

MACAN GTS

420 kW  
(571 PS)

OVERBOOST POWER WITH  
LAUNCH CONTROL<sup>1</sup>

3.8 s

ACCELERATION 0 - 100 KM/H

250 km/h

TOP SPEED

<sup>1</sup> Details on the measurement procedure at  
[www.porsche.com/gtr21](http://www.porsche.com/gtr21)



# COMBINED MANAGEMENT REPORT

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# FUNDAMENTAL INFORMATION ABOUT THE GROUP

## BUSINESS MODEL

### Purpose of the company

"In the beginning, I looked around and could not find the car I dreamed of. So I decided to build it myself." These famous words from Ferry Porsche describe the aspiration of the Porsche AG Group. Its business purpose is to manufacture and sell exclusive 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, in particular finance and mobility services for customers and dealers.

### Organization

Dr. Ing. h.c. F. Porsche Aktiengesellschaft ("Porsche AG") is the parent company of the Porsche AG Group (Porsche AG and its fully consolidated subsidiaries) and has its registered office in Stuttgart. Further information can be found in the list of shareholdings pursuant to section 313 of the German Commercial Code (HGB).

→ Notes to the consolidated financial statements – 50. List of shareholdings

The structure of investments in Porsche AG remained unchanged from the fiscal year 2024. Volkswagen AG indirectly holds, via Porsche Holding Stuttgart GmbH, 75.4% of Porsche AG's share capital.

Porsche Automobil Holding SE directly holds around 12.5% of the share capital. The remaining share capital is in free float.

→ Porsche in the Capital Market

The Porsche AG Group consists of the automotive and financial services segments. The reconciliation of the segments to the Porsche AG Group relates to transactions between the two segments that are subject to elimination. The activities of the two segments cover the five regions Germany, Europe without Germany, North America excluding Mexico, China including Hong Kong as well as the region Overseas and Emerging Markets, which includes the remaining countries and regions.

→ Notes to the consolidated financial statements – Segment reporting

### AUTOMOTIVE SEGMENT

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.

### Procurement

Procurement is centrally organized at the Weissach site and has a global network of suppliers. This enables the Porsche AG Group to purchase production materials and capital goods as well as services worldwide in the required quality. In this context, the Porsche AG Group is also focusing on start-ups and software suppliers. Through the integration of the procurement organizations of the Volkswagen Group brands, the Porsche AG Group is able to leverage synergies through improved availability of production materials and cost advantages.

## Production

The headquarters of Porsche AG and the production facilities for the Taycan and 911 model series as well as customer sports vehicles from Porsche Motorsport are located in Stuttgart-Zuffenhausen. A control and production principle focused on quality and flexibility allows the assembly of the two-door sports cars of the 911 model series on a single production line at the main plant in Zuffenhausen. The flexible production system allows highly individual customer wishes to be integrated directly into series production. In the future, it will be possible to produce electric, two-door sports cars alongside models with boxer engines. An extended assembly line with automated guided vehicles (AGVs) and the creation of a custom testing and finishing area are some of the measures that have been taken to achieve this. The Porsche Taycan is manufactured on a separate line designed exclusively for electric vehicle architectures.

The Porsche AG Group also maintains a production facility in Leipzig, where the Macan and Panamera model series are produced. In recent years, the production facility has developed into a competence center for electromobility within the Porsche AG Group. Porsche Leipzig is able to produce three different drive types in a highly flexible manner on the existing production line: all-electric vehicles, plug-in hybrids and pure internal combustion engines.

For the Cayenne model series, the Porsche AG Group uses other production sites. The Cayenne series is produced at the Volkswagen Group's multi-brand site in Bratislava, Slovakia. Some models of this series are assembled at a third-party assembly plant in Kulim District, Kedah, Malaysia. These are intended for the Malaysian market and, since 2024, also for the Thai market. The Volkswagen Group also had the capacity to produce the 718 series at the Osnabrück plant on a contract manufacturing basis. Production was discontinued at the end of October 2025. In addition to this, the Porsche AG Group operates a pilot series center in Sachsenheim as a central production facility to provide prototype vehicles for future Porsche series models. → [Production](#)

## Production network of the Porsche AG Group



<sup>1</sup> Production was discontinued at the end of October 2025.

## **Development**

Weissach is home to the Porsche Research and Development Center, where Porsche vehicles are developed from first sketch to series production. Weissach is also home to the development of infotainment and connect functions as well as vehicle-related digital solutions. The Shanghai development site complements these development activities with specific solutions for the Chinese market. → **Research and development**

## **Sales**

The sales network comprises over 900 sales partners in more than 120 markets worldwide. Within this sales network, 18 legally independent importers and 16 legally independent Porsche dealer companies are part of the Porsche AG Group.

→ **Deliveries**

All brick-and-mortar retail formats follow the "Destination Porsche" retail concept, which has already been rolled out in more than 200 of the over 800 Porsche centers worldwide since the end of 2020, and over 400 others are to follow by the end of the decade.

Indirect online sales for the Porsche AG Group are conducted via its digital platform and sales partners. The digital vehicle search can now be accessed in over 100 markets around the globe. Porsche dealers use this platform to offer their immediately available new and used vehicles online. This includes basic models as well as exclusive variants.

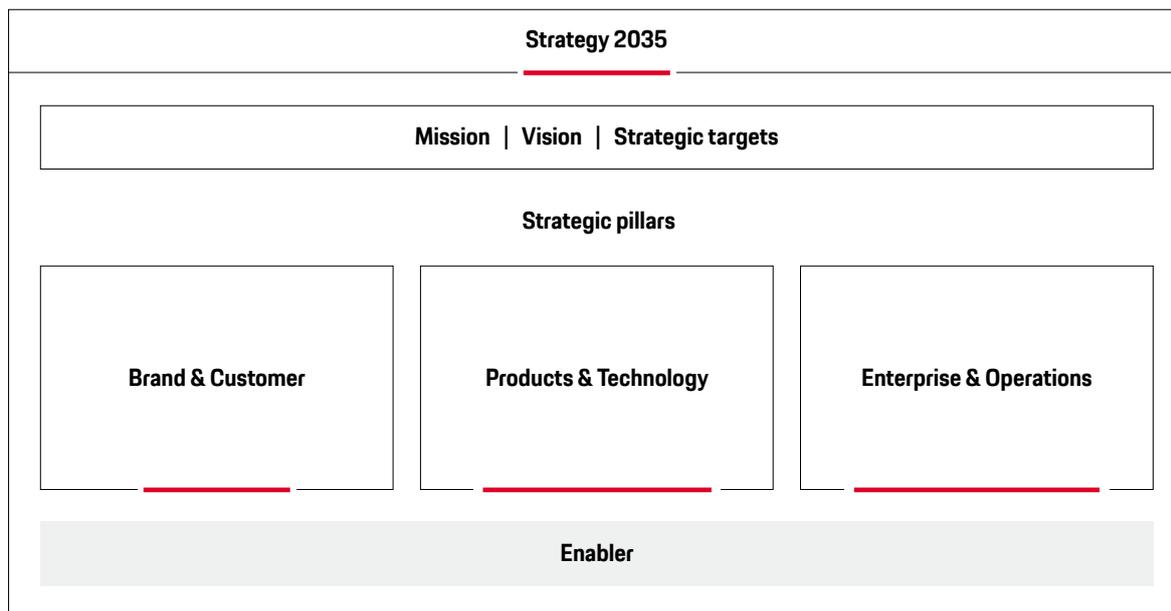
## **FINANCIAL SERVICES SEGMENT**

The financial services segment includes the leasing business, dealer and customer financing as well as mobility services for Porsche brand vehicles and other finance-related services.

In selected markets, the segment's services are also offered for other brands of the Volkswagen Group, in particular the Bentley and Lamborghini brands. The segment includes the products and services of Porsche financial services companies, which, depending on the market, are provided by the company itself or in cooperation with local partners.

# STRATEGIC DIRECTION OF THE PORSCHE AG GROUP

## Strategic direction of the Porsche AG Group



With its Strategy 2035, the Porsche AG Group is establishing the necessary guidelines to meet the demands of an increasingly volatile and complex market environment. By evolving its Strategy 2030 Plus into Strategy 2035, the Porsche AG Group aims to lay the foundation for long-term resilience and profitability. Strategy 2035 reflects the accelerating pace of change in the automotive industry, particularly in the areas of technological innovation, regulatory changes and shifting customer needs. Strategy 2035 is to apply from the reporting year 2026 onward.

As it currently stands, Strategy 2035 focuses on the further development and sharpening of strategic priorities. The previous "Customers" and "Products" cross-functional strategies of Strategy 2030 Plus will be transferred into two strategic pillars: "Brand & Customer" and "Products & Technology." A new introduction is the "Enterprise & Operations" strategic pillar, which puts the focus on the operational base and the global value chain. In line with an integrative approach to sustainability, the previous "Sustainability" cross-functional strategy will become an enabler of Strategy 2035. Similarly, the content of the "Transformation" cross-functional strategy will also be fully transferred to the enablers. Together, the enablers "Organization & Digitalization," "Product & Service Quality," "Team Performance" and "Sustainability" form the basis of Strategy 2035.

Each strategic pillar focuses on clearly defined topics. These topics are intended to underscore the strategic direction and increase transparency. Together, they contribute to the group's corporate goals. The strategic goals serve as a benchmark and long-term ambition. They measure the success in making the strategy operational and support management along the core stakeholder groups: customers, society, employees and investors. The vision statement summarizes the strategy's contents, aiming to define and clarify the ambition for 2035.

Strategy 2035 has a clear goal: to strengthen the competitiveness of the Porsche AG Group, ensure the attractiveness of the Porsche brand and create the conditions for profitable growth in an environment characterized by technological disruption and global challenges.

### **“Brand & Customer” strategic pillar**

The “Brand & Customer” strategic pillar aims to focus our actions on the brand and the relationship with customers. The goal is to secure the value and exclusivity of the Porsche brand for the long term and to create excitement among customers throughout the entire purchase and ownership phase. Strategy 2035 focuses on three areas: Brand Positioning, Target Groups and 360° Customer Experience. The aim is to sharpen the brand profile, create a consistent and unmistakable customer experience across all touchpoints and ensure the attractiveness and exclusivity of the Porsche brand now and in the future.

As a modern brand, the Porsche AG Group is pursuing the goal of further expanding its international customer base and tapping into new target groups. Tailor-made community formats and exclusive events are designed to strengthen brand loyalty and deepen relationships with customers. At the same time, efforts to enhance networking across all touchpoints along the customer life cycle are to be intensified in order to ensure a consistent and personalized experience for our customers. The targeted development of growth markets aims to form the basis for sustainable, value-driven growth.

### **“Products & Technology” strategic pillar**

The “Products & Technology” strategic pillar defines the direction that the product portfolio and the technological base will take in the coming years. It addresses the topics of Product Identity & Portfolio, Offer Structure & Complexity as well as Vehicle Concepts & Key Technologies.

The Porsche AG Group is committed to an attractive and flexible product portfolio that integrates high-performance combustion engines, plug-in hybrids and electromobility. Strategy 2035 includes postponing the market launch of certain all-electric vehicle models and continuing to offer combustion and hybrid models for a longer period in order to take account of the slower transition to electromobility. The customization options are to be further strengthened by expanding the special request program and the exclusive manufacture. At the same time, the strategic pillar pursues the goal of balancing supply and demand in a value-oriented approach.

The development of innovative vehicle concepts and key technologies forms the basis for attractive products and is intended to strengthen the attractiveness of the Porsche brand in a competitive environment.

### **“Enterprise & Operations” strategic pillar**

With the new “Enterprise & Operations” strategic pillar, the Porsche AG Group aims to strengthen the operational base and the global value chain. The topics of this pillar are Development & Partner Setup, Production & Procurement and Sales Footprint.

The aim is to align the development organization efficiently and based on the partner setup in order to increase innovative strength and speed. At the same time, the design of production and procurement must ensure competitiveness and resilience, even in volatile conditions. In addition, the global sales structure is to be optimized in a targeted manner in order to better exploit potential in growth markets and to strengthen the presence of the Porsche brand worldwide.

### **Enablers**

The implementation of Strategy 2035 is supported by four key enablers: Organization & Digitalization, Team Performance, Product & Service Quality and Sustainability. Together, they aim to form the foundation for the long-term competitiveness and quality of results of the Porsche AG Group.

Organization & Digitalization is tasked with laying the foundation for an agile and lean organization. The further development of organizational structures and processes as well as the consistent use of digital technologies and artificial intelligence are to allow for new forms of collaboration and increase efficiency along the value chain. The aim is to permanently strengthen the Porsche AG Group's ability to adapt in a dynamic environment.

Team Performance focuses on employees, corporate culture and shaping business transformation in a targeted manner. The Porsche AG Group believes that employee motivation, continuous skills development and effective leadership are key to shaping change in the automotive industry together. The aim of promoting a strong corporate culture and positioning itself as an attractive employer is to strengthen the company's ability to win talent for the Porsche AG Group.

Product & Service Quality remains a top priority of the company. A uniform understanding of quality and the pooling of expertise across all corporate divisions aims to ensure that the high standards that customers expect from the Porsche brand are met. For quality is not only a defined claim, but also the basis for trust and brand value.

A holistic approach to sustainability on the part of the Porsche AG Group integrates ecological and social aspects. The key elements of the sustainability strategy include decarbonization and the circular economy along the vehicle value chain. In addition, the Porsche AG Group actively assumes responsibility in its supply chain. It also promotes diversity, is committed to being a partner to society and strives for transparent reporting and communication.

### **Summary of Strategy 2035**

Together, the three strategic pillars and four enablers define the path on which the Porsche AG Group intends to expand its position for current and future generations. The focus here is on the stakeholder groups: customers, society, employees and investors. The Porsche AG Group believes that an unwavering focus on the needs of these groups will lay the foundation for sustainable growth and the long-term success of the company.

## **MANAGEMENT AND KEY PERFORMANCE INDICATORS**

### **Management and key figures**

Based on the group strategy, this section describes how the Porsche AG Group is managed and which key figures are primarily used. The operating performance and the related success of the Porsche AG Group are reflected in both the financial and non-financial key figures as an integral part of the internal management system. There were no changes in the management process or the most important performance indicators compared to the prior year.

### **Management process at the Porsche AG Group**

At the Porsche AG Group, the continuous and close alignment of the group strategy with the strategic and operational planning ensures full transparency in the financial assessment and evaluation of decisions on the direction to be taken. As a key management element of the Porsche AG Group, the multi-year operational plan, which is prepared once a year and generally for a period of five planning years, is derived from a strategic plan for the next ten years and approved by the Executive Board and the Supervisory Board. The multi-year operational planning serves to assess prerequisites for realizing the strategic projects as well as formulating and safeguarding the group's targets, both technically and financially. It is on this basis that all corporate areas are coordinated regarding the strategic projects, functions/processes, products and markets.

For the future orientation of the Porsche AG Group, the individual planning content is determined on the basis of the planning horizon:

- the cycle plan/product strategy and thus the product range as the long-term strategic determinant of the vehicle business and other mobility-related services,
- long-term sales planning that shows market and segment developments and is used to determine the delivery volume for the Porsche AG Group and
- capacity and utilization planning for the individual factories.

As a final step in the multi-year operational planning, the aligned results of the upstream planning processes flow into the financial planning. For this purpose, the financial planning of the Porsche AG Group, including the segments and business fields, consists of the income statement, the financial and balance sheet planning, the profitability and liquidity planning as well as the investments as a prerequisite for the future product alternatives and alternative courses of action. The multi-year operational planning is then used to derive the binding targets/target recommendations for the first planning year, details of which are then finalized down to the level of the operational cost centers and group companies in the budget planning for the individual months.

During the year, the budget is reviewed each month to determine the degree of target achievement. In this regard, target/actual and prior-year comparisons, variance analyses and—if required—action plans are key instruments for corporate management to ensure that the budgeted targets are reached. For the current fiscal year, regular rolling forecasts are performed focusing on the next three months, the following quarters and the year as a whole, and are backed up as needed by more extensively detailed forecasts and, if necessary, adjusted to reflect the latest developments. Current risks and opportunities are also taken into account when preparing the forecast to the extent that their occurrence is considered to be probable. The management process can thus ensure short-term adjustments and the initiation of implementation programs to secure the forecast, also taking volatile conditions into account. In principle, the focus of management during the year is on aligning current activities with requirements. Moreover, each current forecast provides the starting point for the upcoming multi-year operational plan/the budget planning for the following fiscal year.

