Panamera Turbo S E-Hybrid (WLTP): Fuel consumption weighted combined: 1.6 – 1.4 l/100 km; Fuel consumption with depleted battery combined: 11,5 – 10,8 l/100 km; Electrical consumption weighted combined: 29.3 – 27.4 kWh/100 km; CO_2 emissions weighted combined: 36 – 31 g/km; CO_2 class weighted combined: B; CO_2 class with depleted battery: G

COMBINED MANAGEMENT REPORT

FUNDAMENTAL INFORMATION ABOUT THE GROUP

BUSINESS MODEL

Purpose of the company

“In the beginning, I looked around but could not find the car I’d dreamt 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 luxury sports cars and engines of all kinds as well as other parts and components for these and other technical products. In addition, the purpose of the company includes performing development work and design engineering, including vehicle and engine construction; consulting and development in the field of data processing as well as the production and distribution of data-processing products; sale of merchandise and commercial exploitation of brand rights, including those containing the word “Porsche”. Also included are all other activities that are technically or economically related, including the commercial exploitation of intellectual property rights. Financial services are another business purpose, 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 2023. 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 (previously rest of the world[1]), 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 in Weissach 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 group-wide synergies through improved availability of production materials and cost advantages.

[1] The name of the sales region rest of world was changed to Overseas and Emerging Markets in the reporting year 2024. This is a name change only and has no impact on the geographical boundaries or the operating activities in this region.

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. The Porsche AG Group also maintains production facilities in Leipzig, where the Macan and Panamera model series are produced.

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 has the capacity to produce the 718 series on a contract manufacturing basis at the Osnabrück plant. 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**

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**

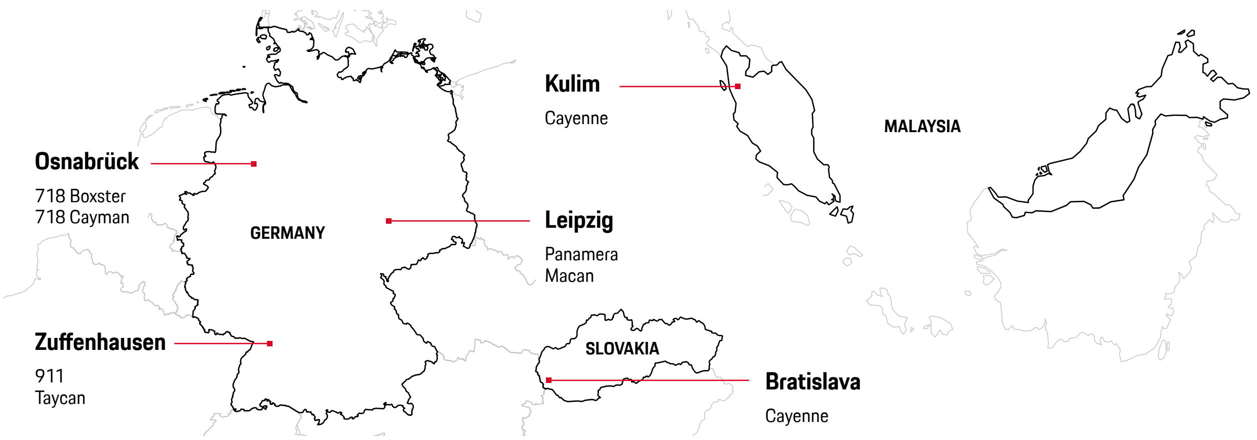
Sales
The sales network comprises over 900 sales partners in more than 120 markets worldwide. Within this sales network, all major importers (18 legally independent entities) and selected Porsche dealer companies (17 legally independent entities) are part of the Porsche AG Group. → **Deliveries**

All brick-and-mortar retail formats follow the "Destination Porsche" retail concept, which has already been rolled out in more than 150 of the over 800 Porsche centers worldwide since the end of 2020, and some 500 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, the service and insurance brokerage business as well as mobility services for Porsche brand vehicles. 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.

Production network of the Porsche AG Group



STRATEGIC DIRECTION OF THE PORSCHE AG GROUP

Strategy 2030 Plus

Chairman of the Executive Board

VISION/MISSION | STRATEGIC OBJECTIVES

Cross-functional strategy	Focus topics	Board sponsorship
CUSTOMERS	— Brand — Customer experiences — Value-orientated growth	Sales & Marketing Finance & IT
PRODUCTS	— Portfolio — Technology — Car software	Research & Development Car-IT
SUSTAINABILITY	— Environment — Social — Governance	Production & Logistics Procurement
TRANSFORMATION	— Innovation, digitalization & AI — Organization & value creation — People & culture	Finance & IT Human Resources and Social Affairs

QUALITY | ROAD TO 20

Porsche AG aims to further expand its strong position as a profitable manufacturer of exclusive sports cars and to consistently realize Ferry Porsche's vision. Strategy 2030 already pursued the goal of sustainably strengthening the Porsche AG Group's position in global competition – with attractive products, successful motor sport, special customer experiences and a clear plan for how the company can actively shape the transformation of the automotive industry. The Porsche AG Group takes account of the rapid developments in the industry and incorporates them into the further development of its strategy. Strategy 2030 Plus is the Porsche AG Group's response to the changed and highly challenging market environment.

With the launch of Strategy 2030 Plus, the previous six cross-functional strategies have been consolidated into four cross-functional strategies: Customers, Products, Sustainability and Transformation. Digitalization and Organization, which were independent cross-strategies in the prior year, have been subsumed under the Transformation cross-functional strategy. These four cross-functional strategies are at the heart of the Porsche AG Group's strategy and are based on the two strategic elements "Road to 20" and Quality. Each of these cross-functional strategies has three strategic focus topics. These focus topics are intended to underscore the strategic direction and increase transparency. Together, they contribute to the group's corporate goals. Two members of the Executive Board are responsible for each of the cross-functional strategies as overseers. Cross-functional teams implement the cross-functional strategies with their strategic focus topics.

Cross-functional strategy – Customers

The Customer cross-functional strategy focuses on the relationship with our customers. The clear goal is to excite customers when purchasing and owning their vehicle. With this strategy, the Porsche AG Group concentrates in particular on the strategic focus topics brand, customer experience and value-oriented growth. The aim is to ensure the attractiveness and exclusivity of the brand now and in the future, to create special customer experiences and to continue on its value-driven growth course.

As a modern luxury brand, Porsche AG intends to expand its customer base internationally. Special community and event formats will help attract new target groups to the brand and further increase the loyalty of existing customers. Personalized marketing and integrated networking of the various customer touch points across all sales channels create the basis for a special purchasing and ownership experience. The targeted development of growth markets forms the basis for sustainable, value-driven growth.

Cross-functional strategy – Products

The Products cross-functional strategy with its three strategic focus topics portfolio, technology and car software is geared toward future customer requirements. Digital, networked and innovative products and services can be decisive in developing and offering positive mobility experiences for Porsche AG's customers.

The Porsche AG Group is committed to an attractive and flexible product portfolio, which in addition to electromobility includes vehicle models with combustion engines and plug-in hybrids. In addition, the expansion of special and exclusive manufacturing will give our customers a wide choice of customization options for their vehicles. The product strategy also pursues the goal of balancing supply and demand and thus focuses on value-oriented sales.

The Porsche AG Group wants to increase the share of new all-electric vehicles in proportion to total deliveries. This will depend to a large extent on customer demand, the development of electromobility in each region and regulatory incentive schemes.

Synergies with other Volkswagen AG Group brands will be leveraged, particularly in the development of hardware and software platforms for the vehicles and in the procurement process. Porsche AG is also investing in the development of synthetic fuels, referred to collectively as e-fuels. These are particularly suitable for reducing the CO_2- emissions of a fleet.

Cross-functional strategy – Sustainability

The Porsche AG Group aims to help shape the sustainable future of mobility. This includes both products that were developed taking into account sustainability aspects as well as its self-image as a modern employer open to society and reliable economic partner.

The Sustainability cross-functional strategy therefore pursues a holistic approach covering everything from environmental and social aspects to responsible corporate governance. This is done in the three strategic focus areas of environment, social and governance: Decarbonization and maintaining a circular economy along the entire value chain are key elements of the sustainability strategy. In all these endeavors, Porsche AG Group promotes diversity and sees itself as an active and committed partner to society. → **Partner to society**
It also promotes sustainability in the supply chain as well as transparent and responsible corporate governance.

Cross-functional strategy – Transformation

Porsche AG is convinced that innovation comes from the creativity of employees and the support of an organizational structure that fosters this creativity, thus making it possible to achieve excellence together. In a dynamically changing environment, the adaptability of the Porsche AG Group and its employees is of particular importance for sustainable success. It is important to provide the right answers to future challenges at an early stage and to see upcoming changes as an opportunity.

The Transformation cross-functional strategy focuses in particular on the strategic focus topics of innovation, digitalization and artificial intelligence, organization and value creation as well as people and culture. The aim is to ensure the adaptability and future viability of the Porsche AG Group.
For the Porsche AG Group, innovations and new technologies are an integral part of the business model and open up a wide range of opportunities and growth prospects. Digitalization and the use of artificial intelligence enable new forms of collaboration and offer far-reaching opportunities for optimization. This is how the Porsche AG Group analyzes, evaluates and improves its working methods and processes.
The employees and the shared corporate culture are core components of the Porsche AG Group. With effective leadership, employees are taken along on the path to transformation in order to drive change together. Porsche AG's position as a top employee with high levels of employee satisfaction also plays an important role.

Road to 20

"Road to 20" is a strategic program that supports the long-term ambition of achieving an operating consolidated return on sales of more than 20%. "Road to 20" is also intended to optimize the resilience of the Porsche AG Group. Existing activities will be intensified with a focus on sustainably optimizing the cost structure.

Quality

Porsche AG is closely aligned with the guiding principle of Dr. Wolfgang Porsche: "Quality is the foundation of our business success." Accordingly, quality is a key component of the foundation of the Porsche AG Group's Strategy 2030 Plus. All employees are responsible for maintaining Porsche AG's high quality standards. By pooling the expertise of all departments, the aim is to ensure that there is a common understanding of quality and awareness of customer expectations throughout the company. In this way, the Porsche AG Group intends to realize its vision of proactively capturing the customer wishes of tomorrow and making them a tangible experience in the vehicle for generations to come.

Together with the two building blocks of the foundation – Road to 20 and Quality – the four cross-functional strategies define the path on which the Porsche AG Group intends to expand its position for present and future generations. The focus here is on the four stakeholder groups: Customers, society, employees and investors. The Porsche AG Group believes that the unwavering focus on the needs of these groups will ensure sustainable growth.

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 cross-functional strategies, 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.

