmissions and Electricity Consumption Guide for New Passenger Cars), which is available free of charge at all sales outlets and from DAT (Deutsche Automobil Treuhand GmbH, Helmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, www.dat.de).

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