## Most important key performance indicators

### Most important key performance indicators

Porsche AG Group
<ul style="list-style-type: none"><li>— Sales revenue (€ million)</li><li>— Return on sales (%)</li></ul>

Automotive segment
<ul style="list-style-type: none"><li>— Automotive net cash flow margin (%)</li><li>— Automotive EBITDA margin (%)</li><li>— Automotive BEV share (%)</li></ul>

Derived from the strategy and the underlying strategic objectives, the Porsche AG Group is managed on the basis of the most important performance indicators described below:

#### SALES REVENUE

The sales revenue of the Porsche AG Group primarily consists of automotive sales and reflects the group's market success. Alongside the automotive segment, the financial services segment also contributes to the development of sales revenue.

→ Results of operations

#### RETURN ON SALES

The return on sales (RoS) of the Porsche AG Group is defined as the ratio of group operating profit to group sales revenue. The Executive Board of Porsche AG uses return on sales to measure the operating profitability of the Porsche AG Group. → Results of operations

#### AUTOMOTIVE NET CASH FLOW MARGIN

Automotive net cash flow margin is defined as the ratio of cash flows from operating activities less cash flows from investing activities of current operations to sales revenue, each in the automotive segment. The investing activities of current operations exclude the changes in investments in securities, loans and time deposits of the automotive segment. The net cash flow margin plays an important role in assessing the excess funds from operating activities and the associated financial resilience of the automotive segment. → Financial position

#### AUTOMOTIVE EBITDA MARGIN

Automotive EBITDA is defined as automotive operating profit (EBIT) plus depreciation/amortization and impairment losses/reversals of impairment losses on property, plant and equipment, capitalized development costs and other intangible assets, each in the automotive segment. Automotive EBITDA margin is defined as the ratio of automotive EBITDA to automotive sales revenue. The Porsche AG Group believes that the automotive EBITDA margin is a meaningful financial indicator for all stakeholders to evaluate the business development, operating performance and profitability of the automotive segment over time. → Results of operations

## **AUTOMOTIVE BEV SHARE**

The BEV share is defined as the proportion of purely battery-powered electric vehicles (BEV) in relation to deliveries, i.e., the total number of new vehicles delivered to end customers. The main driver of the automotive BEV share is the sale of all-electric vehicles. The BEV share is used to assess the transformation and electrification of the vehicle portfolio.

→ **Deliveries**

The current development of the most important performance indicators can be found in the → **Key financial figures**.

The development of the most important performance indicators is discussed in the comments on the → **Results of operations, financial position and net assets**.

The anticipated development of the most important financial indicators for the fiscal year 2026 is described in the → **Report on expected developments**.

## **Other relevant performance indicators**

In addition, the following financial and non-financial performance indicators have been defined for use in the management of the company and supplement the most important performance indicators accordingly:

- Deliveries (units)
- Automotive net liquidity (€ million)
- Automotive research and development costs (€ million)
- Automotive capital expenditure (€ million)
- Automotive return on sales (%)
- Financial services return on sales (%)
- Automotive return on investment (%)

## **CORPORATE GOVERNANCE DECLARATION**

The content of the Group Corporate Governance Declaration required by sections 289f and 315d HGB is contained in the → **Corporate Governance Declaration** and online at

↗ <https://investorrelations.porsche.com/en/corporate-governance/>.

## MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

### Development of global economy

In the fiscal year 2025, the global economy continued to recover at a pace similar to the prior year. In the course of this development, a slight increase in momentum was observed in the emerging markets. In the advanced economies, the development remained positive, albeit it slightly below the prior-year level. Although inflation declined in many countries, it remained higher than usual in some. Not all central banks lowered their key interest rates to the same extent due to differing framework conditions, which in some cases had a dampening effect on economic development.

Overall, geopolitical uncertainties, particularly in connection with the orientation of the US economic policy and the increase in geo-economic measures, weighed on the global economic environment.

### GERMANY

At +0.3%, the German economy stagnated at the prior-year level in 2025 (2024: down 0.5%) after falling in each of the two prior years. Compared with 2024, the unemployment figures rose slightly on average over the year. The harmonized inflation rate in the reporting year was slightly below the level of the prior-year period.

### EUROPE

The Western European economy recorded positive growth overall of 1.5% in the reporting year (2024: up 1.0%) and was therefore above the prior-year level. Development in individual countries in Northern and Southern Europe was mixed. Due to falling inflation rates, the European Central Bank has lowered its key interest rates in eight increments since June 2024. The economies in Central Europe recorded overall growth in 2025 that was slightly higher on average compared to the same period of the prior year, while growth in Eastern Europe was lower.

### NORTH AMERICA EXCL. MEXICO

In the USA, economic output rose by 2.0% in the reporting year (2024: up 2.8%) with a slightly lower growth rate compared to the prior year. The central bank had lowered its key interest rates in several steps in the prior year, but interrupted this gradual easing in the reporting period due to the uncertain impact of economic policy measures taken by the US government and only resumed monetary easing in September 2025. The growth rate in Canada was down slightly on the prior year at 1.7% (2024: up 2.0%).

### CHINA INCL. HONG KONG

Economic output in China was higher than the global average and at 5.0% in the reporting year was on a par with the prior year (2024: up 5.0%).

### Development of the automotive markets

At the end of the fiscal year 2025, the global volume of the passenger cars market was up slightly on the prior year at 81.8 million vehicles, with most passenger car markets recording positive development. While the regions China (incl. Hong Kong) and Central and Eastern Europe grew slightly, the regions Western Europe and North America were on a par with the prior year.

In addition to fiscal policy measures, the sector-specific environment was influenced by the economic situation, which contributed to the uneven development of sales in the markets in the past fiscal year. The fiscal policy measures included tax cuts and increases, the introduction, expiry and adjustment of incentive programs and buyer's premiums as well as import tariffs. Non-tariff trade barriers to protect the respective domestic automotive industry additionally hindered the exchange of vehicles, parts and components.

## **GERMANY**

At 2.9 million units (up 1.4%), the number of new car registrations in Germany in 2025 was on a par with the prior year. New registrations of all-electric vehicles developed particularly well.

## **EUROPE WITHOUT GERMANY**

In Western Europe (without Germany), the number of new passenger car registrations in 2025 increased by 2.1% to 9.0 million vehicles, matching the prior-year level. The performance of the large individual passenger car markets in this region was mixed in 2025. Spain recorded significant growth of 13.3%. The United Kingdom recorded slight growth (up 3.5%), while the market volume in Italy (down 2.1%) and France (down 4.8%) recorded a slight decline.

In Central and Eastern Europe, the market volume of passenger cars in the fiscal year 2025 was at the prior-year level at 2.5 million vehicles (up 2.0%). The number of sales developed positively in the major markets of Central Europe.

## **NORTH AMERICA EXCL. MEXICO**

In the region North America excl. Mexico, sales figures for passenger cars in the fiscal year 2025 reached prior-year levels at 18.2 million units (up 1.8%). The market volume in the USA remained at the prior-year level of 16.3 million units (up 1.8%). At 1.9 million vehicles, the volume in Canada increased slightly on the prior year (up 2.2%).

## **CHINA INCL. HONG KONG**

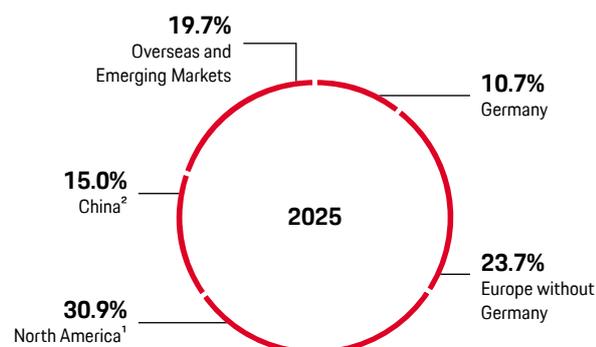
In the region China incl. Hong Kong, the number of new registrations of passenger cars increased slightly by 3.9% to 24.3 million units in 2025. The development of the Chinese passenger car market was characterized, among other things, by extensive government purchase incentive programs and lower prices.

A negative trend in demand was observed in the luxury segment. In addition, the luxury tax, which has been adjusted since July 2025, is having an impact on the luxury segment in the Chinese market.

## DELIVERIES

In the fiscal year 2025, deliveries<sup>1</sup> of the Porsche AG Group were down. Overall, the sports car manufacturer delivered 279,449 vehicles, down 10.1% on 2024.

### Share of deliveries by region



<sup>1</sup> North America excl. Mexico

<sup>2</sup> China incl. Hong Kong

In the domestic market of Germany, deliveries of the Porsche AG Group fell by 16.4% to 29,968 vehicles. In the sales region of Europe without Germany, deliveries fell by 12.6% to 66,340 vehicles. In both regions, the decline in deliveries can be attributed to several factors. These include supply shortages of the 718 Boxster/Cayman and the Macan models with combustion engines due to European cyber security regulations. The region North America excl. Mexico remains the largest sales region. Here, the number of deliveries fell by 0.4% to 86,229 vehicles. In the region China incl. Hong Kong, the Porsche AG Group delivered 41,938 vehicles, a decrease of 26.3% compared to the prior-year period. The main reasons for this continue to be the challenging market conditions, particularly in the luxury segment, and the very intense competition in the Chinese market, especially for all-electric models.

The focus remained on value-oriented sales aimed at balancing supply and demand. In the sales region Overseas and Emerging Markets, 54,974 vehicles were handed over to customers. This is a 1.0% decrease compared to the prior-year period.

At 84,328 units and an increase of 1.9%, the Porsche Macan recorded the highest number of deliveries in the fiscal year 2025. The all-electric version accounts for 45,367 vehicles of these deliveries. In most countries outside the European Union, the Porsche AG Group continues to offer the Macan with combustion engine, of which a total of 38,961 units were delivered. The Porsche Cayenne was handed over to 80,886 customers. This 21.4% decrease is primarily due to a catch-up effect in the prior-year period. With an increase of 1.3% compared to the prior-year period, deliveries of the Porsche 911 totaled 51,583 vehicles. Deliveries of the 718 Boxster and 718 Cayman models came to 18,612 (down 21.4%). The decline is mainly due to the model series being phased out. Production was discontinued in October 2025. The Panamera was handed over to 27,701 customers (down 6.4%). In the past fiscal year 2025, a total of 16,339 Taycans were delivered to customers (down 21.6%).

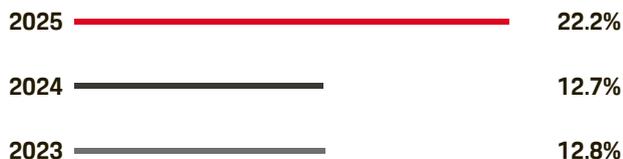
### Deliveries of the Porsche AG Group by model series

Units	2025	2024
911	51,583	50,941
718 Boxster/Cayman	18,612	23,670
Macan	84,328	82,795
Cayenne	80,886	102,889
Panamera	27,701	29,587
Taycan	16,339	20,836
<b>Deliveries</b>	<b>279,449</b>	<b>310,718</b>

<sup>1</sup> The performance indicator "deliveries" reflects the number of vehicles handed over to end customers. This may take place via group companies or independent importers and dealers. In the Porsche AG Group, this differs from unit sales as a relevant driver of sales revenue. Unit sales in the Porsche AG Group are designated as those sales of new and group used vehicles of the Porsche brand, which have left the automotive segment for the first time, provided there is no legal repurchase obligation by a company in the automotive segment.

The automotive BEV share, which describes the proportion of purely battery-powered electric vehicles, stood at 22.2% (2024: 12.7%). The all-electric version of the Macan has made a significant contribution to increasing the automotive BEV share. In the reporting period, the share of electrified vehicles (all-electric vehicles and plug-in hybrids) stood at 34.4% (2024: 27.0%). Further information can be found in the section on vehicle product strategy under → **Environment**.

### Automotive BEV share



## PRODUCTION

The Porsche AG Group produced 261,341 vehicles in total in the fiscal year 2025, a decrease of 13.7% on the prior year.

### Production of the Porsche AG Group

Units	2025	2024
911	55,371	49,095
718 Boxster/Cayman	15,856	23,790
Macan	79,621	84,330
Cayenne	76,694	93,864
Panamera	22,289	30,369
Taycan	11,510	21,302
<b>Production</b>	<b>261,341</b>	<b>302,750</b>

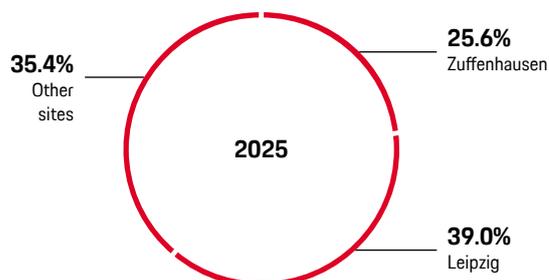
In Stuttgart-Zuffenhausen, 11,510 Taycan units were manufactured. Additionally, all 55,371 vehicles of the 911 model series rolled off the production line at the main plant.

At the Leipzig plant, the Porsche AG Group produced a total of 101,910 vehicles, which equates to 39.0% of total production. A total of 79,621 Macan models and 22,289 Panamera models were produced in Saxony.

Further information on sustainability within Porsche's own vehicle production can be found in the non-financial statement. → **Environment**

At the other production locations such as the Volkswagen Group's multi-brand site in Bratislava (Slovakia) and in Malaysia, 76,694 units of the Cayenne model series were produced. In addition, 15,856 units of the 718 Boxster/Cayman model series were completed at the Osnabrück site. Production was discontinued at the end of October 2025.

### Production sites



## RESEARCH AND DEVELOPMENT

Since the founding of Porsche AG, its focus has been on innovative research and development as well as the subsequent implementation in vehicles ready for series production.

Research and development plays a key role for sustainable value enhancement in the Porsche AG Group. The vast majority of research and development activities as well as the employees working in this area relate to Porsche AG. The cross-brand development network in the Volkswagen Group also strengthens the future viability of the Porsche AG Group.

In the fiscal year 2025, automotive research and development (R&D) costs amounted to €2,292 million (2024: €2,528 million). The decrease resulted from lower automotive capitalized development costs of €963 million (2024: €1,583 million) due to a change in the project mix and different stages of capitalization for current vehicle projects. By contrast, research and automotive non-capitalized development costs increased due to additional expenses in connection with the expansion of the product portfolio. As a result, the capitalization rate fell to 42.0% (2024: 62.6%). The R&D ratio stood at 7.1% (2024: 6.9%).

At €3,159 million (2024: €2,046 million), automotive research and development costs recognized in the income statement were up on the prior-year level. In addition to the increase in research and automotive non-capitalized development costs, automotive amortization of capitalized development costs increased to €1,830 million (2024: €1,101 million), which was mainly due to impairment losses in connection with the realignment of the product strategy.

Overall, as of the reporting date, the Porsche AG Group had 6,833 employees in the area of research and development (2024: 6,728 employees).

## Automotive research and development costs

€ million	2025	2024
Automotive sales revenue	32,185	36,438
<b>Automotive research and development costs</b>	<b>2,292</b>	<b>2,528</b>
thereof automotive capitalized development costs	963	1,583
Capitalization ratio <sup>1</sup> (%)	42.0	62.6
R&D ratio <sup>2</sup> (%)	7.1	6.9
<b>Automotive research and development costs recognized in the income statement</b>	<b>3,159</b>	<b>2,046</b>
thereof automotive amortization of capitalized development costs	1,830	1,101
Automotive research and development costs recognized in the income statement <sup>3</sup> (%)	9.8	5.6

<sup>1</sup> Automotive capitalized development costs in relation to automotive research and development costs.

<sup>2</sup> Automotive research and development costs in relation to automotive sales revenue.

<sup>3</sup> Automotive research and development costs in relation to automotive sales revenue recognized in the income statement.

## PERSONNEL

As of the reporting date, the number of employees at the Porsche AG Group fell to 41,780 (2024: 42,615 employees). On average, the Porsche AG Group had 42,066 employees (2024: 42,703 employees) in the fiscal year 2025.

Further information on the workforce of the Porsche AG Group can be found in the non-financial statement. → **Social**

## OVERALL STATEMENT ON BUSINESS DEVELOPMENT AND THE ECONOMIC SITUATION

In the fiscal year 2025, the Porsche AG Group pressed ahead with its extensive rescaling and recalibration measures by taking decisive steps to realign its product strategy and battery activities as well as making adjustments to the corporate organization.