The aligned results of the upstream planning processes flow into the financial planning as a last step in the multi-year operational 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 subsidiaries 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, monthly rolling forecasts are performed for the next three months and for the year as a whole and are backed up as standard by two detailed forecasts during the year and, if necessary, adjusted to reflect the latest developments. Current opportunities and risks 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 implementation programs to secure the forecast, also taking volatile conditions into account. In principle, the focus of management during the year is on adjusting current activities in line 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	Automotive segment
— Sales revenue (€ million) — Return on sales (%)	— Automotive net cash flow margin (%) — Automotive EBITDA margin (%) — Automotive BEV share (%)

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 also 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 driver for the automotive BEV share is the sale of fully 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 financial key performance indicators. → **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.
→ **Results of operations, financial position and net assets**

The anticipated development of the most important financial indicators for the fiscal year 2025 is described in the report on expected developments. → **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 2024, the global economy continued to recover, albeit at a slower pace than in the prior year. This trend was seen in both the advanced economies and the emerging markets. Although inflation rates are falling in many countries, they are still relatively high which, coupled with the ongoing restrictive monetary policy of some central banks, has dampened economic growth in many countries. Since the middle of the reporting period, a number of central banks have started to reduce their key interest rates.

GERMANY

Similar to the prior year, the German economy contracted by 0.2% (2023: down 0.1%). On average, the seasonally adjusted unemployment rate rose slightly. At the same time, the average annual inflation rate fell.

EUROPE

The Western European economy grew by 0.8% (2023:up 0.5%), slightly stronger than in the prior year. 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 four steps since June 2024. In 2024, the economies in Central and Eastern Europe reported a slight year-on-year increase in growth of 3.2% (2023: up 3.1%).

NORTH AMERICA EXCL. MEXICO

In the USA, economic output grew at a slower pace of 2.8% (2023: up 2.9%) than the prior year. The US Federal Reserve continued to pursue its restrictive monetary policy for the time being, as inflation remained high and the labor market tight. The key interest rate was cut for the first time in September of the current reporting year, followed by two further cuts. The growth rate in Canada was down slightly on the prior year at 1.3% (2023: up 1.5%).

CHINA INCL. HONG KONG

Economic growth in China was at a high level compared to other parts of the world, but at 5.0% (2023: up 5.2%) was slightly weaker than in the prior year.

Market development for the automotive segment

In the fiscal year 2024, the global volume of the passenger cars market was up slightly on the prior year at 79.2 million vehicles, with most passenger car markets recording growth. The supply situation continued to return to normal and vehicle affordability improved to some extent.

In addition to fiscal policy measures, the sector-specific environment was primarily 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 2.8 million units (down 1.0%), the number of new car registrations in Germany in 2024 was on a par with the prior year. The change in incentives for electric vehicles in the prior year had a dampening effect on the development of new registrations. By contrast, the demand for vehicles with conventional and hybrid drivetrains increased.

EUROPE WITHOUT GERMANY

In Western Europe (excl. Germany), the number of new passenger car registrations in 2024 increased by 0.3% to 8.8 million vehicles, matching the prior-year level. Development in the other major individual passenger car markets was mixed in 2024: Spain recorded noticeable growth of 8.7%. The United Kingdom (up 2.6%) recorded slight growth, Italy (down 0.4%) was on a par with the prior year while France (down 3.2%) recorded a slight decline.

In Central and Eastern Europe, the passenger car market volume increased significantly by 17.5% in the fiscal year 2024 to 2.6 million vehicles. The number of sales developed largely positively in the individual markets of Central and Eastern Europe.

NORTH AMERICA EXCL. MEXICO

In the region North America excl. Mexico, sales figures for passenger cars in the fiscal year 2024 rose to 17.9 million units – an increase of 3.4% year on year. In the USA, the volume stood at 16.0 million units, an increase of 2.7%, due to improved availability and affordability of new vehicles on average. In Canada too, sales figures increased noticeably by 1.9 million vehicles (up 9.3%).

CHINA INCL. HONG KONG

In the region China incl. Hong Kong, the number of new registrations of passenger cars increased slightly by 4.8% to 23.4 million units in 2024. The development of the Chinese passenger car market was characterized, among other things, by government purchase incentive programs and lower prices. A negative trend in demand was observed in the luxury segment.

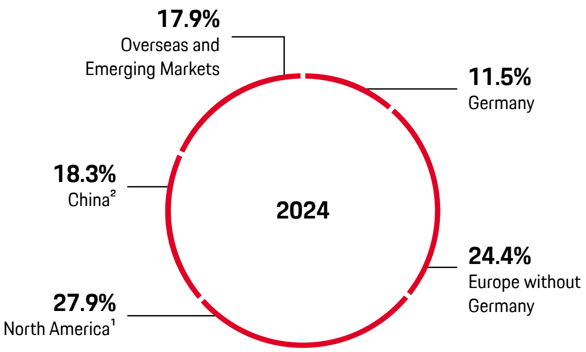
Market development for the financial services segment

Demand for automotive financial services was high in all regions in 2024.

DELIVERIES

Despite various model changes and the challenging market situation in the region China incl. Hong Kong, the Porsche AG Group's deliveries[1] were robust in the fiscal year 2024. Overall, the sports car manufacturer delivered 310,718 vehicles, down 3.0% compared with 2023. The Porsche AG Group countered the decline in deliveries in the region China by increasing its focus on deliveries in the other regions. The result is a globally balanced sales structure.

Share of deliveries by region



[1] North America excl. Mexico
[2] China incl. Hong Kong

In the domestic market of Germany, 35,858 customers received their vehicle, an increase of 10.6%. In the sales region of Europe without Germany, the Porsche AG Group delivered 75,899 vehicles in the past year. This is 8.1% more than in the prior year. In North America excl. Mexico, the Porsche AG Group made 86,541 deliveries (up 0.6%) – again the largest sales region in 2024. In China incl. Hong Kong, 56,887 vehicles were handed over to customers (down 28.2%). This significant decline is largely attributable to the continuing challenging economic situation in the luxury segment in this region. Irrespective of this, the Porsche AG Group remains committed to value-oriented sales with the aim of balancing supply and demand. The sales region Overseas and Emerging Markets again developed positively with growth of 6.3%. Overall, 55,533 vehicles were handed over to customers in this region.

The Cayenne, which was completely overhauled in the prior year, was the Porsche model with the highest number of deliveries in 2024, with 102,889 vehicles being delivered to customers (up 17.5%). Porsche delivered 82,795 Macans in the past fiscal year, a decrease of 5.2% compared to the prior year. This is partly due to the discontinuation of the internal combustion Macan in Europe and the staggered global launch of the all-electric model. Deliveries of the 718 Boxster and 718 Cayman models came to 23,670 (up 15.4%). With growth of 1.6%, deliveries of the Porsche 911 totaled 50,941. The Panamera was delivered to 29,587 customers (down 13.0%). This decline is primarily due to the drop in demand for the series in the Chinese market. 20,836 Taycans were delivered to customers in the past year (down 48.7%). This development is attributable to the strong prior year and the model change that took place in the fiscal year 2024. In addition, the ramp-up of electromobility in the Porsche AG Group as a whole has been slower than planned.

In the reporting period, the proportion of purely battery-powered electric vehicles (automotive BEV share) stood at 12.7% (2023: 12.8%) of all deliveries. In addition to the all-electric Taycan, the all-electric Macan has also had an impact on the automotive BEV share since its market launch at the end of September with 18,278 units delivered.

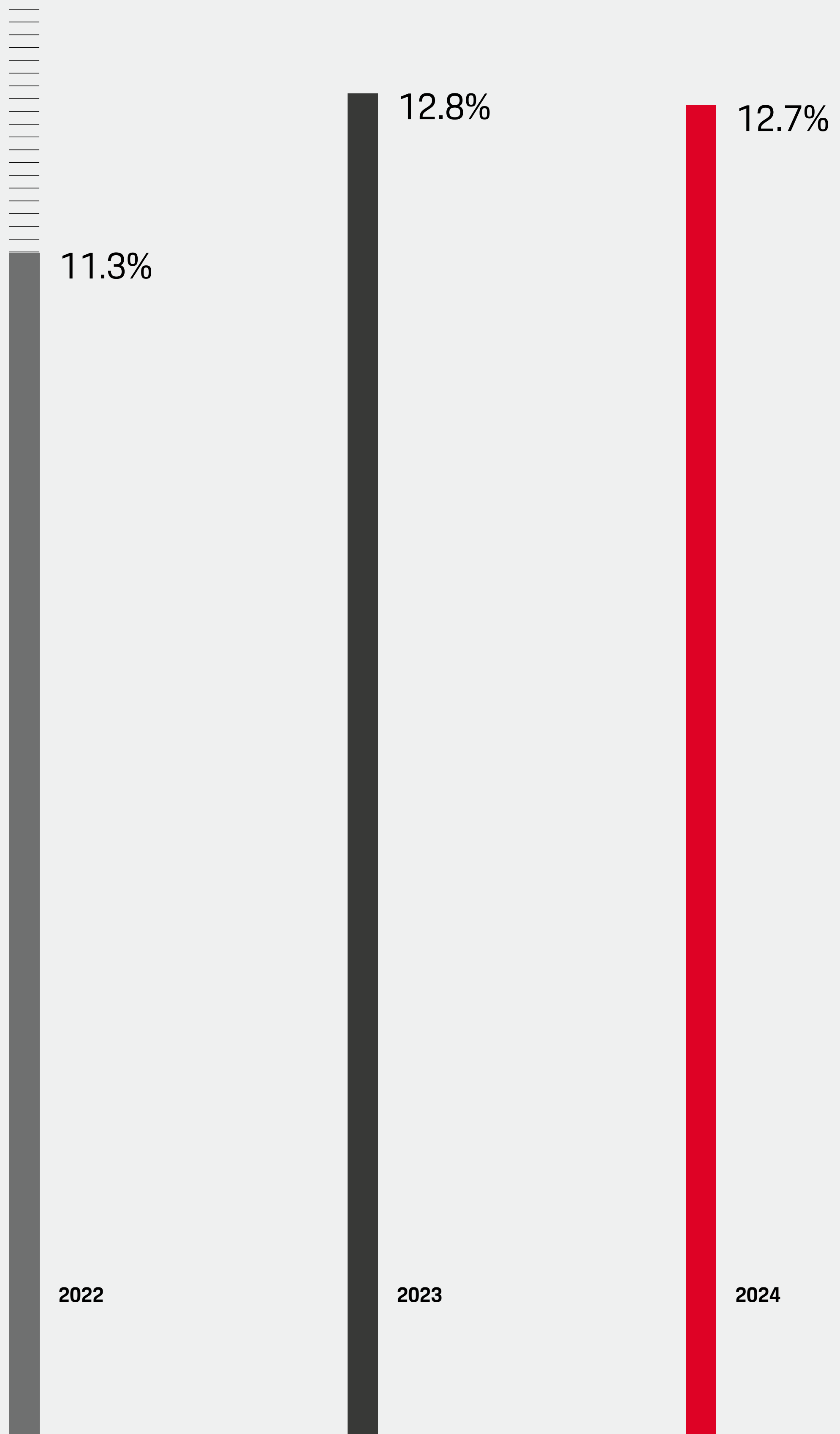
→ **Environment**

Deliveries of the Porsche AG Group

Units	2024	2023
911	50,941	50,146
718 Boxster/Cayman	23,670	20,518
Macan	82,795	87,355
Cayenne	102,889	87,553
Panamera	29,587	34,020
Taycan	20,836	40,629
Deliveries	**310,718**	**320,221**

[1] 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.