The decision made in the third quarter of 2025 to realign the product strategy involves postponing the market launch of certain all-electric vehicle models and continuing to offer combustion and hybrid models. Rescheduling the planned new electric vehicle platform resulted in impairment losses on capitalized development costs and property, plant and equipment as well as provisions for outstanding obligations of around €1.7 billion, which had a negative impact on the Porsche AG Group's operating profit.

In the 2025 fiscal year, additional expenses from battery activities had an impact of around €0.7 billion on operating profit. The strategic realignment of the Porsche AG Group's battery activities, which was already decided in the first half of 2025, had a significant impact. Previous plans to expand the production of high-performance batteries by Cellforce Group GmbH will not be pursued separately in the future. This resulted in impairment losses on production facilities, which in turn had an impact on the cost of sales.

Additional import tariffs on vehicles and vehicle parts came into force in the USA. Due to US import tariffs being adjusted, operating profit for the reporting year 2025 was reduced by around €0.7 billion.

Further information on the aforementioned reductions is explained in the → [Notes to the consolidated financial statements – Significant events](#).

In the fiscal year 2025, the challenging market conditions in China, particularly in the luxury segment, and the very intense competition, especially for all-electric models, continued to have an impact on business performance. The focus remained on value-oriented sales aimed at balancing supply and demand.

Overall, the Porsche AG Group considers the development of business in the reporting year to be unsatisfactory. The original expectation was not met largely against the backdrop of the persistently challenging economic and political conditions in the USA and China. Furthermore, the Porsche AG Group deliberately accepted an additional impact on earnings resulting from the strategic realignment in order to secure the long-term profitability, which had an additional negative impact on the business development.

The sales revenue of the Porsche AG Group decreased to €36,272 million in the fiscal year 2025 (2024: €40,083 million), falling short of the most recent adjusted forecast.

Operating profit fell from €5,637 million to €413 million. The return on sales of the Porsche AG Group was therefore within the most recent adjusted forecast at 1.1% (2024: 14.1%).

The automotive EBITDA margin decreased to 13.3% (2024: 22.7%), thus exceeding the most recent adjusted forecast.

The automotive net cash flow came to €1,511 million (2024: €3,735 million). The resulting automotive net cash flow margin of 4.7% (2024: 10.2%) was within the original range.

At 22.2% (2024: 12.7%), the proportion of purely battery-powered electric vehicles (automotive BEV share) was above the originally expected range.

### Comparison of 2025 forecast of the Porsche AG Group with actual business development

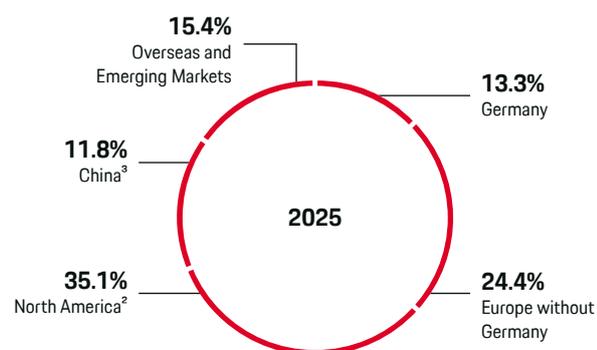
		Original forecast 2025	Adjusted forecast 2025		Actual business development 2025
		Annual report 2024	Half Year Financial Report Jun. 30, 2025	Quarterly Statement Sep. 30, 2025	
<b>Porsche AG Group</b>					
Sales revenue	€ billion	39 to 40	37 to 38	37 to 38	36.3
Return on sales	%	10 to 12	5 to 7	0 to 2	1.1
<b>Automotive segment</b>					
Automotive net cash flow margin	%	7 to 9	3 to 5	3 to 5	4.7
Automotive EBITDA margin	%	19 to 21	14.5 to 16.5	10.5 to 12.5	13.3
Automotive BEV share	%	20 to 22	20 to 22	20 to 22	22.2

# RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

## RESULTS OF OPERATIONS

The Porsche AG Group generated sales revenue of €36,272 million in the fiscal year 2025. This is a decrease of 9.5% on the prior year (2024: €40,083 million) and is largely due to lower group sales coupled with positive product mix and price effects. Increased sales revenue in the financial services segment also had a positive impact on sales revenue of the group.

### Sales revenue by region<sup>1</sup>



<sup>1</sup> Excluding hedges

<sup>2</sup> North America excl. Mexico

<sup>3</sup> China incl. Hong Kong

### Sales revenue of the Porsche AG Group

2025	€36,272 million
2024	€40,083 million
2023	€40,530 million

In the fiscal year 2025, the Porsche AG Group sold 265,663 vehicles. This corresponds to a 15.0% decrease in unit sales compared to the prior-year period (2024: 312,620 vehicles).

With 79,769 vehicles sold, the Macan was the best-selling series. The new all-electric Macan accounted for 40,995 of these vehicles. Group sales of the 911 developed positively with an increase of 2.9% to 52,208 vehicles. Group sales of the Cayenne fell (down 23,552 vehicles; down 23.4%) due, among other things, to catch-up effects in the prior-year period. The Taycan (down 9,118 vehicles; down 40.2%) and the Panamera recorded further declines with 25,876 vehicles sold (prior year: down 4,781 vehicles; down 15.6%). The decline in sales of the 718 Boxster/Cayman to 17,315 vehicles (down 7,850 vehicles; down 31.2%) was mainly due to limited model availability as a result of the model series being phased out.

### Vehicle sales of the Porsche AG Group

Units	2025	2024
911	52,208	50,761
718 Boxster/Cayman	17,315	25,165
Macan	79,769	82,872
Cayenne	76,917	100,469
Panamera	25,876	30,657
Taycan	13,578	22,696
<b>Consolidated unit sales</b>	<b>265,663</b>	<b>312,620</b>

In regional terms, North America excl. Mexico sold a total of 80,538 vehicles, a decrease of 11.5%, largely reflecting the import challenges. The region China incl. Hong Kong recorded a decline of 25.2% to 39,946 vehicles sold. This continues to reflect the challenging market conditions, primarily in the luxury segment, as well as the fierce competition, primarily in the all-electric segment, in the Chinese market.

The focus of the Porsche AG Group remained on value-oriented sales in this region aimed at balancing supply and demand. The regions Europe without Germany with 66,614 vehicles (down 15.9%) and Germany with 26,149 vehicles (down 15.5%) were also in decline. In both regions, the decline in deliveries can be attributed to several factors. These include supply shortages of the 718 Boxster/Cayman and the Macan models with combustion engines due to European cyber security regulations. Overseas and Emerging Markets also declined with 52,416 vehicles sold (down 9.7%).

Cost of sales increased by €1,465 million to €31,221 million (2024: €29,756 million). This was due to special expenses in connection with the realignment of the product strategy as well as higher development costs recognized in the income statement compared to the prior-year period. The increase was also due to the additional expenses relating to battery activities, primarily driven by the Cellforce Group. In addition to the special effects, the increased expenses from US import tariffs also had an impact as did the higher cost of materials, which, in proportion to sales revenue, stood at 86.1% (2024: 74.2%).

At €5,051 million (2024: €10,327 million), gross profit decreased accordingly by 51.1%, therefore resulting in a gross margin of 13.9% (2024: 25.8%).

Distribution expenses fell to €2,796 million compared to the prior-year period (2024: €3,099 million) and, in proportion to sales revenue, stood at 7.7% (2024: 7.7%). Administrative expenses increased by €39 million to €1,899 million (2024: €1,859 million), an increase in proportion to sales revenue of 5.2% (2024: 4.6%). The increase included expenses relating to adjustments to the corporate organization.

Other operating expenses decreased by €211 million to €57 million (2024: €268 million), mainly due to other operating expenses in connection with the initial consolidation of Porsche eBike Performance GmbH.

Accordingly, the operating profit of the Porsche AG Group decreased by €5,224 million to €413 million in the fiscal year 2025 (2024: €5,637 million). The return on sales of the Porsche AG Group stood at 1.1% (2024: 14.1%).

#### Return on sales of the Porsche AG Group

2025	1.1%
2024	14.1%
2023	18.0%

In the fiscal year 2025, the financial result increased to €32 million (2024: €-409 million). The increase is mainly due to positive measurement effects in connection with financial instruments and current earnings effects from equity-accounted investments. In the prior year, special effects from other investments in the area of batteries and connectivity had a negative impact on the financial result.

Income tax decreased due to the fall in the profit before tax to €135 million (2024: €1,632 million). The tax rate for the Porsche AG Group stood at 30.4% (2024: 31.2%).

Profit after tax decreased by €3,285 million to €310 million in the current reporting period.

Earnings per ordinary share came to €0.47 (2024: €3.94) and per preferred share to €0.48 (2024: €3.95). Earnings per ordinary share and per preferred share were determined on the basis of a total of shares of 455,500,000 in each category.

## Condensed income statement of the Porsche AG Group

€ million	2025	2024
<b>Sales revenue</b>	<b>36,272</b>	<b>40,083</b>
Cost of sales	-31,221	-29,756
<b>Gross profit</b>	<b>5,051</b>	<b>10,327</b>
Distribution expenses	-2,796	-3,099
Administrative expenses	-1,899	-1,859
Net other operating result	57	268
<b>Operating profit</b>	<b>413</b>	<b>5,637</b>
Return on sales (%)	1.1	14.1
Financial result	32	-409
<b>Profit before tax</b>	<b>445</b>	<b>5,227</b>
Income tax expense	-135	-1,632
<b>Profit after tax</b>	<b>310</b>	<b>3,595</b>

### Automotive results of operations

Automotive operating profit of €90 million in the fiscal year 2025 fell €5,196 million short of the prior year (2024: €5,286 million). With automotive sales revenue of €32,185 million, automotive return on sales stood at 0.3% (2024: 14.5%).

#### Automotive EBITDA margin

2025	13.3%
2024	22.7%
2023	25.7%

Automotive EBITDA decreased by €3,989 million to €4,282 million (2024: €8,271 million) and the automotive EBITDA margin stood at 13.3% (2024: 22.7%). The decline is due to the additional expenses from the strategic realignment and to US import tariffs. These had an impact on the automotive segment.

#### Automotive EBITDA margin

€ million	2025	2024
Automotive operating profit	90	5,286
Depreciation, amortization and impairment losses	4,192	2,985
<b>Automotive EBITDA</b>	<b>4,282</b>	<b>8,271</b>
Automotive sales revenue	32,185	36,438
<b>Automotive EBITDA margin (%)</b>	<b>13.3</b>	<b>22.7</b>

### Financial services results of operations

Financial services sales revenue increased to €4,384 million (2024: €3,910 million). Financial services operating profit decreased to €259 million in the fiscal year 2025 (2024: €278 million). The decrease was mainly due to fewer reversals of provisions for residual value risks, higher additions to provisions for credit risks, the measurement of interest rate hedges and derivatives outside of hedge accounting as part of regular refinancing activities and the depreciation of real estate. As a result, financial services return on sales decreased to 5.9% (2024: 7.1%).

Demand for the products and services of the financial services segment, which is calculated as the ratio of leased or financed new vehicles to the total number of deliveries in the markets of the segment (penetration rate), stood at 41.5% as of December 31, 2025 (2024: 39.6%). Demand for financial services products increased in the regions Germany, Europe without Germany and Overseas and Emerging Markets compared to the prior-year period, while demand in the regions North America excl. Mexico and China incl. Hong Kong remained stable.

The overall number of customer contracts for financing and leasing of the Porsche AG Group, including its cooperation partners, increased by 1.6% as of December 31, 2025 to 355 thousand contracts (2024: 349 thousand contracts).

## FINANCIAL POSITION

In the fiscal year 2025, cash flows from operating activities of the Porsche AG Group decreased to €3,614 million (2024: €6,353 million). The decrease was primarily attributable to the lower profit before tax as well as higher outflows from working capital.

Cash outflows from working capital of €2,425 million (2024: cash outflows of €1,960 million) comprised cash inflows in the automotive segment as well as cash outflows in the financial services segment relating to changes in leased assets of €1,844 million (2024: cash outflows of €1,852 million) and receivables from financial services of €690 million (2024: cash outflows of €399 million).

Cash outflows from investing activities came to €3,752 million (2024: cash outflows of €4,120 million). The decline on the prior year was mainly due to lower cash outflows from investing activities of current operations in the automotive segment. Cash outflows in the change in investments in securities and time deposits as well as loans increased to €530 million (2024: cash outflows of €113 million).

Cash outflows from financing activities of €1,208 million (2024: cash outflows of €1,679 million) largely related to the dividend payment by Porsche AG of €2,100 million (2024: €2,100 million). This was offset by cash inflows in the change in other financing activities of €865 million (2024: cash inflows of €421 million), due primarily to refinancing activities in the financial services segment.

### Condensed cash flows of the Porsche AG Group

€ million	2025	2024
<b>Cash and cash equivalents at beginning of period</b>	<b>6,384</b>	<b>5,826</b>
Profit before tax	445	5,227
Income taxes paid	-317	-1,454
Depreciation and amortization <sup>1</sup>	5,451	4,088
Gain/loss on disposal of non-current assets	146	61
Share of profit or loss of equity-accounted investments	35	185
Change in pension provisions	258	35
Other non-cash expense/income	20	169
<b>Change in working capital</b>	<b>-2,425</b>	<b>-1,960</b>
Change in inventories	-191	-75
Change in receivables (excluding financial services)	0	177
Change in liabilities (excluding financial liabilities)	16	-347
Change in other provisions	283	537
Change in leased assets	-1,844	-1,852
Change in financial services receivables	-690	-399
<b>Cash flows from operating activities</b>	<b>3,614</b>	<b>6,353</b>
Investing activities of current operations	-3,221	-4,007
Change in investments in securities and time deposits and loans	-530	-113
<b>Cash flows from investing activities</b>	<b>-3,752</b>	<b>-4,120</b>
Capital contributions	29	-
Profit transfer and dividends	-2,101	-2,101
Change in other financing activities	865	421
<b>Cash flows from financing activities</b>	<b>-1,208</b>	<b>-1,679</b>
Effect of exchange rate changes on cash and cash equivalents	-42	6
Change of loss allowance within cash & cash equivalents	0	-1
<b>Net change in cash and cash equivalents</b>	<b>-1,388</b>	<b>558</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,996</b>	<b>6,384</b>

<sup>1</sup> Offset against reversals of impairment losses.

## Automotive financial position

Automotive cash flows from operating activities decreased by €2,927 million to €4,823 million (2024: €7,750 million).

Cash inflows in automotive working capital amounted to €19 million (2024: cash inflows of €310 million). The automotive working capital was affected by the cash outflows of €154 million caused by the change in inventories (2024: cash outflows of €56 million). Cash outflows resulting from the change in receivables totaled €68 million (2024: cash inflows of €294 million). Cash outflows resulting from the change in liabilities totaled €49 million (2024: cash outflows of €449 million). The change in other provisions of €290 million (2024: cash inflows of €521 million) had a positive impact on the automotive working capital. This was mainly due to additional expenses in connection with the strategic realignment.

Compared to the prior-year period, cash outflows from the investing activities of current operations decreased from €4,016 million to €3,312 million. While automotive capital expenditure remained at the prior-year level at €2,137 million (2024: cash outflows of €2,119 million), additions to capitalized development costs fell to €963 million (2024: €1,583 million) → **Research and development**.

Cash outflows from the change in equity investments totaled €241 million (2024: cash outflows of €437 million).

## Automotive net cash flow

€ million

	2025	2024
<b>Cash flows from operating activities</b>	<b>4,823</b>	<b>7,750</b>
Change in working capital	19	310
Change in inventories	-154	-56
Change in receivables (excluding financial services)	-68	294
Change in liabilities (excluding financial liabilities)	-49	-449
Change in other provisions	290	521
<b>Investing activities of current operations<sup>1</sup></b>	<b>-3,312</b>	<b>-4,016</b>
Investments in intangible assets (excluding capitalized development costs) and property, plant and equipment	-2,137	-2,119
Additions to capitalized development costs	-963	-1,583
Changes in equity investments	-241	-437
<b>Automotive net cash flow</b>	<b>1,511</b>	<b>3,735</b>

<sup>1</sup> Including cash received from disposal of intangible assets and property, plant and equipment.

## Automotive net cash flow margin

2025	<b>4.7%</b>
2024	<b>10.2%</b>
2023	<b>10.6%</b>

As of the end of the fiscal year 2025, the automotive net cash flow decreased to €1,511 million (2024: €3,735 million). The decrease in the automotive net cash flow margin to 4.7% (2024: 10.2%) was primarily due to the decline in profit in connection with the additional expenses from the strategic realignment and US tariffs. This was partly offset by lower investing activities of current operations due to lower cash outflows for capitalized development costs compared to the prior year.

As of December 31, 2025, automotive net liquidity decreased by €1,212 million to €7,346 million compared to the prior-year reporting date, mainly due to the dividend payment. This was offset by cash inflows from the automotive net cash flow.

In 2025, the final balance of cash and cash equivalents decreased by €1,371 million to €5,751 million (2024: €7,121 million). At €3,967 million, securities and time deposits as well as loans were on a par with the prior year (prior year: €3,907 million). Automotive third-party borrowings decreased by €99 million to €2,371 million.

### Automotive net liquidity

€ million	2025	2024
Cash and cash equivalents	5,751	7,121
Securities and time deposits and loans	3,967	3,907
<b>Gross Liquidity</b>	<b>9,717</b>	<b>11,028</b>
Third-party borrowings	-2,371	-2,470
<b>Automotive net liquidity</b>	<b>7,346</b>	<b>8,558</b>

### Principles and goals of financial management

The Porsche AG Group's financial management covers the management of market, credit and default risks as well as liquidity management. The Porsche AG Group Treasury performs and organizes the financial management for all group companies centrally, based on internal guidelines and risk parameters. The goal of financial management is to ensure that the Porsche AG Group remains solvent at all times and, at the same time, to generate an adequate return from the capital investment of surplus funds. Financial instruments are used to limit the financial risk exposures and to ensure the Porsche AG Group's solvency, continuing existence and its earnings power. All financial transactions are based on the needs of the underlying transaction and are not entered into for speculative purposes.

### MANAGEMENT OF MARKET RISK

The purpose of managing market risk is to minimize or eliminate the risks arising from fluctuations in currencies, interest rates and commodity prices to which the Porsche AG Group is exposed as a result of its business activities. The aim is both to increase the planning certainty of the Porsche AG Group and to limit the impact on consolidated profit. This is achieved by using non-derivative and derivative financial instruments.

Furthermore, the management of market risk includes the capital investment of surplus liquidity in investment funds, which are subject in particular to share and bond price risk, which can result from fluctuations in stock market prices, stock market indices and market interest rates. These risks are generally countered by the Porsche AG Group by ensuring a broad diversification of products, issuers and regional markets when investing funds.

In some cases, the risk management systems in place define minimum values and exchange rate hedges are entered into when market conditions are appropriate.

In order to fund the pension plans, contributions are made regularly to a separate pool of assets administered in trust, segregated by company and commitment. These are currently invested primarily in investment funds. In order to manage the market risk of the plan assets, these are subject to the capital investment policies within the framework of the trustors' investment guidelines. In addition, asset-liability management studies are conducted if required so as to ensure that the capital investment is in line with the obligations that need to be covered. Further information on the pension plans and similar obligations can be found in the notes to the consolidated financial statements.

→ Notes to the consolidated financial statements – 26. Provisions for pensions and similar obligations

In addition, the financial services segment is exposed to residual value risks from the leasing business, where the market price of used cars is the key risk variable. Operational risk management is provided via ongoing monitoring of the development of used vehicle prices by means of data available outside the company, among others. Residual value forecasts are used to check the appropriateness of the loss allowance and the residual value risk potential. Sensitivity analyses are used to quantify the effects of changes in used car prices.

## MANAGEMENT OF CREDIT AND DEFAULT RISK

The purpose of managing credit and default risk is to limit the financial loss from unpaid receivables. To this end, the Porsche AG Group applies a multi-layered checking and risk management process. Before claims arise against contractual partners, the respective Porsche company carries out a credit check using a rating and scoring system and clear checking procedures. In addition, the portfolio is measured on an ongoing basis and taken into account when recognizing loss allowances in accordance with IFRS 9 in order to identify any increasing probability of default at an early stage. Intensive receivables management with active reminders further reduces the probability of default.

The maximum credit risk is also limited by the collateral held, such as vehicles, collateral assignments, guarantees and cash collateral.

Credit risk also arises from investing surplus liquidity or entering into derivatives. To manage these risks, the Porsche AG Group only enters into contracts that contain counterparties, instruments and volumes that have been reviewed and approved in advance.

## LIQUIDITY MANAGEMENT

The purpose of liquidity management is to ensure the solvency and refinancing of the Porsche AG Group at appropriate conditions at all times.

Sufficient liquidity is ensured by means of rolling liquidity planning, a liquidity reserve, confirmed lines of credit and loans. A revolving line of credit of €2,500 million with 21 banks secures the liquidity position further. These existing revolving lines of credit were not utilized in the reporting year (utilization in 2024: €0 million). Porsche AG was always able to fulfill its financial obligations in the fiscal year 2025.

The Porsche AG Group mainly generates funds through its business operations, external financing and the securitization of receivables. The funds are chiefly used to finance net working capital and capital expenditure and to cover the finance requirements of the leasing and sales financing business. Operational liquidity management uses cash pools in which material cash and cash equivalents are pooled on a daily basis. Such a cash pool is in place with the Volkswagen Group. This enables liquidity surpluses and shortfalls to be controlled in line with requirements. The maturities of financial assets and financial liabilities as well as forecasts of cash flows from operating activities are included in short and medium-term liquidity management.

More information is provided in the notes to the consolidated financial statements on the hedging policy, hedging guidelines, credit and liquidity risks as well as the quantification of the aforementioned hedging activities and the market risk within the meaning of IFRS 7.

→ Notes to the consolidated financial statements – 36. Financial risk management and financial instruments

## NET ASSETS

At the end of the reporting period, the Porsche AG Group reported total assets of €52,715 million, that is a 1.5% decrease compared to December 31, 2024.

Intangible assets decreased from €8,941 million to €8,243 million. The decline is mainly due to impairment losses on capitalized development costs as a result of the realignment of the product strategy.

Property, plant and equipment increased by €61 million to €10,109 million compared to 2024. Within property, plant and equipment, there was an increase mainly due to advance payments made and assets under construction. These include impairment losses caused by both the strategic realignment of battery activities and the realignment of the product strategy. In addition, plant and machinery increased. By contrast, furniture and fixtures developed negatively. Leased assets increased by €200 million to €5,593 million compared to 2024. This item includes vehicles leased to customers under operating leases.

Non-current and current financial services receivables increased from €6,886 million to €7,026 million. These mainly include receivables from finance leases as well as receivables from customer and dealer financing. The increase was mainly due to the increase in finance leases, with exchange rate effects, particularly against the US dollar, having an offsetting effect.

Equity-accounted investments, other equity investments, other financial assets, other receivables and deferred tax assets decreased overall from €3,780 million in the prior year to €3,710 million.

Investments accounted for at equity include additions of €176 million, with offsetting subsequent measurements resulting in an overall increase of €76 million to €703 million.

In total, non-current assets decreased by €462 million to €32,777 million. Non-current assets expressed as a percentage of total assets amounted to 62.2% (2024: 62.1%).

Compared to the prior year, inventories decreased from €6,130 million to €6,006 million. The decrease is due primarily to the falling number of new vehicles in the regions North America and China incl. Hong Kong.

Current other financial assets and other receivables increased by €709 million to €4,421 million. The increase was mainly from marking derivative financial instruments to market and receivables from loans. By contrast, there was a decrease in other receivables.

Securities and time deposits as well as cash and cash equivalents decreased by €1,045 million to €7,304 million compared to 2024.

As of December 31, 2025, the equity of the Porsche AG Group increased by €65 million to €23,121 million compared to the figure as of December 31, 2024. The profit after tax led to an increase in equity of €310 million. In addition to this, an increase in equity was caused by other comprehensive income, net of tax. This was mainly due to the measurement of derivative financial instruments through other comprehensive income as well as equity and debt instruments, the remeasurement of pension plans, net of tax, and non-controlling interests, with currency translation effects having an offsetting effect.

Dividend payments of €2,100 million, which were announced by the Annual General Meeting of Porsche AG on May 21, 2025, caused equity to decrease.

Pension provisions decreased by €544 million in the fiscal year 2025 compared to the comparative period of 2024. The decrease in pension provisions is mainly due to actuarial gains resulting from the increase in the discount rate used for German pension obligations from 3.4% to 4.3%.

Non-current other liabilities increased by €526 million to €5,421 million compared to December 31, 2024. The increase was mainly due to other provisions and deferred tax liabilities. In total, non-current liabilities decreased by €654 million to €15,474 million. Non-current liabilities expressed as a percentage of total capital amount to 29.4% (2024: 30.1%).

Non-current and current financial liabilities increased from €11,413 million to €11,431 million. This increase mainly related to liabilities to banks. By contrast, there was a decrease in the refinancing of the financial services business through asset-backed securities as well as the repayment of debenture bonds.

Compared to year-end 2024, trade payables decreased from €3,378 million to €3,244 million in the ordinary course of business.

Current other liabilities decreased by €744 million to €5,968 million compared to December 31, 2024. The decrease is mainly attributable to other financial liabilities due to the decline in derivatives to which hedge accounting is applied. This was offset by the addition to provisions for outstanding obligations. In total, current liabilities decreased by €222 million to €14,121 million. Current liabilities expressed as a percentage of total capital amounted to 26.8% (2024: 26.8%).

As of December 31, 2025, there were off-balance-sheet contingent liabilities of €29 million. The decrease was due in particular to recognizing fewer legal and product-related matters compared to the prior-year period (2024: €46 million).

Off-balance-sheet other financial obligations decreased by €1,344 million to €4,304 million. This is essentially due to obligations from development, supply and service agreements.

## Condensed statement of financial position of the Porsche AG Group as of December 31, 2025

€ million	Dec. 31, 2025	in %	Dec. 31, 2024	in %
<b>Assets</b>				
<b>Non-current assets</b>	<b>32,777</b>	<b>62.2</b>	<b>33,239</b>	<b>62.1</b>
Intangible assets	8,243	15.6	8,941	16.7
Property, plant and equipment	10,109	19.2	10,048	18.8
Leased assets	5,593	10.6	5,393	10.1
Financial services receivables	5,122	9.7	5,078	9.5
Equity-accounted investments, other equity investments, other financial assets, other receivables and deferred tax assets	3,710	7.0	3,780	7.1
<b>Current assets</b>	<b>19,938</b>	<b>37.8</b>	<b>20,288</b>	<b>37.9</b>
Inventories	6,006	11.4	6,130	11.5
Financial services receivables	1,904	3.6	1,808	3.4
Other financial assets and other receivables	4,421	8.4	3,712	6.9
Tax receivables	302	0.6	289	0.5
Securities and time deposits	2,307	4.4	1,965	3.7
Cash and cash equivalents	4,996	9.5	6,384	11.9
<b>Total assets</b>	<b>52,715</b>	<b>100.0</b>	<b>53,527</b>	<b>100.0</b>
<b>Equity and liabilities</b>				
<b>Equity</b>	<b>23,121</b>	<b>43.9</b>	<b>23,056</b>	<b>43.1</b>
<b>Non-current liabilities</b>	<b>15,474</b>	<b>29.4</b>	<b>16,128</b>	<b>30.1</b>
Provisions for pensions and similar obligations	3,530	6.7	4,074	7.6
Financial liabilities	6,523	12.4	7,160	13.4
Other liabilities	5,421	10.3	4,894	9.1
<b>Current liabilities</b>	<b>14,121</b>	<b>26.8</b>	<b>14,343</b>	<b>26.8</b>
Financial liabilities	4,908	9.3	4,253	7.9
Trade payables	3,244	6.2	3,378	6.3
Other liabilities	5,968	11.3	6,712	12.5
<b>Total equity and liabilities</b>	<b>52,715</b>	<b>100.0</b>	<b>53,527</b>	<b>100.0</b>

# PORSCHE AG HGB FINANCIAL STATEMENTS

## (CONDENSED VERSION)

### RESULTS OF OPERATIONS

In the reporting year, sales revenue decreased by 16.0% on the prior year from €30,795 million to €25,879 million. The decrease is mainly due to lower sales.

Sales revenue was largely offset by cost of materials of €16,608 million (2024: €18,500 million), personnel expenses of €2,743 million (2024: €3,070 million) as well as other operating expenses of €5,936 million (2024: €4,840 million). The decision to realign the product strategy in the fiscal year 2025 includes postponing the market launch of certain all-electric vehicle models and rescheduling of the development of the planned new electric vehicle platform for the 2030s. This rescheduling resulted in impairment losses on intangible assets and property, plant and equipment as well as provisions for outstanding obligations, which had a negative impact on the Porsche AG operating profit.

Of the other operating income of €1,562 million (2024: €2,337 million), €151 million (2024: €136 million) related to exchange rate gains and €879 million (2024: €628 million) to income from the measurement of derivatives.

Cost of materials relates to expenses for raw materials, consumables and supplies and for purchased merchandise of €13,920 million (2024: €15,413 million) and to expenses for purchased services of €2,692 million (2024: €3,087 million). The disproportionately low decline in cost of materials of 10.2% compared to the decrease in sales revenue is due to higher cost of materials per vehicle, particularly as a result of changes in the product mix and additional supplier costs.

Other operating expenses of €5,936 million (2024: €4,840 million) include exchange rate losses of €346 million (2024: €131 million). The increase in other operating expenses is mainly due to extraordinary expenses of €855 million in connection with the realignment of the product strategy. The decrease in personnel expenses by €327 million to €2,743 million is mainly due to a decrease in bonus and special payment expenses as well as a decline in the number of employees.

The investment result increased from €535 million in the prior year to €749 million. The increase is mainly the result of income from profit and loss transfer agreements of €1,318 million (2024: €372 million) due to the profit transfer from Porsche Nordamerika Holding GmbH, Ludwigsburg, of €794 million (2024: €3 million). This was offset by expenses from loss absorption of €481 million (2024: €206 million) and write-downs on financial assets of €166 million (2024: €73 million), of which €117 million is attributable to the shares in V4Smart GmbH & Co. KG, Nördlingen.

The negative interest result of €6 million (2024: €16 million) primarily contained interest income from affiliated companies, interest expenses from discounting non-current provisions as well as interest expenses for the debenture bonds issued.

Income tax for the fiscal year 2025 amounts to €129 million (2024: €1,135 million). The low tax rate of 11.2% (2024: 21.3%) is mainly due to tax-free dividends in the tax group for income tax purposes.

The net income for the year before appropriation of profit amounts to €1,006 million (2024: €4,175 million).

## Income statement of Dr. Ing. h.c. F. Porsche AG

€ million	2025	2024
Sales revenue	25,879	30,795
Changes in inventories and other own work capitalized	192	-45
<b>Total operating performance</b>	<b>26,071</b>	<b>30,750</b>
Other operating income	1,562	2,337
Cost of materials	-16,608	-18,500
Personnel expenses	-2,743	-3,070
Amortization and depreciation of intangible assets and property, plant and equipment	-1,931	-1,859
Other operating expenses	-5,936	-4,840
Investment result	749	535
Interest result	-6	-16
<b>Earnings before taxes</b>	<b>1,157</b>	<b>5,336</b>
Income tax expense	-129	-1,135
<b>Earnings after taxes</b>	<b>1,028</b>	<b>4,201</b>
Other taxes	-22	-26
<b>Net income for the year</b>	<b>1,006</b>	<b>4,175</b>
Additions to retained earnings	-90	-2,075
<b>Distributable profit</b>	<b>916</b>	<b>2,100</b>

## NET ASSETS

As of December 31, 2025, total assets decreased by €211 million from €27,325 million to €27,114 million. Fixed assets increased by €12 million, while current assets decreased by €237 million.

The share of fixed assets in relation to total assets was 64.1% (2024: 63.5%). Intangible assets decreased by €270 million to €1,830 million (2024: €2,100 million), due in particular to amortization exceeding investments. Impairment losses of €62 million were recognized on advance payments. Property, plant and equipment decreased by €169 million to €7,289 million (2024: €7,458 million). This decline resulted from additions of €1,347 million, which were offset by disposals of €210 million and depreciation of €1,306 million. Amortization, depreciation and write-downs include impairment losses of €164 million in connection with the realignment of the product strategy. The €452 million increase in financial assets to €8,251 million is the result of additions of €639 million, of which €372 million is mainly attributable to the acquisition of shares in V4Smart GmbH & Co. KG, Nördlingen. This was offset by write-downs on financial assets of €166 million, which mainly related to the shares in V4Smart GmbH & Co. KG, Nördlingen (€117 million), and Porsche Lifestyle GmbH & Co. KG, Ludwigsburg (€38 million).