Automotive BEV share
of Porsche AG Group



PRODUCTION

The Porsche AG Group produced 302,750 vehicles in total in the fiscal year 2024, a decrease of 10.0% on the prior year.

Production of the Porsche AG Group

Units	2024	2023
911	49,095	55,655
718 Boxster/Cayman	23,790	23,605
Macan	84,330	87,334
Cayenne	93,864	96,600
Panamera	30,369	33,689
Taycan	21,302	39,397
Production	**302,750**	**336,280**

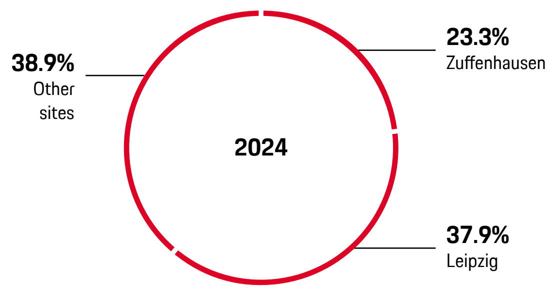
In 2024, 21,302 Taycan units were manufactured in Stuttgart-Zuffenhausen. Additionally, all the vehicles of the 911 model series (49,095 units) rolled off the production line at the main plant. Furthermore, 4 units of the 718 Boxster/Cayman were produced in Zuffenhausen.

At the Leipzig plant, the Porsche AG Group produced a total of 114,699 vehicles, which equates to 37.9% of total production. There were 84,330 units of the Macan model series and 30,369 Panameras produced in Saxony.

The production of all vehicles at the two sites in Zuffenhausen and Leipzig is net carbon neutral.

At the other production locations such as the Volkswagen Group's multi-brand site in Bratislava (Slovakia) and in Malaysia, 93,864 units of the Cayenne model series were produced. In addition, 23,786 units of the 718 Boxster/Cayman model series were completed at the Osnabrück site.

Production sites



PRODUCTION IN 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 - from the Carrera Coupé to the GT3 Cup race car- 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. Electric, two-door sports cars can also be produced 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.

PRODUCTION IN LEIPZIG

The production facility in Leipzig produces the Macan and Panamera model series. In recent years, the production facility has developed into a competence center for electromobility within the Porsche AG Group. With the start of production of the all-electric Macan in 2024, Porsche Leipzig is able to produce three different drive types in a highly flexible manner on the existing production line: fully electric vehicles, plug-in hybrids and pure internal combustion engines.

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 2024, automotive research and development (R&D) costs amounted to €2,528 million compared to €2,834 million in the prior-year period. The R&D ratio stood at 6.9% (2023: 7.6%). Additions to automotive capitalized development costs stood at €1,583 million, thus falling short of the comparable figure in 2023 of €2,081 million. This reduced the capitalization ratio compared to the prior-year period from 73.5% to 62.6% due to a change in the project mix and different stages of capitalization for current vehicle projects. At €2,046 million (2023: €1,712 million), automotive research and development costs recognized in the income statement were up on the prior-year level. Automotive amortization of capitalized development costs contained therein amounted to €1,101 million (2023: €960 million).

In the reporting period, more than half of R&D expenses were attributable to the transition of the product range toward electromobility. The next generation of the all-electric Taycan and the all-electric Macan were launched in the past fiscal year. A lightweight performance hybrid drive unit was specially developed for the Porsche 911. Going forward, the focus will be on the development of the all-electric Cayenne and 718. In parallel to the efforts being made in the area of electromobility, model series with combustion/hybrid technology are also being further developed.

In March 2024, a strategic partnership was entered into with Applied Intuition, Inc., Mountain View, which specializes in the development of a platform for vehicle software. The aim of the partnership is to increase the proportion of in-house software and reduce dependency on suppliers with a view to reducing complexity and increasing the speed of implementation. The partnership gives Porsche access to extensive knowledge in the development and implementation of vehicle software, including the ability to update it to deliver special customer experiences.

Overall, as of the reporting date, the Porsche AG Group employed 6,728 persons in the area of research and development (2023: 6,699 persons).

Automotive research and development costs

€ million	2024	2023
Automotive sales revenue	36,438	37,349
Automotive research and development costs	**2,528**	**2,834**
thereof automotive capitalized development costs	1,583	2,081
Capitalization ratio[1] (%)	62.6	73.5
R&D ratio[2] (%)	6.9	7.6
Automotive research and development costs recognized in the income statement	**2,046**	**1,712**
thereof automotive amortization of capitalized development costs	1,101	960
Automotive research and development costs recognized in the income statement[3] (%)	5.6	4.6

1 Capitalized development costs (Automotive) in relation to automotive research and development costs.

2 Automotive research and development costs in relation to automotive sales revenue.

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

PERSONNEL

As of the reporting date, the Porsche AG Group had 42,615 employees, an increase of 1.1% compared to the prior-year reporting date. On average, the Porsche AG Group had 42,703 employees in the fiscal year 2024.

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 2024, the Porsche AG Group rolled out the largest model launch program in the company's history. The third model generation of the Panamera, the next generation of the all-electric Taycan sports car as well as the model launch program with the presentation of a 911 with an innovative performance hybrid drive system and the world premiere of the all-electric Macan all influenced the business development of the Porsche AG Group. These vehicle launches had an impact on unit sales, inventories, depreciation and amortization as well as research and development costs.

In addition to the extensive renewal of the product portfolio, the overall challenging economic and political environment, the slower transformation toward electromobility and market developments in the region China incl. Hong Kong continued to have an impact on the business situation. The Porsche AG Group countered the decline in deliveries in the region China by increasing its focus on deliveries in the other regions. The result is a globally balanced sales structure in the past fiscal year. Against this backdrop, the Porsche AG Group considers the overall development of the fiscal year 2024 to be solid.

Although the sales revenue of the Porsche AG Group decreased to €40,083 million in the fiscal year 2024 (2023: €40,530 million), it was still within the original forecast.

Operating profit fell from €7,284 million to €5,637 million. The return on sales of the Porsche AG Group therefore fell short of original expectations, but was within the adjusted range at 14.1% (2023: 18.0%).

The automotive EBITDA margin decreased to 22.7% (2023: 25.7%), thus falling short of the adjusted forecast.

The automotive net cash flow came to €3,735 million (2023: €3,973 million). The resulting automotive net cash flow margin of 10.2% (2023: 10.6%) was within the original range.

At 12.7% (2023: 12.8%), the proportion of purely battery-powered electric vehicles (automotive BEV share) was below the originally expected range but within the adjusted expectation.

911 Carrera GTS (WLTP): Fuel consumption combined: 11.0 – 10.5 l/100 km; CO_2 emissions combined: 251 – 239 g/km; CO_2 class: G

Comparison of 2024 forecast of the Porsche AG Group with actual business development

		Original forecast 2024 in the Annual Report 2023	Adjusted forecast 2024 in the Half Year Financial Report	Actual business development 2024
Porsche AG Group				
Sales revenue	€ billion	40 to 42	39 to 40	40.1
Return on sales	%	15 to 17	14 to 15	14.1
Automotive segment				
Automotive net cash flow margin	%	8.5 to 10.5	7 to 8.5	10.2
Automotive EBITDA margin	%	24 to 26	23 to 24	22.7
Automotive BEV share	%	13 to 15	12 to 13	12.7

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

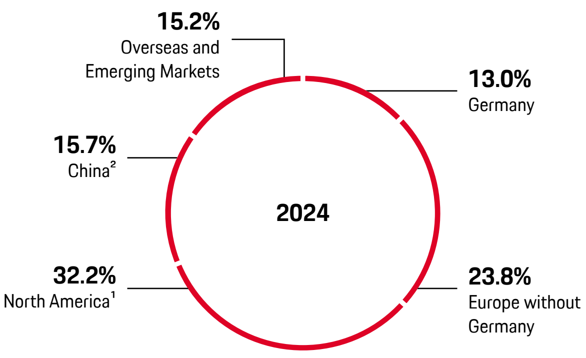
RESULTS OF OPERATIONS

The Porsche AG Group generated sales revenue of €40,083 million in the fiscal year 2024. This is a decrease of 1.1% on the prior year (2023: €40,530 million) and is largely due to lower vehicle sales coupled with positive price and equipment effects.

In the fiscal year 2024, the Porsche AG Group sold 312,620 vehicles. This corresponds to a 6.3% decrease in unit sales compared to the prior-year period (2023: 333,605 vehicles).

The Cayenne was the best-selling series with 100,469 vehicles sold, followed by the Macan with 82,872 vehicles sold. The new all-electric Macan accounted for 23,765 of these vehicles. The largest relative growth was recorded for the 718 Boxster/Cayman (up 2,770 vehicles; up 12.4%) and the Cayenne (up 7,603 vehicles; up 8.2%). Declines were recorded for the Taycan (down 17,360 vehicles; down 43.3%), the Panamera (down 3,729 vehicles; down 10.8%) and the 911 (down 2,980 vehicles; down 5.5%) due to the current model changes, among other things. In addition, the ramp-up of electromobility in the Porsche AG Group as a whole is currently slower than planned.

Sales revenue by region (excluding hedges)



[1] North America excl. Mexico
[2] China incl. Hong Kong

In regional terms, with a total of 91,024 vehicles sold, North America excl. Mexico was the largest market, with a decrease of 1.1%. The regions Europa without Germany with 79,218 vehicles (up 6.5%), Overseas and Emerging Markets with 58,018 vehicles (up 1.3%) and Germany with 30,939 vehicles (up 1.0%) recorded growth. The region China incl. Hong Kong, on the other hand, reported a decrease of 32.7% to 53,421 vehicles. This was again due to the challenging market situation and the focus on value-based sales in this region. The Porsche AG Group countered the decline in the region China with an increased focus on sales in the other regions. The result is a globally balanced sales structure.

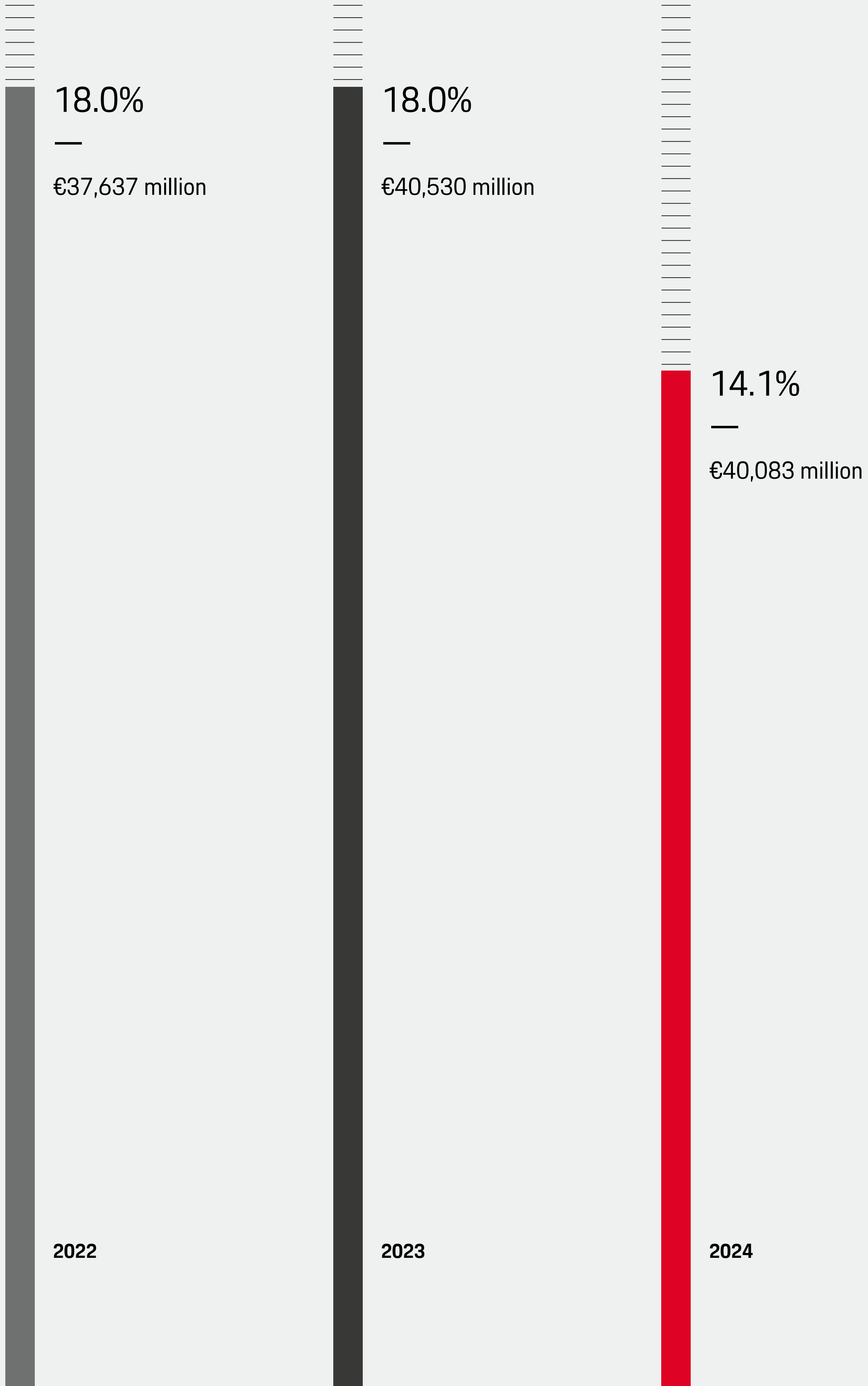
Vehicle sales of the Porsche AG Group

Units	2024	2023
911	50,761	53,741
718 Boxster/Cayman	25,165	22,395
Macan	82,872	90,161
Cayenne	100,469	92,866
Panamera	30,657	34,386
Taycan	22,696	40,056
Vehicle sales	**312,620**	**333,605**

Cost of sales increased by €832 million to €29,756 million (2023: €28,924 million) and, in proportion to sales revenue, was up on the prior-year level at 74.2% (2023: 71.4%). This is mainly due to higher cost of materials as well as higher development costs recognized in the income statement and start-up costs in connection with the renewal of the model range.

At €10,327 million (2023: €11,606 million), gross profit decreased accordingly by 11.0%, with the gross margin standing at 25.8% (2023: 28.6%).

Return on sales as % and sales revenue in € million
of Porsche AG Group



Condensed income statement of the Porsche AG Group

€ million	2024	2023
Sales revenue	**40,083**	**40,530**
Cost of sales	–29,756	–28,924
Gross profit	**10,327**	**11,606**
Distribution expenses	–3,099	–2,869
Administrative expenses	–1,859	–1,787
Net other operating result	268	335
Operating profit	**5,637**	**7,284**
Return on sales (%)	14.1	18.0
Financial result	–409	91
Profit before tax	**5,227**	**7,375**
Income tax expense	–1,632	–2,218
Profit after tax	**3,595**	**5,157**

Distribution expenses increased by €230 million to €3,099 million. In proportion to sales revenue, this is an increase of 7.7% (2023: 7.1%). This increase is due, among other things, to higher expenses in the context of digitalization and higher costs for strengthening customer-oriented services. At €1,859 million, administrative expenses were up slightly on the prior-year period (2023: €1,787 million) and, in proportion to sales revenue, remained virtually unchanged at 4.6% (2023: 4.4%).

Net other operating result decreased by €66 million to €268 million (2023: €335 million).

Accordingly, the operating profit of the Porsche AG Group decreased by €1,647 million to €5,637 million in the fiscal year 2024 (2023: €7,284 million). The operating return on sales of the Porsche AG Group stood at 14.1% (2023: 18.0%).

In the fiscal year 2024, the financial result decreased to €–409 million (2023: €91 million). The decrease is mainly due to current earnings effects from equity-accounted investments as well as special effects from other investments in the area of batteries and connectivity.

Income tax did not decrease at the same rate as the profit before tax, falling to €1,632 million (2023: €2,218 million). This is attributable to the higher tax rate for the Porsche AG Group of 31.2% (2023: 30.1%).

Profit after tax decreased by €1,562million to €3,595million in the current reporting period.

Earnings per ordinary share came to €3.94 (2023: €5.66) and per preferred share to €3.95 (2023: €5.67). Earnings per ordinary share and per preferred share were determined on the basis of a total of 455,500,000 shares in each category.

Automotive results of operations

Automotive operating profit of €5,286 million in the fiscal year 2024 fell €1,653 million short of the prior year (2023: €6,938 million). With automotive sales revenue of €36,438 million, automotive return on sales stood at 14.5% (2023: 18.6%). Automotive EBITDA decreased by €1,323 million to €8,271 million (2023: €9,594 million) and the automotive EBITDA margin stood at 22.7% (2023: 25.7%). This was mainly due to higher material costs, higher development costs recognized in the income statement and start-up costs in connection with the renewal of the model range.

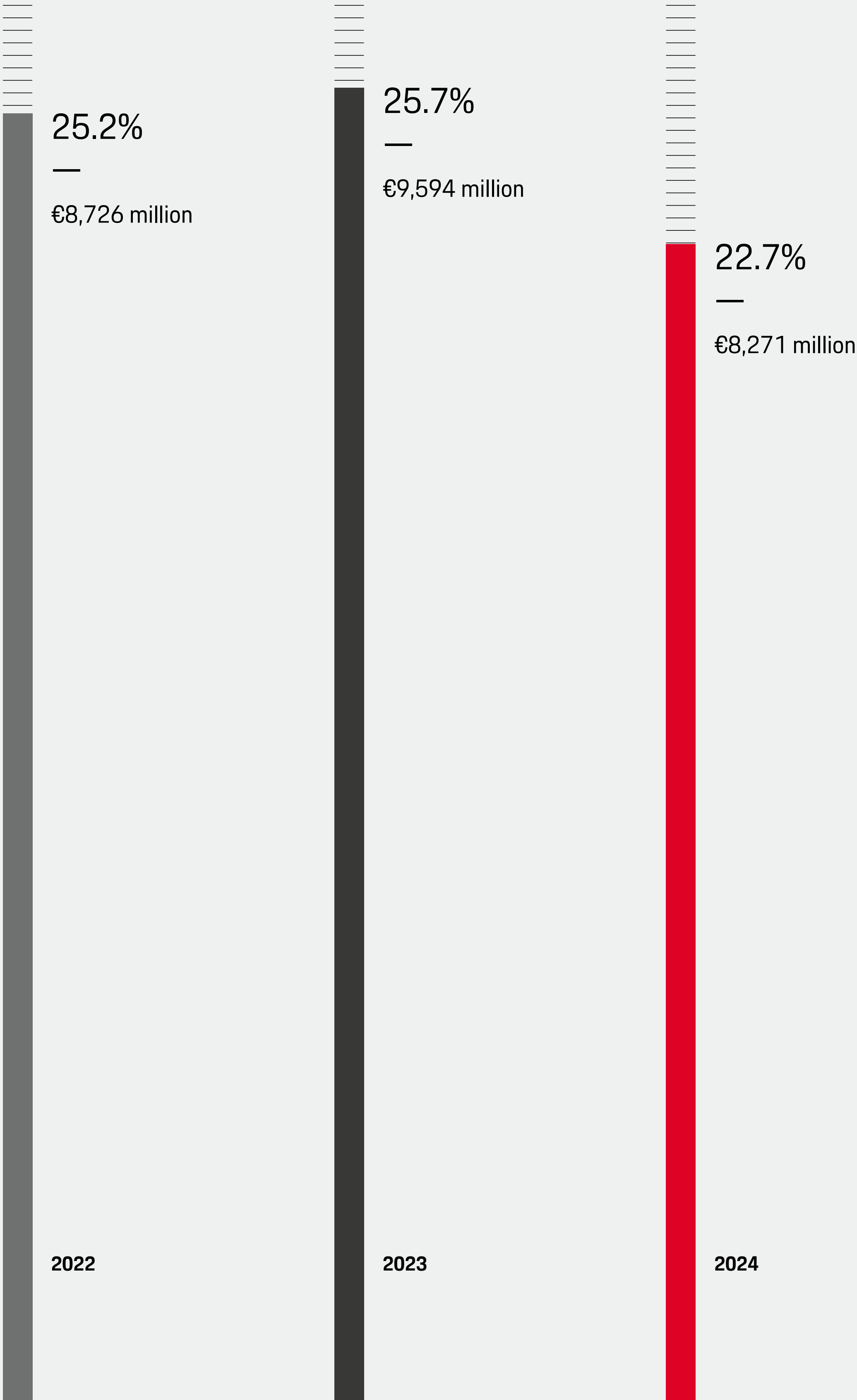
Automotive EBITDA margin

€ million	2024	2023
Automotive operating profit	5,286	6,938
Depreciation, amortization and impairment losses	2,985	2,656
Automotive EBITDA	**8,271**	**9,594**
Automotive sales revenue	36,438	37,349
Automotive EBITDA margin (%)	**22.7**	**25.7**

Financial services results of operations

Financial services sales revenue increased to €3,910 million (2023: €3,444 million). Financial services operating profit decreased to €278 million in the fiscal year 2024 (2023: €302 million).