As part of an intragroup reorganization of the investment structure, the shares in Porsche Hong Kong Ltd, Hong Kong, were contributed to Porsche Investments Management S.A., Luxembourg, in the fiscal year 2025 in exchange for new shares in the latter. The option to disclose hidden reserves was not exercised.

Current assets decreased by €237 million to €9,579 million as of December 31, 2025 (2024: €9,816 million). Inventories increased by €233 million, mainly due to an increase of €241 million in advance payments made. This was offset primarily by a €364 million decrease in receivables from affiliated companies. This decrease resulted in particular from declining trade receivables due to lower vehicle sales in December 2025 compared to December 2024 (down €923 million) and lower cash pool receivables (down €505 million). This was offset by the increase in receivables from profit and loss transfer agreements (up €934 million). The €155 million decrease in other assets is due in particular to the usage of capitalized emission rights in connection with the final settlement from prior years in the amount of €61 million.

Equity amounts to €12,554 million as of the reporting date (2024: €13,648 million). The equity ratio stands at 46.3% (2024: 49.9%).

Porsche AG's subscribed capital of €911 million was made up of 50% ordinary shares and 50% non-voting preferred shares. Ordinary and preferred shares are no-par-value bearer shares. The holders of non-voting preferred shares receive an additional dividend of €0.01 per preferred share from the annual distributable profit, above the dividend allocable to the ordinary share.

The capital reserves remain unchanged compared to the prior year at €3,822 million.

After the transfer of €90 million to retained earnings pursuant to section 58 (2) AktG, the company's distributable profit is €916 million (2024: €2,100 million).

Provisions for pensions largely relate to pension benefits for the employees of Porsche AG. The pension obligations are fully covered by provisions. Pension provisions remained almost unchanged compared to the prior year, increasing by €36 million to €5,222 million.

Other provisions decreased slightly by €147 million from €4,254 million to €4,107 million, mainly due to the decrease in provisions for outstanding invoices (down €248 million), personnel-related provisions (down €184 million) and the provision for exceeding emission limits (down €193 million). On the other hand, there were increases in provisions for supplier claims (up €393 million), provisions for potential losses from pending transactions (up €83 million) and provisions for warranty obligations (up €36 million).

The increase in liabilities, including deferred income, by €952 million to €5,138 million (2024: €4,186 million) largely results from liabilities to Porsche Nordamerika Holding GmbH, Ludwigsburg, of €795 million.

## FINANCIAL POSITION

Porsche AG is integrated into the group-wide liquidity management system. As a result, Porsche AG's cash and cash equivalents are mainly held in the cash pool.

In the fiscal year 2025, cash and cash equivalents, which comprise cash pooling, cash on hand and bank balances, amounted to €1,569 million (prior year: €2,080 million).

The decline was mainly due to the dividend payment to the shareholders of Porsche AG. This was partly counterbalanced by cash inflows from operating activities.

In light of the realignment of its product strategy and battery activities as well as the ongoing global economic and political challenges, Porsche AG considers the economic situation of both itself and the Porsche AG Group to be unsatisfactory. Nevertheless, Porsche AG was always able to fulfill its financial obligations in the fiscal year 2025.

## DIVIDEND POLICY

As part of its financial strategy, Porsche AG is pursuing the goal with its dividend policy of a continuous dividend development that allows its shareholders to have an appropriate share of the success of the business. The proposed amount of the dividend aims to take the financial targets into account, primarily that of securing a sound financial basis.

Porsche AG currently aims to distribute an annual dividend of around 50%. The distribution rate is based on the IFRS profit/loss of the group after taxes. Due to the special expenses in the fiscal year 2025 presented in the consolidated financial statements under key events, a dividend deviating from this system will be proposed to the Annual General Meeting.

In accordance with section 58 (2) AktG, the dividend payment by Porsche AG is based on the net retained profits reported in the annual financial statements of Porsche AG prepared in accordance with the German Commercial Code. Based on these annual financial statements of Porsche AG, following the transfer of €90 million to other retained earnings, the distributable profit amounts to €916 million.

It will be proposed to the Annual General Meeting that from the distributable profit of €916 million (2024: €2,100 million) a partial amount of €456 million (2024: €1,048 million) be used to pay a dividend of €1.00 per ordinary share carrying dividend rights and a partial amount of €460 million (2024: €1,052 million) be used to pay a dividend of €1.01 per preferred share carrying dividend rights.

## Balance sheet structure of Dr. Ing. h.c. F. Porsche AG as of December 31, 2025

€ million	Dec. 31, 2025	Dec. 31, 2024
<b>Assets</b>		
Fixed assets		
Intangible assets	1,830	2,100
Property, plant and equipment	7,289	7,458
Financial assets	8,251	7,799
	<b>17,370</b>	<b>17,357</b>
Current assets		
Inventories	3,401	3,167
Receivables	5,456	5,766
Other assets	711	865
Cash on hand and bank balances	11	17
	<b>9,579</b>	<b>9,816</b>
Prepaid expenses	163	151
Excess of covering assets over pension and similar obligations	2	1
	<b>27,114</b>	<b>27,325</b>
<b>Equity and liabilities</b>		
Equity		
Subscribed capital	911	911
Capital reserves	3,822	3,822
Retained earnings	6,905	6,815
Distributable profit	916	2,100
	<b>12,554</b>	<b>13,648</b>
Provisions		
Provisions for pensions and similar obligations	5,222	5,186
Miscellaneous provisions	4,201	4,305
	<b>9,423</b>	<b>9,492</b>
Liabilities		
Liabilities to banks	608	765
Advance payments received on account of orders	50	55
Trade payables	892	950
Other liabilities	2,890	1,814
	<b>4,440</b>	<b>3,583</b>
Deferred income	698	603
	<b>27,114</b>	<b>27,325</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF PORSCHE AG

The annual financial statements of Porsche AG, with registered offices in Stuttgart, are prepared in accordance with the provisions of the Handelsgesetzbuch (HGB – German Commercial Code) and the special requirements of the Aktiengesetz (AktG – German Stock Corporation Act).

The financial statements of Porsche AG issued with an unqualified auditor's report by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, are submitted electronically to the operator of the Unternehmensregister [German Company Register] for inclusion in the Unternehmensregister and can be accessed via the Unternehmensregister website.

These financial statements are also available on the internet at [➔ https:// investorrelations.porsche.com](https://investorrelations.porsche.com).

Porsche AG is a vertically integrated company as defined by section 3 no. 38 of the German Energy Industry Act (EnWG) and is therefore subject to the provisions of the EnWG. In the electricity sector, Porsche AG generates and sells electricity.

### BUSINESS DEVELOPMENT

As the parent company of the Porsche AG Group, Porsche AG is generally subject to the same **➔ Business development**.

#### Sales

In the fiscal year 2025, Porsche AG sold a total of 253,571 vehicles (2024: 300,277 vehicles). The decline of 15.6% resulted from lower sales in all sales regions.

#### Production

In the reporting year, Porsche AG manufactured a total of 168,791 vehicles (2024: 185,115 vehicles) at its Stuttgart-Zuffenhausen and Leipzig plants. In addition, Volkswagen Osnabrück GmbH produced a further 15,856 vehicles on a contract basis.

### Personnel

As of December 31, 2025, there were a total of 22,515 persons (2024: 23,650 persons), excluding employees at subsidiaries, employed at Porsche AG sites. On average, Porsche AG had 22,805 employees in the fiscal year 2025.

### REPORT ON EXPECTED DEVELOPMENTS, RISKS AND OPPORTUNITIES

Due to the interrelationships between Porsche AG and its subsidiaries, the statements and expectations made in the **➔ Report on expected developments** also apply to the parent company.

As the parent company of the Porsche AG Group, Porsche AG is subject to and considers essentially the same risks and opportunities as the Porsche AG Group. These risks are presented accordingly in the **➔ Report on risks and opportunities** in the respective risk categories and in the overall assessment of the risk and opportunity situation in this combined management report.

### DEPENDENT COMPANY REPORT

The Executive Board of Porsche AG has submitted to the Supervisory Board the report required by section 312 AktG and issued the following concluding declaration:

"We declare that Porsche AG received appropriate consideration for each transaction with affiliated companies as defined by section 312 AktG in the period from January 1 to December 31, 2025. This assessment is based on the circumstances known at the time when the transactions were entered into."

# REPORT ON RISKS AND OPPORTUNITIES

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## GENERAL PRINCIPLES OF RISK AND OPPORTUNITY MANAGEMENT

Promptly identifying the risks and opportunities arising from operating activities and taking a forward-looking approach to managing them is crucial to the long-term success of the Porsche AG Group. A responsible approach in dealing with corporate risks to achieve our objectives is just as important as duly identifying opportunities as a way of ensuring competitiveness. For this purpose, the Porsche AG Group has management systems in place that are embedded in a comprehensive risk and opportunities management system.

The Porsche AG Group has implemented a comprehensive Risk Management System (RMS). This system is designed to identify and appropriately manage risks with respect to the achievement of strategic and operational goals as well as complying with legal and internal requirements. This is intended to avert the threat of loss for the Porsche AG Group and to identify at an early stage any threat of any risks that might jeopardize its continued existence.

As part of its opportunity management, the Porsche AG Group identifies and implements short, medium and long-term opportunities by systematically determining, assessing and operationalizing them and ultimately converting them into measurable revenue, cost and liquidity potential.

Identified risks and opportunities are already discussed in the report on expected developments, to the extent that their occurrence is considered to be probable. The following explanations about risks and opportunities include potential future developments or events that may lead to a positive (opportunity) or negative (risk) deviation from the forecast for the Porsche AG Group.

Regular reporting on risk management is intended to support the Executive Board of Porsche AG in the timely identification of risks, particularly those that could lead to developments that jeopardize the continued existence of the company.

The RMS and the implementation of and adherence to the defined baseline standards in the operational areas is monitored on an ongoing basis by the Porsche AG Group's Internal Audit department.

Below, the report first describes the changes in methodology related to the risk management system in the current fiscal year as well as the risk strategy of the Porsche AG Group, then it takes a closer look at how the risk/opportunity management system functions and finally explains the specific → **Risk and opportunity situation as of December 31, 2025.**

## Changes in methodology related to the risk management system

Changes were made to the Porsche AG Group's RMS in the reporting year 2025. These changes relate exclusively to the risk categorization system. While there were six separate risk categories in the prior year – sales risks, supply risks, financial risks, personnel risks, operational risks and strategic risks – the structure was specified more precisely in the current fiscal year and adapted according to the importance of each topic.

Development and technology risks were introduced as a separate risk category in order to provide a differentiated view and reporting of the risk situation in the development and technology environment. In the prior year, the risks in these areas were mainly allocated to the two risk categories sales risks and supply risks. In addition, personnel, organizational and legal risks are combined in a joint category in order to increase the clarity of reporting.

The previous risk categories "Operational risks" and "Strategic risks" are no longer separate risk categories. Instead, they now serve as dimensions that are assigned to each identified risk: Specific risks within the RMS period under review (current fiscal year and three subsequent years) are assigned to the "operational" dimension, while long-term corporate risks that extend beyond the RMS period under review are assigned to the "strategic" dimension.

The adjustments described above mean there are now five risk categories in the Porsche AG Group:

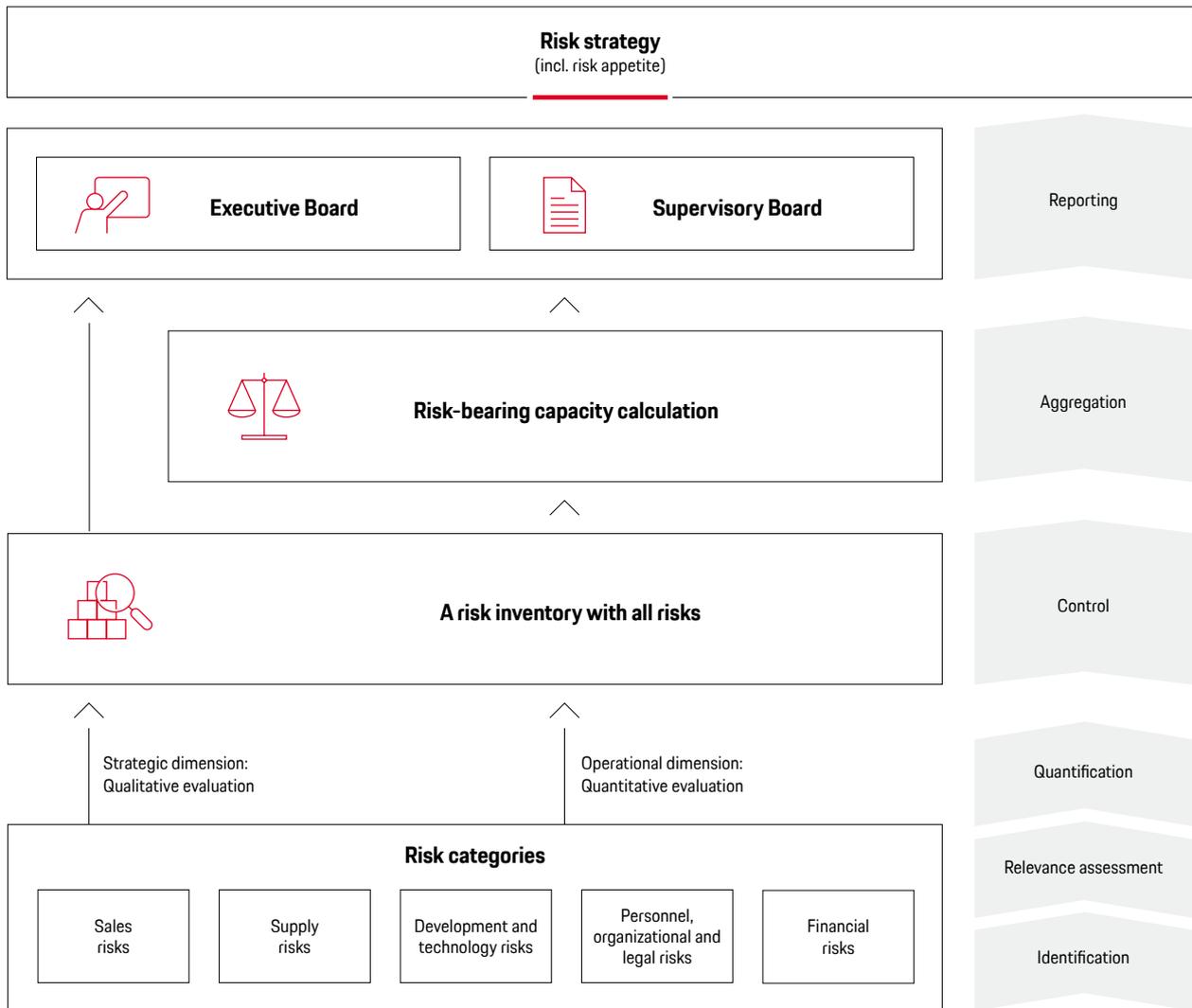
- Sales risks
- Supply risks
- Development and technology risks
- Personnel, organizational and legal risks
- Financial risks

How each individual risk is allocated to the adjusted risk category is presented in the → **Risk and opportunity situation as of December 31, 2025** of the Porsche AG Group. The basis for reporting has not changed since the prior year, ensuring that the results are still comparable. All relevant quantified risks identified within the RMS period under review are included in the reporting, i.e., risks with a financial net potential in a worst-case scenario of at least €100 million. This indicates the maximum possible impact of the risk, taking into account any risk control measures. These are the risks associated with the "operational" dimension.

No changes were made to the methodology for opportunity management in the reporting year 2025 compared to the prior year.

# Risk strategy

## Risk strategy of the Porsche AG Group



### RISK ASSESSMENT

The term risk is defined as the possibility of a negative deviation from a budgeted figure or target. A net view is generally taken here. This means that risks are assessed taking risk management measures into account. The Porsche AG Group's RMS is made up of several integrated and interrelated elements and comprises risk categories relevant to the Porsche AG Group. They are derived from the business model and are used to classify individual risks according to their causes. They form the risk inventory of the Porsche AG Group.

Within each risk category, individual risks are assigned to either the "operational" or "strategic" dimension. Specific risks within the RMS period under review, which corresponds to the current fiscal year and the three subsequent years, are in the "operational" dimension. The specific risks can be assessed on a quantitative basis. Risks from the sustainability environment are also integrated into these processes. Quantification involves determining the financial impact of the risks within the RMS period under review. These risks form the basis for determining the risk-bearing capacity and reflect the current risk situation of the Porsche AG Group, which is included in the reporting to the Executive Board and Supervisory Board.