Automotive EBITDA margin as % and Automotive EBITDA in € million
of Porsche AG Group



The decrease was mainly due to the measurement of interest rate hedges and derivatives outside of hedge accounting as part of regular refinancing activities. As a result, financial services return on sales decreased to 7.1% (2023: 8.8%).

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 39.6% as of December 31, 2024 (2023: 40.1%). While demand for financial services products increased year on year in the regions North America excl. Mexico and China incl. Hong Kong, demand in the regions Germany, Europe without Germany and Overseas and Emerging Markets declined slightly.

The main reasons for the year-on-year decline in the European markets were the persistently high interest rates and a change in the model mix due to numerous model launches. The latter had a negative impact on overall penetration due to a lower proportion four-door model series, which structurally have a higher penetration.

The overall number of contracts for financing and leasing of the Porsche AG Group, including its cooperation partners, increased by 1.2% to 349 thousand contracts as of December 31, 2024 (2023: 345 thousand contracts).

FINANCIAL POSITION

In the fiscal year 2024, cash flows from operating activities of the Porsche AG Group amounted to €6,353 million, down on the prior year (2023: €7,023 million). This decrease is primarily attributable to the lower profit before tax.

Cash outflows in working capital of €1,960 million (2023: cash outflows of €1,866 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 €1,852 million (2023: cash outflows of €1,322 million) and receivables from financial services of €399 million (2023: cash outflows of €645 million).

Cash outflows from investing activities amounted to €4,120 million and increased year on year by €2,917 million (2023: cash outflows of €1,203 million). In addition to lower cash outflows from investing activities of current operations, the change in investments in securities and time deposits and loans resulted in cash outflows of €113 million (2023: cash inflows of €3,119 million).

Cash outflows from financing activities of €1,679 million (2023: cash outflows of €3,708 million) largely related to the dividend payment of €2,101 million (2023: profit transfer and dividend payment of €4,895 million). In addition, there were cash inflows in the change in other financing activities of €421 million (2023: cash inflows of €1,186 million).

Automotive financial position

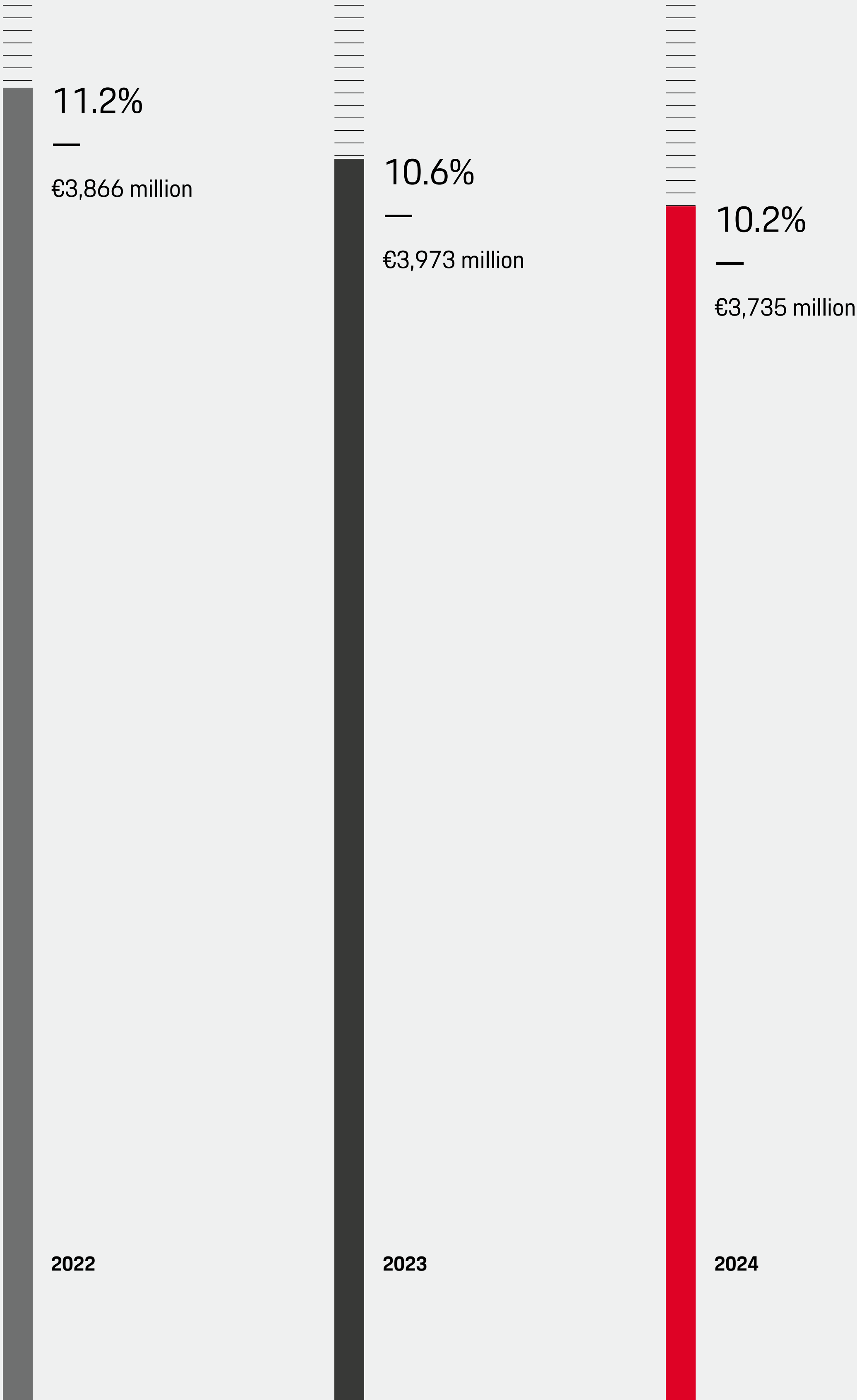
Automotive cash flows from operating activities decreased by €505 million to €7,750 million (2023: €8,256 million). This includes cash outflows of €250 million in connection with the pension plans funded by external plan assets.

Cash inflows in automotive working capital amounted to €310 million (2023: cash outflows of €2 million). The automotive working capital was affected by the cash outflows of €56 million caused by the change in inventories (2023: cash outflows of €671 million). The inventories of vehicles built up in the prior year in connection with the market launch of the Cayenne decreased in the fiscal year 2024. Cash inflows from the change in receivables increased to €294 million (2023: cash outflows of €279 million). The cash outflows from the change in liabilities of €449 million (2023: cash inflows of €578 million) were related to the decrease in trade payables, which resulted in cash outflows in the ordinary course of business. The change in other provisions of €521 million (2023: cash inflows of €370 million) had a positive impact on automotive working capital.

Compared to the prior-year period, cash outflows from the investing activities of current operations decreased from €4,282 million to €4,016 million. While automotive capital expenditure increased year on year to €2,119 million (2023: cash outflows of €1,964 million), additions to capitalized development costs decreased to €1,583 million (2023: €2,081 million). Cash outflows from the change in equity investments increased to €437 million (2023: cash outflows of €248 million), in particular due to investments in strategic partnerships in connection with the digitalization strategy.

As of the end of the fiscal year, the automotive net cash flow decreased moderately to €3,735 million (2023: €3,973 million). The decrease in the automotive net cash flow margin to 10.2% (2023: 10.6%) was primarily due to the lower profit before tax. This was offset by cash inflows in working capital and lower cash outflows in investing activities of current operations.

Automotive net cash flow margin as % and Automotive net cash flow in € million
of Porsche AG Group



Automotive net cash flow

€ million	2024	2023
Cash flows from operating activities	**7,750**	**8,256**
Change in working capital	310	–2
Change in inventories	–56	–671
Change in receivables (excluding financial services)	294	–279
Change in liabilities (excluding financial liabilities)	–449	578
Change in other provisions	521	370
Investing activities of current operations[1]	**–4,016**	**–4,282**
Investments in intangible assets (excluding capitalized development costs) and property, plant and equipment	–2,119	–1,964
Additions to capitalized development costs	–1,583	–2,081
Changes in equity investments	–437	–248
Automotive net cash flow	**3,735**	**3,973**

1 Including cash received from disposal of intangible assets and property, plant and equipment.

As of December 31, 2024, automotive net liquidity increased by €1,343 million to €8,558 million compared to the prior-year reporting date primarily due to the cash inflows from the automotive net cash flow.

In 2024, cash and cash equivalents in the automotive segment at the end of the period rose by €983 million to €7,121 million (2023: €6,139 million). In addition, securities and time deposits and loans increased 2024 slightly by €184 million to €3,907 million. Automotive third-party borrowings decreased by €176 million to €2,470 million in 2024.

The Porsche AG Group's existing revolving credit line of €2,500 million was not utilized in the reporting year (utilization in 2023: €0 million).

Automotive net liquidity

€ million	2024	2023
Cash and cash equivalents	7,121	6,139
Securities and time deposits and loans	3,907	3,723
Gross Liquidity	**11,028**	**9,861**
Third-party borrowings	–2,470	–2,646
Automotive net liquidity	**8,558**	**7,215**

Condensed cash flows of the Porsche AG Group

€ million	2024	2023
Cash and cash equivalents at beginning of period	**5,826**	**3,745**
Profit before tax	5,227	7,375
Income taxes paid	–1,454	–2,190
Depreciation and amortization[1]	4,088	3,528
Gain/loss on disposal of non-current assets	61	14
Share of profit or loss of equity-accounted investments	185	34
Change in pension provisions	35	251
Other non-cash expense/income	169	–122
Change in working capital	**–1,960**	**–1,866**
Change in inventories	–75	–694
Change in receivables (excluding financial services)	177	–190
Change in liabilities (excluding financial liabilities)	–347	618
Change in other provisions	537	366
Change in leased assets	–1,852	–1,322
Change in financial services receivables	–399	–645
Cash flows from operating activities	**6,353**	**7,023**
Investing activities of current operations	–4,007	–4,322
Change in investments in securities and time deposits and loans	–113	3,119
Cash flows from investing activities	**–4,120**	**–1,203**
Profit transfer and dividends	–2,101	–4,895
Change in other financing activities	421	1,186
Cash flows from financing activities	**–1,679**	**–3,708**
Effect of exchange rate changes on cash and cash equivalents	6	–31
Net change in cash and cash equivalents	**558**	**2,081**
Cash and cash equivalents at end of period	**6,384**	**5,826**

1 Offset against reversals of impairment losses.

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 credit lines and by taking out loans. A revolving credit line of €2,500 million from 21 banks secures the liquidity position further.

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 €53,527 million, that is a 6.1% increase compared to December 31, 2023.