The → Risk and opportunity situation as of December 31, 2025 presents the risks of the Porsche AG Group that have been identified and quantified as material within the RMS period under review. Risks with a potential net worst-case financial impact greater than or equal to €100 million are considered material. This indicates the maximum possible impact of the risk, taking into account any risk control measures.

Risks in the "strategic" dimension are long-term corporate risks that may impair the Porsche AG Group's ability to achieve its long-term corporate goals. Due to their long-term nature, they are always assessed qualitatively and reported annually to the Executive Board and Supervisory Board of Porsche AG. The early identification of strategic risks and the implementation of effective control measures aim to strengthen the resilience of the Porsche AG Group. Long-term sustainability-related aspects are also considered part of strategic risk management. These risks form the framework for the risk and opportunity situation and are presented in the introductory section of the report on the basis of overarching risk areas. → Risk and opportunity situation as of December 31, 2025 If issues materialize in the context of long-term corporate risks and risks arise within the RMS period under review, these are included in the "operational" dimension in the relevant risk category and assessed quantitatively if they are material. These risks are included in the Porsche AG Group's risk-bearing capacity calculation and are taken into account in the current risk and opportunity situation within the relevant risk category.

### RISK MANAGEMENT

The risk categories are set down in the risk strategy. In addition, the risk strategy also includes four overarching pillars of managing risks.

- Risk acceptance: The risk is accepted as identified.
- Risk avoidance: The risk-causing situation is not entered into in order to exclude the risk.
- Risk reduction: The probability and/or impact of the risk is reduced.
- Risk transfer: The risk is transferred to another company.

### RISK AGGREGATION AND RISK-BEARING CAPACITY

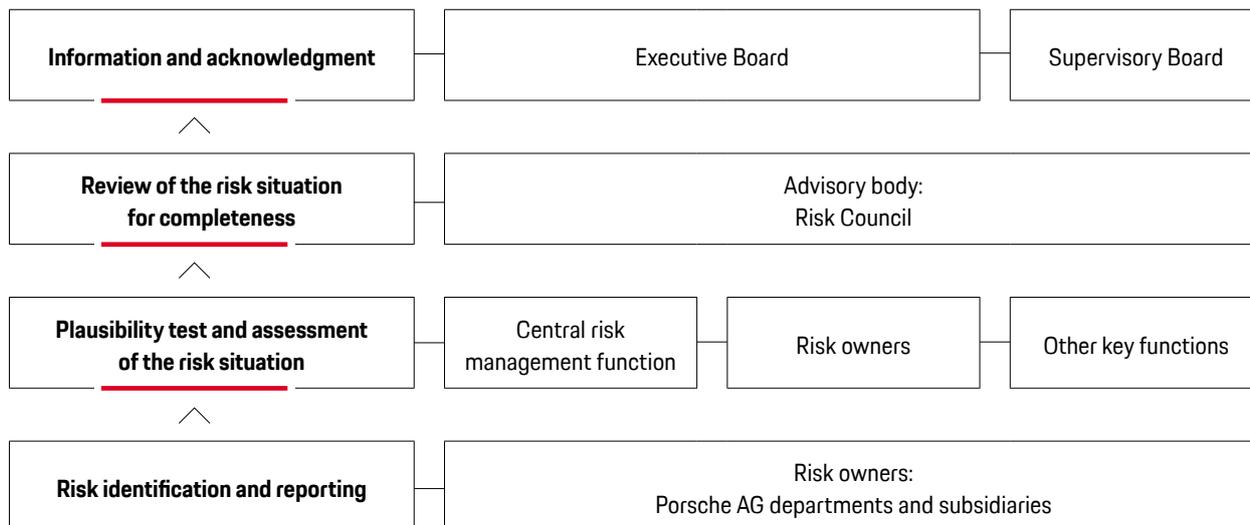
Risks can lead, both individually, but primarily when acting together in an unfavorable manner, to a situation that could jeopardize the company's ability to continue as a going concern. To ensure that the interplay of individual risks is adequately taken into account, central risk management aggregates the relevant quantified individual risks, i.e., risks with potential net worst-case financial impact greater than or equal to €100 million, into an overarching overall risk, which is compared with the current risk coverage potential. The overall risk is calculated using the value-at-risk at a confidence level of 99% for the RMS period under review. Risks with a financial net potential in a worst-case scenario below the €100 million threshold are included in the overall risk situation as a lump sum. Risk aggregation is carried out using IT-supported simulations (Monte Carlo simulation).

The RMS's risk-bearing capacity concept is based on the perspectives of over-indebtedness and insolvency. The overall risk is evaluated in relation to its potential negative impact on the operating result (EBIT) and cash flow. This is then compared with the current risk coverage potential: Potential losses in operating profit (EBIT) are compared with equity, and the potential negative cash flows are compared with available liquidity. The automotive and financial services segments are considered separately in order to determine the company's specific risk-bearing capacity.

In order to ensure that developments jeopardizing the Porsche AG Group's ability to continue as a going concern are recognized at an early stage, the risk-bearing capacity concept contains limits and the likelihood of these limits being exceeded is incorporated into the reporting to the Executive Board and Supervisory Board. The maximum tolerable amount of the overall risk can be derived using these limits (risk appetite).

## Structures and procedures

### Structures and procedures of risk management



#### RISK MANAGEMENT SYSTEM

The Porsche AG Group's risk management is organized along decentralized lines. Alongside the central risk management function as a method and reporting center, each main department of Porsche AG and each subsidiary linked to risk management is represented by risk managers who are responsible for managing the implementation of and adherence to baseline standards, which comprise, for example, the uniform identification, assessment and documentation of risks and defined reporting processes. The decentralized organizational structure is designed to emphasize the importance of risk management in the local operating units and ensure risks are identified and managed effectively.

The basis of consolidation of the RMS is based on that of the Porsche AG Group. If it makes sense from a risk perspective, the basis of consolidation can be reduced for risk management purposes by removing individual subsidiaries. The basis of consolidation was adjusted accordingly for risk management purposes and primarily reduced by removing second-tier subsidiaries and holding companies.

In line with the decentralized organizational structure, risks are identified and recorded in the risk management IT tool by the departments of Porsche AG and those subsidiaries linked to risk management as the risk owners.

As part of the risk report, the risk owners provide control measures and an assessment of the financial net potential of the risk in a worst-case scenario. The financial net potential in a worst-case scenario indicates the greatest possible financial impact over the entire term of the risk for the Porsche AG Group, taking into account financial losses from reputational risks and legal consequences. All risk management elements already in place are taken into account. Bandwidths are defined within fixed risk classes to classify the financial net potential in a worst-case scenario.

The risks are checked for plausibility and assessed together in the next step by central risk management, the risk owners and other key functions. The main risks are quantified if they are assigned to the "operational" dimension. Central risk management coordinates with the risk owner and other key functions in order to take the necessary information into account in the stochastic risk modeling.

Stochastic risk modeling uses appropriate probability distributions (e.g., equal distribution, triangular distribution, etc.) and IT-supported simulation methods (Monte Carlo simulation). As part of the risk simulation, the expected value of the financial loss and the value at risk at a confidence level of 99% are determined for the RMS period under review.

On a quarterly basis the relevant quantified risks are reviewed by the Risk Council for completeness. The Risk Council is an advisory body tasked with reviewing baseline standards for instruments and methods of the RMS and the associated reporting system. The risk situation and the overall risk are reported to the Executive Board and Supervisory Board on a quarterly basis.

A core element of risk management of the Porsche AG Group is that risks can be reported and updated without delay via the group-wide reporting channels that have been set up. Outside of the standard process, there is an event-based reporting process for risks of the utmost urgency.

A risk requiring urgency is deemed as such if the financial net potential in a worst-case scenario over the entire term of the risk is greater than €1 billion for Porsche AG or €100 million for subsidiaries and the probability of occurrence exceeds 50% in the next two years.

The Porsche AG Group has ensured the level of qualification and extensive training of employees involved in the risk management process. In addition to mandatory training courses, voluntary training courses are also offered to employees who want to update their specialist knowledge. Central risk management monitors the progress of training and the level of coverage on an ongoing basis and reports this on an annual basis to the Risk Council.

For the documentation of the group-wide RMS and exercising the monitoring function, there is an IT system that reflects all of the risk management processes. It supports the employees involved in the risk management process in executing risk management processes and compliance with baseline standards defined in risk management. In addition, central risk management supports the employees involved in all phases of the process.

## **INTERNAL CONTROL SYSTEM**

The Porsche AG Group's Internal Control System (ICS), which is a key element of the RMS, comprises processes, guidelines and mechanisms that safeguard and monitor operational processes, financial reporting and compliance with laws and (internal) regulations. As a central corporate management tool, it helps to increase the transparency of processes, ensure the necessary process stability and the clear assignment of responsibilities. Sustainability-related aspects are also taken into account. Monitoring is based on defined process risks, which are managed through recurring control activities.

The ICS consists of various sub-processes that build on each other in the form of a cycle. The defined process risks and control objectives are updated in annual test of design. The risk owners must ensure that the process risks and control objectives presented are fully and effectively covered by appropriate control activities.

This is followed by a review of the functionality of the controls in the annual test of effectiveness. The scope of the test of effectiveness is determined on the basis of various risk-oriented criteria.

In a final step, an annual report on the appropriateness and effectiveness of the ICS is submitted to the Executive Board and Supervisory Board of Porsche AG. In addition, regular reports are submitted to the Risk Council on the current implementation status of the weaknesses identified in the test of effectiveness.

## **Monitoring of the effectiveness of risk management, the internal control system and the compliance management system**

To ensure the effectiveness of the RMS and the ICS, optimization needs are identified and implemented as part of the continuous monitoring and improvement processes. Internal and external requirements are taken into consideration equally. This also applies to Porsche AG's compliance management system in accordance with the compliance management guideline, which aims to ensure compliance with the relevant legal provisions and regulations considered there and is continuously monitored and enhanced in a risk-oriented manner, taking into account internal and external requirements.

The results of the continuous monitoring and improvement process of the RMS/ICS are reported annually to the Executive Board and the Supervisory Board of Porsche AG.

There is also quarterly reporting on the risk situation and annual reporting on the results of the test of operating effectiveness of the ICS to the Executive Board and the Supervisory Board of Porsche AG. There is regular and event-related reporting on Porsche AG's compliance management system to the Executive Board and Supervisory Board.

Based on this reporting content, the Executive Board and Supervisory Board of Porsche AG are not aware of any indications of the Porsche AG's RMS/ICS or compliance management system not having been appropriate or effective as a whole in the fiscal year 2025.

Irrespective of this, there are inherent limitations of the effectiveness of every control and risk management system or compliance management system. For example, even a system that is deemed appropriate and effective cannot ensure that all risks that actually arise or legal violations are identified beforehand nor can the possibility of process disruptions be completely ruled out.

### **Internal control and risk management system in the context of the accounting process**

The internal control and risk management system relating to accounting aims to minimize the risk of material misstatements in the consolidated financial statements and in external reporting.

The internal control system includes methods and principles as well as measures and controls derived therefrom, which aim to ensure the complete, timely, uniform and correct recording and transmission of the relevant information for the annual and consolidated financial statements and the combined management report of Porsche AG.

The Porsche AG Group's accounting is generally organized along decentralized lines. Accounting duties are largely performed independently by the consolidated subsidiaries. The Volkswagen Group's IFRS Accounting Manual is used to ensure the application of uniform accounting policies. In addition, the Porsche AG Group specifies these provisions with instructions for the quarterly and annual financial statements as well as further reporting rules.

A central element of the internal control system is regular risk analysis and assessment in order to identify and manage significant risks to the accounting and financial reporting processes in the legal entities of the Porsche AG Group and central functions at an early stage. The group companies included are identified in a quantitative and risk-oriented process. The subsequent definition and implementation of controls as well as their execution and documentation are carried out uniformly in accordance with group-wide guidelines. The control system contains preventive and detective controls and is integrated into accounting-related processes at the respective group functions and companies.

Alongside plausibility and consistency checks, other elements of the internal control system applied during the preparation of the annual and consolidated financial statements of Porsche AG include the clear delineation of areas of responsibility and the application of the principle of dual control. Further control activities at group level include analyzing and, if necessary, adjusting the data reported in the financial statements presented by the subsidiaries and the consolidation measures carried out. Furthermore, the Porsche AG Group uses data analyses to identify and eliminate any process and control weaknesses.

The effectiveness of the internal control system is systematically assessed using standardized procedures. Regular tests based on samples are performed. This forms the basis of the assessment of whether the controls are appropriately designed and effective.

If weaknesses are identified in the course of process-integrated controls or effectiveness tests, the Porsche AG Group takes mitigating measures to eliminate the weaknesses.

The standards of the accounting-related internal control system are defined uniformly throughout the group and continuously enhanced. At the end of the annual cycle, the relevant group companies confirm that the group-wide guidelines have been implemented. The results from the accounting-related ICS are reported to the Executive Board and Supervisory Board of Porsche AG.

Based on the controls, effectiveness tests and mitigating measures carried out for the fiscal year 2025, Porsche AG considers the accounting-related internal control and risk management system to be appropriate and effective.

### **Opportunity management**

In a dynamic market environment, it is not only important to manage risks effectively when making business decisions, but also to identify and realize opportunities consistently and in the best possible way.

Opportunities management is closely based on strategic targets and is an integral component of the operational structures and procedures in conjunction with the general planning and management processes in the Porsche AG Group. This includes optimizing revenue and costs as well as improving products, mobility and financial services. For this purpose, the Porsche AG Group is constantly analyzing the environment of its business model in order to identify trends (e.g., from the market, technology, society and environment) as well as changes in key factors at an early stage. With the help of scenario analyses – involving strategic business planning, the affected business divisions and Controlling – the developments relevant for the business model are considered and assessed so as to derive any potential effects for the Porsche AG Group.

The business divisions use this to derive short, medium- and long-term opportunity potential and operationalize this potential accordingly. In addition to the systematic implementation of its strategy, the Porsche AG Group aims to secure its long-term competitiveness and future viability through further efficiency and opportunity initiatives. The identification of specific targets from the aforementioned initiatives offer additional potential to generate opportunities.

The Porsche AG Group is managed by targets and opportunities with a clear focus on a sustainable increase in the value of the company.

### **RISK AND OPPORTUNITY SITUATION AS OF DECEMBER 31, 2025**

In principle, the risk categories that have already been presented and which will be examined in more detail below also hold opportunities. Such opportunities may arise for the Porsche AG Group if the actual effects are better than the underlying planning assumptions or anticipated forecasts, or if additional positive effects can or do arise in the aforementioned categories—in relation to the value chain.

The macroeconomic conditions and the long-term corporate risks of the Porsche AG Group form the key framework conditions for the risks and opportunities listed in the categories below. These are included as assumptions in their assessment and are presented below, before the specific risk and opportunity situation within the respective risk categories is reported on further down.

The macroeconomic conditions are characterized by extraordinary uncertainties. Trade and geopolitical tensions, increasing protectionist tendencies and environmental challenges are impacting the global economy to varying degrees. On top of this, high levels of debt in the private and public sectors are clouding growth prospects, as is demographic change, which has the potential to hamper growth. Volatile financial markets, increased exchange rate risks, fluctuating energy and commodity prices and a declining yet still high inflation rate in conjunction with a restrictive monetary policy are leading to persistently high interest rates and a weaker economic output overall.

From a strategic risk management perspective, risks of particular significance for the long-term direction of the Porsche AG Group were identified against the backdrop of the macroeconomic conditions and other relevant influencing factors. These risks can be grouped into overarching risk areas that reflect the company's key strategic challenges.

One of the main strategic risks here is ensuring a competitive product development and cost structure in light of accelerated technological developments. Delays or outdated product developments can significantly impair the innovative strength and long-term competitiveness of the Porsche AG Group. A clear strategic direction is also crucial in order to avoid inconsistent decisions and risks to long-term competitiveness.

Geopolitical and economic instabilities also pose a considerable challenge. Interstate conflicts, supply and logistics bottlenecks caused by geopolitical measures and economic policy interventions with a geostrategic background in an increasingly complex and regulated corporate and product environment can have a significant impact on sales markets and supply chains. In addition, there are risks in the global value chain that jeopardize the security of supply through dependencies and potential disruptions.

Furthermore, changes in customer behavior, intense competition and disruptive business models require continuous further development of the brand and a consistent focus on customer needs. Otherwise, there is a risk of the brand strength and market position of the Porsche AG Group being impaired.