Intangible assets increased from €8,554 million to €8,941 million. The increase was largely attributable to capitalized development costs.

Property, plant and equipment increased by €654 million to €10,048 million compared to 2023. The increase primarily resulted from additions to furniture and fixtures, plant and machinery and land and buildings, while advance payments made and assets under construction decreased. Leased assets increased by €1,202 million to €5,393 million compared to 2023. This item includes vehicles leased to customers under operating leases.

Non-current and current financial services receivables increased from €6,345 million to €6,886 million. These mainly include receivables from finance leases as well as receivables from customer and dealer financing. The number of financing and leasing contracts increased in the past fiscal year.

Equity-accounted investments, other equity investments, other financial assets, other receivables and deferred tax assets increased overall from €3,592 million in the prior year to €3,780 million.

Investments accounted for at equity include additions of €188 million, with higher offsetting subsequent measurements resulting in an overall decrease of €24 million to €627 million.

The increase in other financial assets of €78 million was due to the acquisition of shares in new investments, with impairments due to subsequent measurements and disposals due to reclassifications to investments accounted for using the equity method having the opposite effect.

In total, non-current assets increased by €2,832 million to €33,239 million. Non-current assets expressed as a percentage of total assets amounted to 62.1% (2023: 60.3%).

Compared to the prior year, inventories increased from €5,947 million to €6,130 million as a result of prepayments made under inventories. By contrast, there was a decrease in inventories of vehicles built up in the prior year in connection with the market launch of the Cayenne.

Current other financial assets and other receivables decreased by €826million to €3,712million. The reduction mainly related to receivables from loans, marking derivative financial instruments to market and trade receivables. By contrast, there was an increase in miscellaneous financial assets and other receivables.

Securities and time deposits as well as cash and cash equivalents increased by €704 million to €8,349 million compared to 2023.

As of December 31, 2024, the equity of the Porsche AG Group increased by €1,388 million to €23,056 million compared to the figure from December 31, 2023. Profit after tax led to an increase in equity of €3,595 million, while other comprehensive income, net of tax, led to a decrease in equity of €116 million. Within other comprehensive income, net of tax, the decrease was mainly due to the measurement of derivative financial instruments through other comprehensive income, while effects from currency translation as well as the remeasurement of pension plans, net of tax, led to an increase.

Dividend payments of €2,101 million, which were resolved by the Annual General Meeting of Porsche AG on June 7, 2024, caused equity to decrease.

Pension provisions decreased by €241 million in the fiscal year 2024 compared to the comparative period of 2023. The decline is due in particular to allocations made to external plan assets. It is also due to the change in the discount rate for domestic pension obligations from 3.2% to 3.4%. This was partly offset by the decrease in current service cost.

Furthermore, non-current other liabilities increased by €535 million to €4,894 million compared to December 31, 2023. In total, non-current liabilities increased by €917 million to €16,128 million. Non-current liabilities expressed as a percentage of total capital amount to 30.1% (2023: 30.2%).

Condensed statement of financial position of the Porsche AG Group as of December 31, 2024

€ million	Dec. 31, 2024	in %	Dec. 31, 2023	in %
Assets				
Non-current assets	**33,239**	**62.1**	**30,407**	**60.3**
Intangible assets	8,941	16.7	8,554	17.0
Property, plant and equipment	10,048	18.8	9,394	18.6
Leased assets	5,393	10.1	4,190	8.3
Financial services receivables	5,078	9.5	4,676	9.3
Equity-accounted investments, other equity investments, other financial assets, other receivables and deferred tax assets	3,780	7.1	3,592	7.1
Current assets	**20,288**	**37.9**	**20,040**	**39.7**
Inventories	6,130	11.5	5,947	11.8
Financial services receivables	1,808	3.4	1,669	3.3
Other financial assets and other receivables	3,712	6.9	4,537	9.0
Tax receivables	289	0.5	235	0.5
Securities and time deposits	1,965	3.7	1,826	3.6
Cash and cash equivalents	6,384	11.9	5,820	11.5
Assets held for sale	–	0.0	6	0.0
Total assets	**53,527**	**100.0**	**50,447**	**100.0**
Equity and liabilities				
Equity	**23,056**	**43.1**	**21,668**	**43.0**
Non-current liabilities	**16,128**	**30.1**	**15,211**	**30.2**
Provisions for pensions and similar obligations	4,074	7.6	4,315	8.6
Financial liabilities	7,160	13.4	6,537	13.0
Other liabilities	4,894	9.1	4,360	8.6
Current liabilities	**14,343**	**26.8**	**13,567**	**26.9**
Financial liabilities	4,253	7.9	3,880	7.7
Trade payables	3,378	6.3	3,490	6.9
Other liabilities	6,712	12.5	6,192	12.3
Liabilities associated with assets held for sale	–	0.0	5	0.0
Total equity and liabilities	**53,527**	**100.0**	**50,447**	**100.0**

Non-current and current financial liabilities increased from €10,417 million to €11,413 million. The increase mainly related to the refinancing of the financial services business through asset-backed securities.

Trade payables decreased from €3,490 million to €3,378 million compared to year-end 2023 in the ordinary course of business.

Current other liabilities increased by €520 million to €6,712 million compared to December 31, 2023. The increase is largely due to the increase in other provisions. In total, current liabilities increased by €776 million to €14,343 million. Current liabilities expressed as a percentage of total capital amounted to 26.8% (2023: 26.9%).

As of December 31, 2024,there were off-balance-sheet contingent liabilities of €46 million, which decreased in particular due to the decline in liabilities from guarantees compared to the prior-year period (2023: €64 million).

Off-balance-sheet other financial obligations increased by €256 million to €5,648 million and essentially comprised obligations from development, supply and service agreements.

PORSCHE AG HGB FINANCIAL STATEMENTS (CONDENSED VERSION)

RESULTS OF OPERATIONS

In the reporting year, sales revenue decreased slightly by 3.3% on the prior year from €31,839 million to €30,795 million. The decrease was largely due to lower sales coupled with positive price and equipment effects. Sales revenue was largely offset by cost of materials of €18,500 million (2023: €18,993 million), personnel expenses of €3,070 million (2023: €3,336 million) as well as other operating expenses of €4,840 million (2023: €4,580 million). The decrease in personnel expenses is largely due to the lower current service cost for the company pension scheme.

Of other operating income of €2,337 million (2023: €3,155 million), €136 million (2023: €227 million) related to exchange rate gains. The contribution of shares in MHP Management- und IT-Beratung GmbH, Ludwigsburg, in return for the granting of new shares in Porsche Investments Management S.A., Luxembourg, resulted in other operating income of €1,326 million.

Cost of materials relates to expenses for raw materials, consumables and supplies and for purchased merchandise of €15,413 million (2023: €16,141 million) and to expenses for purchased services of €3,087 million (2023: €2,852 million). The 2.6% decrease in cost of materials is in line with the development of sales revenue.

Other operating expenses of €4,840 million (2023: €4,580 million) include exchange rate losses of €131 million (2023: €399 million). The increase in other operating expenses is mainly driven by higher costs in connection with guarantees and losses from the disposal of non-current assets. This was partly offset by lower expenses in connection with exchange rate fluctuations.

The investment result comprises income from equity investments of €441 million (2023: €689 million), income from profit and loss transfer agreements of €372 million (2023: €1,299 million), expenses from equity investments of €73 million (2023: €53 million) and expenses from loss absorption of €206 million (2023: €4 million). The significant decrease in income from profit and loss transfer agreements is mainly due to the profit transfer from Porsche Nordamerika Holding GmbH, Ludwigsburg, of €3 million. In the prior year, this company had transferred profit of €787 million in the form of a dividend from Porsche Cars North America, Inc., Atlanta. Income from equity investments primarily comprises dividends from Porsche Hong Kong Ltd, Hong Kong, Porsche Cars Australia Pty Ltd, Collingwood, Porsche Brasil Importadora de Veículos Ltda, São Paulo, Porsche Asia Pacific Pty Ltd, Singapore, and Porsche Middle East and Africa FZE, Dubai. Expenses from equity investments mainly relate to the impairment losses of Cetitec GmbH, Pforzheim (€30 million). They also include the impairment loss on the loan receivables from Porsche Erste Beteiligungsgesellschaft mbH, Stuttgart (€40 million).

The negative interest result of €16 million (2023: €37 million) primarily contained interest income from affiliates, interest expenses from discounting non-current provisions as well as interest expenses for the debenture bonds issued.

Income tax for the fiscal year 2024 amounts to €1,135 million. The low tax rate of 21.3% is mainly due to the additional profit under commercial law in connection with the transfer of shares in MHP Management- und IT-Beratung GmbH, Ludwigsburg, in return for granting new shares in Porsche Investments Management S.A., Luxembourg.

The net income for the year before appropriation of profit amounts to €4,175 million.

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

€ million	2024	2023
Sales revenue	30,795	31,839
Changes in inventories and other own work capitalized	–45	84
Total operating performance	**30,750**	**31,923**
Other operating income	2,337	3,155
Cost of materials	–18,500	–18,993
Personnel expenses	–3,070	–3,336
Amortization and depreciation of intangible assets and property, plant and equipment	–1,859	–1,662
Other operating expenses	–4,840	–4,580
Investment result	535	1,932
Interest result	–16	–37
Profit before taxes	**5,336**	**8,402**
Income tax expense	–1,135	–1,525
Profit after taxes	**4,201**	**6,877**
Other taxes	–26	–37
Net income for the year	**4,175**	**6,840**
Additions to retained earnings	–2,075	–3,420
Distributable profit	**2,100**	**3,420**

NET ASSETS AND FINANCIAL POSITION

As of December 31, 2024, total assets increased by €1,932 million from €25,393 million to €27,325 million. Fixed assets increased by €1,877 million, while current assets increased by €57 million.

The share of fixed assets in relation to total assets was 63.5% (2023: 61.0%). Property, plant and equipment increased by €560 million to €7,458 million (2023: €6,898 million); investments exceeded depreciation, amortization and impairment losses. The increase in fixed financial assets by €1,655 million to €7,799 million is primarily the result of a change in the intragroup reorganization of the investment structure through the contribution of shares in MHP Management- und IT-Beratung GmbH, Ludwigsburg, in exchange for the granting of new shares in Porsche Investments Management S.A., which led to additions of €1,592 million and disposals of shares of €266 million.

Current assets amounted to €9,816 million as of December 31, 2024 (2023: €9,759 million). The slight increase in current assets is primarily due to the increase in inventories in connection with advance payments made (up €318 million) and higher receivables from affiliated companies (up €104 million). By contrast, inventories of finished vehicles decreased (down €261 million). In addition, trade receivables (down €115 million) and other assets (down €167 million) decreased, particularly in connection with the measurement of derivative financial instruments.

Equity amounts to €13,648 million as of the reporting date (2023: €11,573 million). The equity ratio stands at 49.9% (2023: 45.6%).

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 from the annual distributable profit an additional dividend of €0.01 per preferred share above the dividend allocable to the ordinary share.

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

In accordance with the resolution on the appropriation of net profit passed by the Annual General Meeting, a partial amount of €1,320 million was transferred from the prior-year distributable profit to retained earnings in accordance with section 58 (3) AktG. After the transfer to retained earnings pursuant to section 58 (2) AktG of €2,075 million, the company's distributable profit is €2,100 million (2023: €3,420 million).

Provisions for pensions largely relate to pension benefits for the employees of Porsche AG. The pension obligations are fully covered by provisions. Provisions for pension obligations (pension provisions) are discounted at the average market interest rate of the past ten fiscal years (section 253 (2) sentence 1 HGB).

These are €333 million (2023: €112 million; difference pursuant to section 253 (6) HGB) lower than the carrying amount for pension provisions that would have been recorded as of December 31, 2024 had the seven-year average interest rate been applied. The decrease in pension provisions by €105 million to €5,186 million was mainly due to the pension plans of €250 million funded by external plan assets in the fiscal year 2024.

Other provisions increased by €430 million from €3,824 million to €4,254 million, mainly due to the increase in warranty provisions (up €116 million) and the provision for exceeding emission limits (up €165 million). The latter is due to the overall slower than planned ramp-up of electromobility at Porsche AG.

The decrease in liabilities including deferred income by €463 million to €4,186 million (2023: €4,649 million) is mainly due to the repayment of two debenture bonds in the amount of €303 million.

Porsche AG assesses its economic situation against the background of the extensive renewal of the product portfolio, the overall challenging economic and political environment, the slower transition to electromobility and market developments in the region China incl. Hong Kong. Porsche AG countered the decline in deliveries in the region China with an increased focus on deliveries in the other regions. The result is a globally balanced sales structure in the past fiscal year. Against this background, Porsche AG consider the overall development of the fiscal year 2024 to be solid, in line with the Porsche AG Group. In addition, Porsche AG was always able to fulfill its financial obligations in the fiscal year 2024.

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 in the medium term to distribute an annual dividend of around 50%. The distribution rate is based on the IFRS profit/loss of the group after taxes.

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 €2,075 million to other retained earnings, net retained profit of €2,100 million is eligible for distribution.

It will be proposed to the Annual General Meeting that a partial amount of €1,048 million (2023: €1,048 million) from the distributable profit of €2,100 million (2023: €3,420 million) be used to pay a dividend of €2.30 per ordinary share carrying dividend rights and a partial amount of €1,052 million (2023: €1,052 million) be used to pay a dividend of €2,31 per preferred share carrying dividend rights. In addition, no further transfer to other retained earnings is proposed (2023: €1,320 million).

Statement of financial position structure of Dr. Ing. h.c. F. Porsche AG as of December 31, 2024

€ million	Dec. 31, 2024	Dec. 31, 2023
Assets		
Fixed assets		
Intangible assets	2,100	2,438
Property, plant and equipment	7,458	6,898
Financial assets	7,799	6,144
	17,357	**15,480**
Current assets		
Inventories	3,167	2,935
Receivables	5,766	5,777
Other assets	865	1,032
Cash on hand and bank balances	17	16
	9,816	**9,759**
Prepaid expenses	151	154
Excess of covering assets over pension and similar obligations	1	0
	27,325	**25,393**

Equity and liabilities		
Equity		
Subscribed capital	911	911
Capital reserves	3,822	3,822
Retained earnings	6,815	3,420
Distributable profit	2,100	3,420
	13,648	**11,573**
Provisions		
Provisions for pensions and similar obligations	5,186	5,291
Other provisions	4,305	3,881
	9,492	**9,172**
Liabilities		
Liabilities to banks	765	1,074
Advance payments received on account of orders	55	46
Trade payables	950	1,069
Other liabilities	1,814	1,907
	3,583	**4,096**
Deferred income	603	553
	27,325	**25,393**

BUSINESS DEVELOPMENT OF PORSCHE AG

As the parent company of the Porsche AG Group, Porsche AG is generally subject to the same → **Business development**, risks and opportunities as well as expected developments. The → **Report on expected developments** section comments on the forecast, while the → **Report on risks and opportunities** section comments on the risks and opportunities.

Sales

In the fiscal year 2024, Porsche AG sold 300,277 vehicles in total (2023: 332,681 vehicles). The decrease of 9.7% is mainly due to higher sales to importers and sales networks in Europe and North America. By contrast, the Chinese market declined. This decline is largely attributable to the continuing challenging economic situation in this region.

Production

In the reporting year, Porsche AG manufactured a total of 185,115 vehicles (2023: 228,727 vehicles) at its Zuffenhausen and Leipzig plants. In addition, Volkswagen Osnabrück GmbH produced a further 23,786 vehicles on a contract basis.

Personnel

As of December 31, 2024, a total of 23,650 persons (2023: 24,724 persons), excluding employees at subsidiaries, were employed at Porsche AG. On average, Porsche AG had 24,029 employees in the fiscal year 2024.

RISKS FROM FINANCIAL INSTRUMENTS

When using financial instruments, Porsche AG is generally exposed to the same risks as for the Porsche AG Group. An explanation of these risks can be found in the →**Report on risks and opportunities** in this combined management report.

DEPENDENT COMPANY REPORT

The Executive Board of Porsche 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, 2024. This assessment is based on the circumstances known at the time when the transactions were entered into.”

REPORT ON RISKS AND OPPORTUNITIES

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.

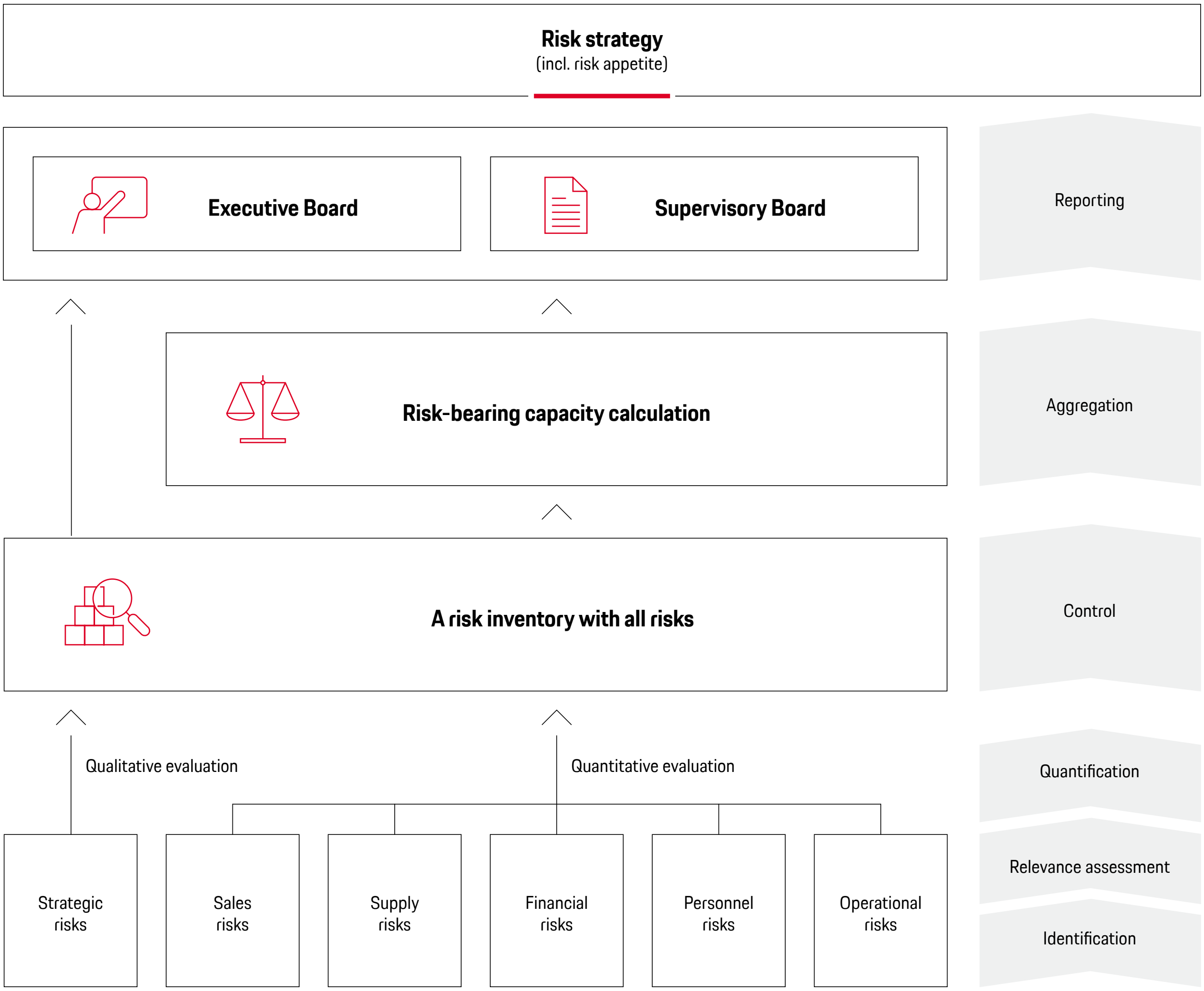
Regular reporting on risk management aims to support Porsche AG's Executive Board in the timely identification of developments jeopardizing the company's ability to continue as a going concern.

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 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 situation of risks and opportunities as of December 31, 2024.

Risk strategy

Risk strategy of the Porsche AG Group



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.

RISK CATEGORIES OF THE PORSCHE AG GROUP

The Porsche AG Group distinguishes between six risk categories which are derived from the business model. These are used to classify individual risks according to their causes. They form the risk inventory of the Porsche AG Group.

The risks within the five risk categories of sales risks, supply risks, financial risks, personnel risks and operational risks can be assessed on a quantitative basis. Risks from the sustainability environment are also integrated into these processes. Quantification involves determining the short-term financial impact of the risks within the RMS period under review, which corresponds to the current fiscal year and the three subsequent years. 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 relevant quantified risks identified as of December 31, 2024, i.e. risks with a financial net potential in a worst-case scenario greater than or equal to €100 million, form the basis for the reporting of the Porsche AG Group's risk and opportunity situation. → Risk and opportunity situation as of December 31, 2024

The strategic risks category exclusively comprises long-term corporate risks that may impair the Porsche AG Group's ability to achieve its long-term corporate goals.