In addition to offering considerable opportunities, increasing digitalization also entails risks. These include threats to IT security from cyber attacks as well as complexity and possible delays in the implementation of transformation projects. Failed digitalization initiatives or security incidents can have a significant impact on the efficiency, stability of business operations and competitiveness of the company.

Furthermore, securing skilled workers and further developing a sustainable corporate culture are crucial to the innovative strength and performance of the Porsche AG Group. The risk of a shortage of skilled workers, potential deficits in skills and motivation in the workforce and a corporate culture that is not sufficiently agile can jeopardize the implementation of strategic goals and weaken the company's competitiveness in the long term.

Finally, climate change, resource consumption and stricter regulatory requirements are increasing the pressure to consistently implement sustainability strategies in order to safeguard cost structures and ensure the long-term performance of the Porsche AG Group.

Risk mitigation involves identifying and implementing targeted measures in order to sustainably strengthen the Porsche AG Group's resilience to external and internal influences and ensure its long-term competitiveness.

The specific material risks in the "operational" dimension by risk category for the Porsche AG Group as of December 31, 2025 are presented below. Based on the expected value within the RMS period under review, the significant risks are aggregated by category and classified as "low", "medium" or "high" for the Porsche AG Group. The table below shows the classification of the aggregated risks in the respective categories based on the limits shown. Any changes in risk classification compared to the prior year are also indicated.

## Overview of risks in the Porsche AG Group<sup>1</sup>

Risk categories	Classification of the level of risk	Change on prior year
<b>Sales risks</b>		
Trade barriers	High	Unchanged
Market development	High	Unchanged
<b>Supply risks</b>		
Purchasing, quality and logistics <sup>2</sup>	High	Unchanged
Geopolitics	High	Unchanged
<b>Development and technology risks</b>		
Technology selection and maturity	Low	Reduced
Development costs and resources	Low	— <sup>3</sup>
<b>Personnel, organizational and legal risks</b>		
Personnel	Low	— <sup>3</sup>
Production and operations	Low	— <sup>3</sup>
Information technology	Low	Reduced
Regulatory environment	Medium	Reduced
Litigation	Low	Unchanged
Taxes	Low	Unchanged
<b>Financial risks</b>		
Currencies	High	Increased
Commodities	Low	Unchanged
Interest rates	Low	Unchanged
Other financial risks	Low	Unchanged

<sup>1</sup> As of December 31, 2025, the Porsche AG Group differentiates between five risk categories. → **Changes in methodology related to the risk management system**

In order to be able to compare the results, the risks quantified in the prior year were transferred to the new risk categories. The changes presented are based on developments in content and not on changes in methodology.

<sup>2</sup> As of December 31, 2025, only the name of the "Purchasing, quality and logistics" sub-category has been adjusted.

<sup>3</sup> As of December 31, 2024, there were no material risks in the subcategory presented.

### The classification of the level of risk in the risk categories is based on the following limits:

Classification	Risk level
Low	≤ €500 million
Medium	> €500 million – €1 billion
High	> €1 billion

## Sales risks and opportunities

### TRADE BARRIERS

The Porsche AG Group is exposed to relevant risks in connection with trade barriers. This concerns both tariff trade barriers in the form of customs duties and non-tariff trade barriers, such as regulatory measures to protect domestic producers or the restriction of international trade. The risks in this context are below the prior-year level, but are still considered to be "high".

Based on the free trade agreements that the EU has concluded with various countries, Porsche vehicles can be imported to these countries at reduced rates of customs duties or duty-free, subject to compliance with the local content requirements. New and more stringent local content requirements necessitate an ongoing adjustment of the calculation processes. If local content requirements are not met, there is a risk for the Porsche AG Group that the standard rate of customs duty will have to be applied when importing vehicles.

The risk of the USA increasing import tariffs remains a possibility. After adjustments were made to the US import tariff regulations in the reporting year, the US tariff risk was reduced compared to the prior year due to the rapprochement achieved between the EU Commission and the US government. However, the US tariff risk remains relevant in view of possible changes being made to trade policy and punitive tariffs being imposed. To counter this risk, the Porsche AG Group has developed preparatory measures, including those relating to pricing and product policy, that enable it to react to any changes quickly and in a targeted manner.

Against the backdrop of a volatile trade policy environment, there are also sales risks in Canada that could be influenced by the macroeconomic implications of a changing tariff environment, particularly as a result of potential increases in US tariffs.

There are also further sales risks as a result of the ongoing trade conflict between Europe, the USA and China. Import restrictions in the US market in the form of potential bans on the use of certain foreign components and software solutions are of particular importance to the Porsche AG Group. As a result, adjustments may be necessary in the supply chain. The Porsche AG Group monitors local developments in the US market on an ongoing basis and takes appropriate preventive measures to reduce the impact on business activities. Although the risk has been reduced compared to the prior year as a result of ongoing risk mitigation, it is still material.

In the context of increasing trade barriers, laws governing export controls, in China for example, also play an important role for the Porsche AG Group. This means that components and materials from abroad that are subject to certain export control laws cannot be exported, or can only be exported with restrictions. This may affect significant business transactions and have a negative impact on the sales and reputation of the Porsche AG Group. Developments in this context are monitored and evaluated on an ongoing basis.

Changes in trade policy frameworks may also give rise to positive earnings effects for the Porsche AG Group. Potential for lower cost of goods sold or also the possibility to offer products and services at lower prices is offered by a possible removal of tariff barriers, import restrictions or a reduction of direct excise duties.

### MARKET DEVELOPMENT

Within the "Sales risks and opportunities" category, the risks for the Porsche AG Group in connection with market development are classified as "high", as in the prior year.

The Porsche AG Group continues to face the risk of a further decline in demand in China, which is experiencing a downward market trend in the luxury segment. In addition, the increasing intensity of competition, localization efforts and structural changes in the automotive sector continue to be noticeable in the Chinese market. These risks may continue to have an impact on sales expectations in the Chinese market. The market situation in China is constantly monitored and taken into account in sales planning. As a result of the sales risk materializing in China in the fiscal year 2025 as well as sales planning that has been aligned and adjusted to the market, the risk of sales within the RMS period under review has been reduced compared to the prior year.

The strategic realignment of the Porsche AG Group's product strategy decided on in the reporting year included aligning the product portfolio with the market. The Porsche AG Group is committed to a flexible product portfolio that integrates high-performance combustion engines, plug-in hybrids and electromobility. This strategic realignment lowers the risks in connection with the delayed transformation of the sales markets toward electromobility compared to the prior year.

Despite the reduced risk situation, there are still sales and cost risks in connection with ongoing product developments and the electrification strategy in the transformation of the sales markets toward electromobility. These risks could arise if development projects are no longer considered economically viable due to changed market conditions. Furthermore, the Porsche AG Group is exposed to risks in connection with restrained market acceptance and possible deviations from customer requirements. The volatile development of the global political framework conditions and requirements in this context, such as the reduction or elimination of government subsidies for electric vehicles or even registrations for combustion models potentially being prohibited, may also affect expectations in the Porsche AG Group's sales markets. There are also challenges in the area of the fast-charging infrastructure required for electromobility. An insufficiently developed charging infrastructure can lead to a potential loss of all-electric vehicle sales.

In the current fiscal year, the development and technology risks in connection with the transformation toward electromobility are presented in the "Development and technology risks and opportunities" category. → **Development and technology risks and opportunities**

If, contrary to expectations, the sales situation develops more positively, this may also create opportunities for additional earnings potential. This should be seen in particular against the backdrop of a balanced regional distribution, with an increased focus on Overseas and Emerging Markets.

In addition, the expansion of market shares due to a broad and young product portfolio of various drive technologies and the growth of existing business fields could have a positive impact. Moreover, the strength of the brand in conjunction with innovation can also support the realization of unit prices and the associated earnings potential.

### **Supply risks and opportunities** **PURCHASING, QUALITY AND LOGISTICS**

In the Porsche AG Group, the supply risks within the "Purchasing, quality and logistics" sub-category are still classified as "high".

There are risks associated with the start of production of vehicles being scaled-back, delayed or postponed due to quality or scheduling problems in the supply chain. Existing vehicle models are also exposed to significant risks in this context, which arise in particular from the increasing economic pressure on suppliers as a result of the general economic trend and increasing competition, for example, from China. The increasing pressure within the supplier industry may lead to potential insolvencies or liquidity bottlenecks at suppliers, which could have a negative impact on the Porsche AG Group's production processes and thus on supply chain stability. This risk is exacerbated in particular by the increased dependencies in the supply chain. In addition, possible recalls due to quality problems in the supply chain could have a negative impact on the Porsche AG Group and lead to cost and sales risks. By closely monitoring the supplier relationship, the necessary risk management measures can be initiated at an early stage.

There are also significant risks due to business interruptions caused by climate hazards in the supply chain. Climate change means that extreme weather events are occurring more and more frequently, which can affect the operations of suppliers to the Porsche AG Group. These interruptions to operations may result in delivery delays or lost production or in increased operating costs for the Porsche AG Group. To manage this risk, suppliers are proactively analyzed for physical climate risks and safeguarding strategies are defined with the suppliers.

Significant risks may also arise from the provision of software for products and connectivity services for the Porsche AG Group. A potential risk is the timely provision of the software in the required quality. Competitive disadvantages are conceivable if demand requirements are not met as a result of quality problems.

In addition to the dependencies in the supply chain mentioned in the software environment, risks in connection with development and technology, particularly with regard to the selection and maturity of software components and platforms, are now presented in the category "Development and technology risks and opportunities." The risks relating to battery cell and battery module production mentioned in the prior year are now also included in this category. These are risks that relate to the phase before the start of production (SOP).

→ **Development and technology risks and opportunities**

The Porsche AG Group also faces increased risks due to dependencies in the supply chain, particularly in the region China. This could increasingly affect the availability of materials, for example, in the area of batteries and rare earths. The Porsche AG Group is continuously working on measures to further safeguard the supply chain. The supply situation is monitored on an ongoing basis and preventive measures, such as setting up component banking, are introduced to safeguard supplies.

The increased dependency on the region China has become noticeable for the Porsche AG Group in the current fiscal year, particularly in the area of semiconductor supply. Geopolitical tensions and trade restrictions could affect the availability of materials and supply chain stability. Current developments show that the existing dependencies in the semiconductor sector continue to represent a structural risk component. Potential risks for the Porsche AG Group could manifest themselves in the form of production interruptions and thus also lost sales. The potential impact of bottlenecks can be mitigated, for example, by longer lead times in planning and procurement or by concluding long-term contracts. Such a comprehensive concept to safeguard supplies has a positive effect on supply chain stability.

In addition, additional cost demands from suppliers for various reasons may lead to cost risks in respect of investments and direct material costs. Such causes result in particular from structural adjustments within the industry. Individual suppliers can claim additional costs if they find themselves having to adapt their cost structures to changing conditions. Consistent monitoring on a project basis and early countermeasures, such as engaging in negotiations during the procurement process, significantly reduce risk.

Opportunities could in principle arise should, contrary to current estimates, the supply situation and its repercussions develop more positively or things return to normal earlier than anticipated.

Significant opportunities may also arise from potential additional synergies with new vehicle architectures within the Porsche AG Group as well as from technological innovations and collaboration with the Volkswagen AG Group. These synergy and innovation effects pertain to Development, Procurement and Production in particular. Furthermore, opportunities from product cost and process optimization program can contribute to the realization of earnings potential in this context.

The Porsche AG Group has also identified a material opportunity in the circular economy. Remanufacturing parts and components and recovering key raw materials such as nickel, cobalt, lithium and manganese from high-voltage batteries can provide financial advantages for the Porsche AG Group. Closing raw material cycles makes the Porsche AG Group less dependent on volatile commodity markets and can thus reduce risks arising from geopolitical instability in relation to the availability of raw materials.

## **GEOPOLITICS**

Possible risks related to geopolitical events may also increasingly arise from the ongoing trade conflict between China and the USA and tensions in Asia. The Porsche AG Group is faced with possible sales losses and a dependence on Asian suppliers or sub-suppliers in the affected regions. In addition, conflicting sanction laws may exacerbate the risk situation. Geopolitical developments in this context are monitored on an ongoing basis in order to initiate targeted risk management measures, such as setting up component banking, at an early stage.

The conflicts in the Middle East may have a direct and indirect negative impact on the business activities of the Porsche AG Group. This can also include temporary disruptions to important sea routes, which can have an impact on supply chains, for example. The Porsche AG Group has implemented preventive risk management measures, such as safeguarding alternative logistics routes.

Due to the continuing tense geopolitical environment, the risks in this context for the Porsche AG Group continue to be classified as "high".

If, contrary to previous planning and forecast assumptions, the geopolitical tensions in the aforementioned regions weaken or dissipate, this could lead to the effects on the global economy – including falling inflation rates, further decreasing interest rates, but also the sales situation in general and the challenges in the relevant markets – have a positive impact and possibly even result in opportunities on the sales and cost side for the Porsche AG Group.

## **Development and technology risks and opportunities**

### **TECHNOLOGY SELECTION AND MATURITY**

In the prior year, the risks associated with battery cell and battery module development as well as the selection and maturity of software components and platforms were allocated to the categories "Supply risks and opportunities" and "Sales risks and opportunities." In the current fiscal year, risks relating to the phase before the SOP are allocated to the risk category "Development and technology risks and opportunities".

In the area of battery cell and battery module development, the Porsche AG Group faces risks in connection with the degree of maturity. These include, in particular, the complexity and stability of the production processes, the service life and performance of the battery cells and compliance with dynamic technical and regulatory requirements. Unstable or not yet fully developed production technologies at suppliers can impair the quality and availability of components, which can result in deadline, quality and cost risks. In addition, delays in the deployment of new electromobility technologies may have a negative impact on the competitiveness of the Porsche AG Group. As part of the strategic realignment of the Porsche AG Group in the fiscal year 2025 and the market-oriented adjustment of the product portfolio, the planned platforms for electric vehicles have been rescheduled. Consequently, risks in the area of battery cell and battery module development are no longer classified as material within the RMS period under review.

Risks also arise from the selection and maturity of software components and platforms. Delays in important development decisions can occur when new components are introduced or existing systems and platforms are adapted. As a result, project milestones are missed or delayed, which may impact vehicle launch schedules. At the same time, it must be ensured that open source software is used in a way that is compliant with the license. Non-compliance can cause additional legal and technical risks, delays in the development and integration of systems into vehicle projects and ultimately lead to increased costs. By systematically identifying technological weaknesses at an early stage and closely monitoring development processes and supplier relationships, the Porsche AG Group manages the aforementioned risks and safeguards the vehicle launch in the best possible way.

The risks in the "Technology selection and maturity" for the Porsche AG Group are deemed to be "low" and have therefore decreased compared to the prior year.

### **DEVELOPMENT COSTS AND RESOURCES**

The strategic realignment of the Porsche AG Group's product strategy that was announced in the fiscal year 2025 will result in additional investments due, among other things, to the development of the product portfolio. These are intended to increasingly strengthen the company's competitiveness and contribute to its long-term earnings power and resilience. As a result, the Porsche AG Group faces cost risks in the area of research and development. An established monitoring system is used to continuously track R&D costs, identifying any deviations at an early stage and managing them with targeted measures. The risk situation in the "Development costs and resources" subcategory is assessed as "low" for the Porsche AG Group.

### **Personnel, organizational and legal risks and opportunities**

The category "Personnel, organizational and legal risks and opportunities" combines the categories "Operational risks and opportunities" including the associated sub-categories and "Personnel risks and opportunities" considered in the prior year.

#### **PERSONNEL**

Adjusting the corporate organization harbors the risk of valuable knowledge and expertise within the Porsche AG Group not being documented to a sufficient extent therefore being lost. This can have a negative impact on process efficiency, quality and stability of company processes. Established measures, particularly as part of transformation management and targeted activities for knowledge transfer and succession planning, proactively counteract the risk. The risk is deemed to be "low".

#### **PRODUCTION AND OPERATIONS**

The risk situation in the "Production and operations" subcategory, which includes potential disruptions in production and operational risks from daily business activities, is classified as "low".

The Porsche AG Group is exposed to risks relating to possible interruptions to production at the plants due to disruptions caused by infrastructure. There are also risks relating to serious accidents when transporting vehicles by sea, for example, due to extreme weather events, technical defects or other external influences. In this context additional costs due to stricter regulations for the transportation of all-electric vehicles. Risks and the associated processes are continuously reviewed for risk management purposes and any potential for improvement identified is implemented in a targeted manner.

## INFORMATION TECHNOLOGY

In the Porsche AG Group, risks in connection with information technology also play a significant role in the area of business continuity management. The company's business processes are heavily dependent on information technology, which represents a significant risk factor. There is a risk of default especially in production due to unforeseen events such as a cyber attack. The Porsche AG Group also faces the risk of potentially being exposed to data encryption or data protection risks. Critical IT resources and applications are safeguarded via the business continuity management system.

Due to ongoing measures in the area of information security, the risks have decreased compared to the prior year and are considered to be "low" on the basis of the expected value. However, this topic remains a significant risk factor and therefore a central component of group-wide risk monitoring because potential events could still have a significant impact in a worst-case scenario.

## REGULATORY ENVIRONMENT

The Porsche AG Group is faced with strict safety requirements in an increasingly volatile global regulatory environment. These result, for example, from requirements for vehicle-related equipment features that must meet certain defined standards and may vary depending on the sales market.

There are also risks associated with specified emission standards, such as in China, non-compliance with which can lead to significant risks, for example, in the form of vehicle registrations potentially being prohibited.

Another material risk for the Porsche AG Group is the introduction or tightening of regulatory limits for CO<sub>2</sub> fleet emissions aimed at reducing fuel consumption and carbon emissions from passenger car fleets. For example, demand and the development of electromobility in the sales markets could cause CO<sub>2</sub> fleet emissions to deviate from the legal targets. Failure to meet these targets can lead to fines and reputational damage. There is also a risk of vehicles exceeding the set limits will not be allowed to be registered in the affected sales markets.

Furthermore, the Porsche AG Group continues to be subject to high regulatory requirements due to government regulations for the protection of human rights. This requires greater transparency in international supply chains. A potential breach of these regulations can even lead to bans on importing products that are suspected of violating human rights, either themselves or with regard to the parts they contain.

In addition, there are regulatory requirements for the sustainability of supply chains, particularly with regard to environmental due diligence. Here too, greater transparency is required along the entire value chain. Failure to comply with these obligations may result in official sanctions, fines and reputational damage.

Within the regulatory environment, this can lead to high costs in the Porsche AG Group for compliance for global requirements within the supply chain, procurement, product development, the production and sale of vehicles and their spare parts or to rising direct material costs. The necessary global legal monitoring is also complex and harbors the risk of non-compliance, fines and even possible loss of sales.

As a result of the ongoing risk mitigation and the consideration of possible negative effects during the Porsche AG Group's forecast and planning assumptions, the risks in the "Regulatory environment" sub-category have decreased compared to the prior year and are classified as "medium".

The Porsche AG Group meets the challenges of the complex regulatory environment by continuously carrying out comprehensive regulatory monitoring, implementing projects and measures to monitor international and country-specific standards and regulations and constantly reviewing their progress.

With regard to the regulatory environment, opportunities that could have a lasting positive impact on the Porsche AG Group's results of operations may arise if the planning and forecast assumptions made develop more positively than assumed.

## LITIGATION

The Porsche AG Group is involved in a large number of legal disputes and official proceedings as part of its national and international operating activities, which may result in significant risks. Among others, these legal disputes and proceedings relate to or are connected with employees, authorities, services, dealers, investors, customers or other contractual partners. As a result, financial obligations such as fines or claims for damages may arise and cost-intensive measures may be necessary. In this context, a specific assessment of the objectively likely consequences is often possible only to a very limited extent, if at all.

Compliance with legal requirements is another area in which risks may arise. This is particularly true in gray areas where the Porsche AG Group and the relevant public authorities may interpret the law differently. Further risks may arise from interactions with authorities, claims for infringement of intellectual property rights or criminal acts by individuals.

As in the prior year, the above-mentioned risks for the Porsche AG Group are assessed as "low".

If the outcome of litigation is favorable to the Porsche AG Group, for example, due to a positive court decision, this could also result in opportunities for the earnings of the Porsche AG Group in terms of the provisions already recognized.

Further information can be found in the comments on litigation in the notes to the consolidated financial statements.

→ Notes to the consolidated financial statements – 40. Litigation

## TAXES

New requirements under tax law within Germany and abroad pose potential risks for the Porsche AG Group and require the constant adjustment of the relevant declaration processes. Risks of double taxation from the cross-border supply of intragroup goods and services are regularly reduced or eliminated using advanced pricing agreements or other bilateral procedures. Tax risks from tax field audits and their impact on the consolidated financial statements are closely monitored on an ongoing basis. Provisions or liabilities were recognized for potential future payments of tax arrears and for ancillary tax payments arising in this connection. These risks, which are assessed as "low" for the Porsche AG Group as in the prior year, are monitored and managed over the long term by systematically enhancing the Tax Compliance Management System (Tax CMS) that has been implemented.

Should the assessment of tax matters, for example, due to a change in a court decision, be favorable to the taxpayer and therefore advantageous for the Porsche AG Group, this may also result in opportunities for the earnings of the Porsche AG Group in terms of the provisions already recognized.

## Financial risks and opportunities

### CURRENCIES

As an international organization, the Porsche AG Group conducts transactions in different currencies, which can give rise to currency risks. Material risks in the automotive segment result in particular from the fact that the Porsche AG Group mainly produces in eurozone countries, which means that the cost base is for the most part in euros. However, as an international automotive group, a large proportion of revenue from vehicle sales is generated in foreign currencies. These currency risks are partly hedged through the use of exchange rate hedging instruments for a period of up to five years. The annual hedge ratio decreases over the course of the RMS period under review. The main hedging instruments used are forward exchange transactions and currency options. The volume of exchange rate hedges is determined on the basis of the planned sales figures in the respective foreign currency, taking into account procurement volumes.

Due in particular to the devaluation of major foreign currencies, such as the US dollar and Chinese renminbi, the currency risks for the Porsche AG Group increased compared to the prior year and are now classified as "high".

### COMMODITIES

There are also risks relating to raw materials in the automotive segment in respect of the development of prices, among other things. Possible risks from the development of prices of raw materials are analyzed on an ongoing basis in order to be able to act swiftly to any changes on the market. Commodity price risks for raw materials such as aluminum, copper, nickel, cobalt and lithium hydroxide are partially hedged through the use of hedging instruments for a period of several years. The annual hedge ratio decreases over the course of the RMS period under review. Averaging swaps are used as hedging instruments. The volume of hedges is determined on the basis of the planned commodity exposure in the respective procurement contracts. The Porsche AG Group still considers the risks in connection with the "commodities" sub-category to be "low".

## **INTEREST RATES**

Within the Porsche AG Group, interest rate risks in the automotive segment result from changes in market interest rates, primarily for medium- and long-term interest-bearing receivables, liabilities and provisions. Variable interest items are included in cash flow hedges and some are hedged by means of interest rate swaps. As in the prior year, these interest rate risks are classified as "low".

## **OTHER FINANCIAL RISKS**

Financial risks in connection with investing surplus liquidity and equity investment risks are included in other financial risks. The risks in this sub-category continue to be assessed as "low" in the Porsche AG Group in the current fiscal year.

With regard to the capital investment of surplus liquidity, there is a significant risk of fluctuation and loss in the current fiscal year due to changes in the value of the share price of acquired special funds. These result from price fluctuations of the investments held in funds.

The investments held by the Porsche AG Group are regularly tested for impairment, with battery and connectivity investments being of particular importance. The strategic realignment of battery activities announced by the Porsche AG Group led to the risks reported in the prior year occurring in the form of impairment losses. This has reduced the risk situation in this environment as of December 31, 2025.

Should, contrary to current planning and forecast assumptions, market prices develop positively with regard to currency, interest rate, commodities and capital investment risks, this may also result in opportunities for the Porsche AG Group.

## **Non-financial risks**

Pursuant to section 289c HGB, a review is carried out in the reporting process of opportunities and risks that have an impact on non-financial aspects set out in the law. Significant opportunities and risks within the meaning of this law include those associated with the Porsche AG Group's business activities, business relationships, products and services and which are very likely to have serious consequences for the non-financial aspects pursuant to the German Act to Implement the CSR Directive (CSR-RUG). In the reporting year, no non-financial risks linked to the requirements of section 289c HGB were identified in the Porsche AG Group.

## **Overall assessment of the risk and opportunity situation**

The overall risk and opportunity situation for the Porsche AG Group is the sum of the aforementioned categories of risks and opportunities. A comprehensive RMS has been established to identify and manage these risks at an early stage. The risk situation within the RMS period under review is characterized in particular by pronounced dependencies in the supply chain and the persistently tense geopolitical climate. In addition, high trade barriers are still evident, particularly due to US tariff risks. These risks affect the sales market in the USA, which is important for the Porsche AG Group. In combination with a weaker US dollar, they can have a noticeable impact on the Porsche AG Group's profitability. There are also challenges in the area of market development. Based on the information and assessments available as of the reporting date, a development jeopardizing the Porsche AG Group's ability to continue as a going concern is sufficiently improbable.

# REPORT ON EXPECTED DEVELOPMENTS

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The following describes the expected development of the Porsche AG Group taking into account the conditions in which it does business. In line with the group's internal management system, the forecast period covers one year and contains all information available at the time of preparing the financial statements that could have a significant impact on the business development of the Porsche AG Group. Risks and opportunities that could give rise to a deviation from the forecast development are set out separately in the → **Report on risks and opportunities**. The report on expected developments contains forward-looking statements based on the estimates and expectations of the Porsche AG Group. Actual business performance may deviate, both positively and negatively, as a result of unpredictable events, including changes in the political and economic framework.

The assumptions used in preparing this forecast report are based, inter alia, on current estimates by external institutions; these include economic research institutes, banks, international organizations and consultancy firms.

## MACROECONOMIC AND SECTOR-SPECIFIC OUTLOOK

### Development of global economy

The Porsche AG Group expects growth in global economic output to show momentum in 2026 similar to that seen in the reporting year. Falling inflation in major economic regions and the resulting gradual easing of monetary policy measures taken by central banks are expected to have a positive impact on private demand. The Porsche AG Group assumes that growth prospects will continue to be impacted by increasing fragmentation of the global economy and protectionist tendencies and by turbulence on the financial, energy and commodity markets. Negative effects are also expected from ongoing geopolitical tensions and conflicts such as the Russia-Ukraine conflict and the tense situation in the Middle East, increasing uncertainties in connection with the orientation of the US economic policy and the global increase in geo-economic measures.

### GERMANY

For Germany, the Porsche AG Group assumes that gross domestic product (GDP) will develop positively in 2026 with a somewhat higher growth rate compared to the reporting year. The annual average inflation rate is expected to fall slightly, while the labor market situation is likely to improve only marginally.

### EUROPE

Economic growth in Western Europe is expected to be somewhat lower in 2026 than in the reporting year, with inflation continuing to fall on average and no additional key interest rate cuts. The Porsche AG Group anticipates a slightly higher growth rate for Central Europe with persistently high but less dynamic price increases. The economic output of Eastern Europe is expected to grow at a similar rate to the reporting year.

### NORTH AMERICA EXCL. MEXICO

The Porsche AG Group believes that economic growth in the USA will remain stable. Inflation will be at a rate similar to that in the reporting year. Further key interest rate cuts by the US Federal Reserve are expected. Economic growth in Canada is expected to be slightly lower than in the reporting year.

### CHINA INCL. HONG KONG

For China, the Porsche AG Group expects the economy to grow at a relatively high level in 2026, albeit at a somewhat lower rate than in the reporting year.

## Development of the automotive markets

For the automotive industry, whose development is closely tied to global economic developments, the Porsche AG Group expects competition to become even keener in 2026. The forecast for 2026 is based on the assumption that although development in the passenger car markets in the individual regions will be mixed, it will be positive for the most part. The overall global sales volume of new vehicles is expected to be on a par with the reporting year. Estimates are based on the assumption that the availability of essential parts, in particular semiconductors and commodities, will not worsen as a result of the crisis and that energy supplies will be ensured, despite geopolitical tensions, and inflation will stabilize.

### GERMANY

In the German passenger car market, the volume of new registrations in 2026 is expected to be on a par with the reporting year 2025.

### EUROPE WITHOUT GERMANY

For the Western European markets (excluding Germany), a comparable volume of new passenger car registrations is expected for 2026 on average compared to the reporting year. Sales of passenger cars are expected to significantly exceed the prior-year figures in markets in Central and Eastern Europe, subject to the further development of the Russia-Ukraine conflict.

### NORTH AMERICA EXCL. MEXICO

For the region North America excl. Mexico, the volume of new passenger car registrations in 2026 is expected to be slightly below the reporting year figure.

### CHINA INCL. HONG KONG

For the passenger market in China incl. Hong Kong, the Porsche AG Group anticipates that the new registrations will be at the level of the prior year.

## FORECAST ASSUMPTIONS

The Porsche AG Group bases its forecast for the fiscal year 2026 on the framework conditions with global conflicts and tensions as seen at the end of the reporting year.

In addition to the general conditions described above, the Porsche AG Group's forecast assumes that market conditions will remain extremely challenging, particularly in the luxury segment, and that competition will be fierce, especially for all-electric models in China. It is also expected that geopolitical uncertainties, also related to the political position of the USA, will continue to persist. In its forecast for 2026, the Porsche AG Group has taken into account the current framework conditions in place as of the time of reporting with import restrictions, tariffs and taxes.

It is also assumed that the development of exchange rates and the regulatory requirements regarding the limits for CO<sub>2</sub> fleet emissions will continue to impact the Porsche AG Group's forecast in 2026.

In addition to the external factors described above, the Porsche AG Group continues to anticipate challenges for sales development due to the delayed transition to electromobility. In addition, a limited product range in certain model series and regions due to life cycle factors is having a negative impact on sales development. As a result of these factors, the Porsche AG Group expects the development of vehicle sales in the group to be below the level of the reporting year.

The strategic realignment initiated in the reporting year against the backdrop of the changed and challenging market environment to strengthen earnings power in the short and medium term will continue in the fiscal year 2026 and is reflected accordingly in the forecast. As a result, the Porsche AG Group's forecast as of the time of reporting also assumes further, albeit lower compared to the reporting year, expenses and cash outflows in relation to further developments to the future product range, focus on the core business, ensuring quality-oriented product launches, changes in the corporate organization and battery activities.

The forecast for the fiscal year 2026, based on the assumption that the situation in the supply chains will be challenging and that additional costs in the supplier area are to be expected due to individual delivery delays, cancellations, fluctuations in production volumes and possible insolvencies.

The forecast for 2026 also assumes that, as a result of the high level of investment in recent years, total amortization of intangible assets and depreciation of property, plant and equipment will continue to increase. The overall level of investment is also expected to be higher than in the reporting year.

### **FORECAST OF THE MOST IMPORTANT KEY PERFORMANCE INDICATORS**

For the fiscal year 2026, based on the aforementioned assumptions, the Porsche AG Group expects a higher return on sales of between 5.5% and 7.5%. This forecast is based on estimated sales revenue in a range of €35 billion to €36 billion.

Automotive net cash flow margin is expected to develop similarly compared to the reporting year, with values between 3% and 5%.

The Porsche AG Group plans to achieve an automotive EBITDA margin of between 15% and 17%, which is higher than the reporting year.

In its sales revenue forecast for 2026, the company expects purely battery-powered electric vehicles (automotive BEV share) to account for between 24% and 26%.

### **OVERALL STATEMENT ON ANTICIPATED DEVELOPMENT**

In its planning for 2026, the Porsche AG Group assumes global economic growth and global demand for passenger cars on a par with the reporting year. However, there are uncertainties in this regard, particularly due to the global geopolitical environment.

Difficult market conditions and a volatile environment, particularly 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 2026 a challenging one for the Porsche AG Group. At the same time, thanks to its robust financial strength and the measures introduced to strengthen its earnings power in the short and medium term, the Porsche AG Group considers itself to be in a sustainably sound position to react flexibly to changing conditions and to further strengthen its market position.

## Forecast of the Porsche AG Group

		Actual business development 2025	Forecast 2026
<b>Porsche AG Group</b>			
Sales revenue	€ billion	36.3	35 to 36
Return on sales	%	1.1	5.5 to 7.5
<b>Automotive segment</b>			
Automotive net cash flow margin	%	4.7	3 to 5
Automotive EBITDA margin	%	13.3	15 to 17
Automotive BEV share	%	22.2	24 to 26

Stuttgart, February 22, 2026

Dr. Ing. h.c. F. Porsche Aktiengesellschaft  
The Executive Board