Strategic risks are always evaluated qualitatively on the basis of their long-term nature, which means that they are not included in the risk-bearing capacity calculation and are therefore not reflected in the risk and opportunity situation as of December 31, 2024. The early identification of strategic risks and the implementation of effective control measures strengthen the resilience of the Porsche AG Group. Strategic risks include the geopolitical environment, dependence on the supply chain, product development & innovation and the strategic orientation of the Porsche AG Group. These risks are included in the annual reporting to the Executive Board and Supervisory Board of the Porsche AG Group. Long-term sustainability-related aspects are also considered part of strategic risk management. If issues materialize in the context of strategic risks and risks arise within the RMS period under review, these are included in the other risk categories and assessed quantitatively if they are material. These risks are reflected in the current risk and opportunity situation of the Porsche AG Group.

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 onto the statement of financial position of another company.

RISK AGGREGATION AND RISK-BEARING CAPACITY

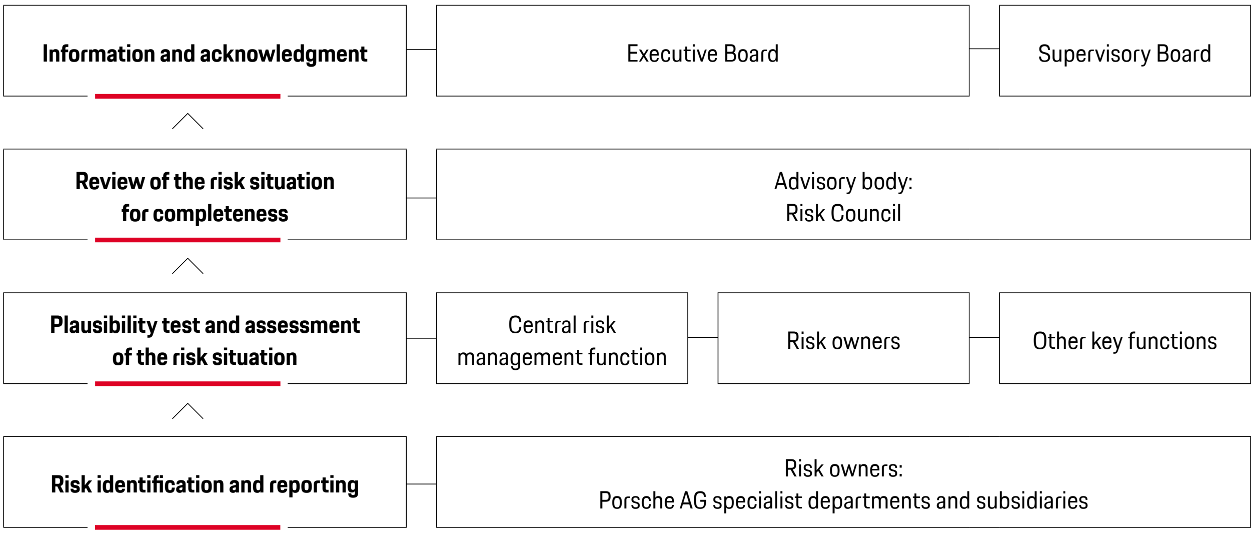
Risks can lead, both individually, but primarily when acting together in an unfavorable manner, to a situation that could jeopardize the company's ability to continue as a going concern. To ensure that the interplay of individual risks is adequately taken into account, central risk management aggregates the relevant quantified individual risks, i.e. risks with a financial net potential in a worst-case scenario 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 availabe liquidity. The automotive segment is considered separately and the financial services segment is also monitored separately in order to determine the company's specific risk-bearing capacity.

In order to ensure that developments jeopardizing the 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. The decentralized organizational structure is designed to emphasize the importance of risk management in the local operating units and ensure risks are managed effectively.

The basis of consolidation of the RMS matches that of the Porsche AG Group. If it makes sense from a risk perspective, the basis of consolidation can be expanded for risk management purposes to include other subsidiaries.

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. Relevant risks are quantified within the risk categories of sales risk, supply risk, financial risk, personnel risk and operational risk. 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 for the respective quarter and the overall risk are reported to the Executive Board and Supervisory Board.

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, voluntary refresher trainings are also offered alongside compulsory trainings. Central risk management reviews 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 Porsche Group's 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 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 2024.

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 group 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 ensure the complete, timely, uniform and correct recording and transmission of the relevant information for the consolidated financial statements and the combined group 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 2024, 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 earnings indicators and cost structures combined with a high level of financial strength provide the Porsche AG Group with the financial headroom for future investments in products, technology and services, even in a challenging environment. 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, 2024

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 environment represents the framework conditions for the risks and opportunities listed in the following categories and is included as an assumption in the assessment of these risks and opportunities.

The macroeconomic conditions are characterized by extraordinary uncertainties and influence the business development of the Porsche AG Group. Uncertainties arise in particular from global economic and geopolitical events and protectionist tendencies. In addition, there are increasing environmental challenges that affect individual countries and regions to varying degrees. High private- and public-sector debt is clouding the outlook for growth and may likewise cause markets to respond with uncertainty. Demographic change may also inhibit growth. Turbulence on the financial market, persistently high energy and commodity prices and an inflation rate that is declining but remains at a high level, combined with a continued restrictive monetary policy, are also leading to persistently high interest rates, cautious purchasing behavior and waning economic performance, which are having an impact on the business activities of the Porsche AG Group.

The relevant risks by risk category for the Porsche AG Group as of December 31, 2024 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[1]

Risk categories	Classification of the level of risk	Change on prior year
Sales risks		
Trade barriers[2]	High	Increased
Market development	High	Unchanged
Supply risks		
Purchasing and logistics	High	Unchanged
Geopolitics	High	Unchanged
Operational risks		
Regulatory environment[3]	High	Increased
Information technology	Medium	Increased
Taxes	Low	Unchanged
Litigation	Low	Unchanged
Financial risks[4]		
Currencies	Low	-
Commodities	Low	-
Interest rates	Low	-
Other financial risks	Low	-
Personnel risks	Low	.Unchanged

1 As of December 31, 2024, the "Strategic risks and opportunities" are no longer part of the risk situation due to their long-term period under review
→ **Risk categories of the Porsche AG Group**

2 As of December 31, 2024, customs risks are reported under "Sales risks" as part of trade barriers (2023: reported separately under "Operational risks").

3 As of December 31, 2024, the regulatory environment within "Operational risks" also includes draft legislation (2023: "Strategic risks").

4 As of December 31, 2024, the "Financial risks" are integrated into the risk situation (2023: "Financial risk management and methods as well as opportunities" section). It is not possible to present the change compared to the prior year due to the change in methodology.

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 number of trade restrictions continues to grow, increasing the risks associated with trade barriers, and are therefore to be classified as “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.

A key risk in this context is the possibility of import tariff increases by the USA, which could have a significant impact on pricing and sales in the US market. To counter this risk, the Porsche AG Group has developed preparatory measures that enable it to react to any changes quickly and in a targeted manner.

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.

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.

In the context of increasing trade barriers, laws governing export controls 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.

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.

There is also still the risk of an increasing decline in demand due to the dynamic market and competitive situation in China. A deterioration in the overall economic situation in China, e.g. as a result of a real estate crisis and the associated loss of purchasing power, increasing competition in the Chinese market or localization efforts, as well as structural changes in the automotive sector continue to be felt and may continue to have an impact on sales expectations in the market. The market situation in China is constantly monitored and taken into account in sales planning.

In addition, the entire automotive industry is undergoing a transformation toward electromobility. For the Porsche AG Group, product development and the electrification strategy not only offers opportunities and learning effects, but also poses risks. Increased transformation risks may arise in particular from a delayed transformation of the sales markets toward electromobility. These risks are countered by a flexible product portfolio, which includes vehicle models with combustion engines and plug-in hybrids in addition to electromobility.

In addition, the Porsche AG Group is faced with scheduling risks that may arise from delays in the deployment of new electromobility technologies and that may have a negative impact on the competitiveness of the Porsche AG Group. 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 BEV sales.

The development of the global political framework conditions and requirements in this context, such as the reduction or elimination of government subsidies for electric vehicles, may also affect expectations in the Porsche AG Group's sales markets.

However, the increasing importance of sustainability among all stakeholders offers the Porsche AG Group the opportunity to further improve its market position and create additional sales incentives through targeted communication and marketing of its sustainability attributes.

In particular, the resource-saving use of raw materials, the increasing use of renewable raw materials in vehicles, the focus on climate-friendly drive technologies and other sustainability aspects along the value chain, such as green electricity, may generate positive reputational effects among customers and investors and thus increase demand for vehicles.

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 such as the ASEAN region.

In addition, the expansion of market shares due to a broad and rejuvenated product portfolio of various drive technologies and the growth of existing and the expansion of new business fields could have an advantageous 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 AND LOGISTICS

In the Porsche AG Group, the supply risks within the "Purchasing and logistics" sub-category decreased on the prior year, but 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. There are also significant risks associated with existing vehicle models. These arise, among other things, from 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. 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 lost production increased operating costs for the Porsche AG Group. Suppliers are analyzed proactively for physical climate risks for risk management purposes.

Significant risks may also arise from the provision of software for products and connectivity services for the Porsche AG Group. Risk factors here are the timely provision of the software in the required quality. Compared to the prior year, the risk factors have decreased as a result of expanding strategic partnerships in the area of software and connectivity services. However, there are still significant risks in this environment. As a result, project milestones are missed or delayed, which may impact vehicle launch schedules. Competitive disadvantages are also conceivable if demand requirements are not met as a result of quality problems.

The Porsche AG Group is also exposed to significant risks in the area of battery cell and battery module production in connection with the supply of parts. Risk factors include in particular the increasing demand for battery cells and modules, the dynamic technology and regulatory environment and the service life of battery cells. In this context, it is particularly important for the Porsche AG Group that risks may arise with regard to the supply of parts as a result of unstable production processes at battery cell and battery module suppliers. Although these risks have decreased in comparison to the prior year due to progressing mitigation measures, there are still risks with regard to the start of production of vehicles being scaled-back, delayed or postponed, which could lead to an impairment in connection with the use of vehicle platforms, for example. There is also a risk that technical and regulatory specifications for the battery cell and battery module will be met late or not at all. As a result, the Porsche AG Group is faced with scheduling, quality and cost risks. Within the Porsche AG Group, these risks are managed through early and systematic identification of weak points in the start of production of a vehicle and close monitoring of the supplier relationship.

The supply of semiconductors continues to be subject to significant risks that could affect the supply situation. Potential risks for the Porsche AG Group could manifest themselves in the form of production interruptions and thus also lost sales. However, supply chain stability has developed positively as a result of the early conclusion of long-term contracts and progressing mitigation measures.

In addition, as in the past, additional cost demands from suppliers for various reasons may lead to cost risks in respect of investments and direct material costs. The reasons for this include, for example, increased raw materials prices and other cost increases in connection with manufacturing. Postponing the start of production of vehicles can also lead to additional cost claims from suppliers. Although these risks have decreased compared to the prior year, they do still exist. Closely monitoring these within the projects and taking countermeasures at an early stage, e.g. negotiations by procurement, have a positive impact on risk mitigation.

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.

Furthermore, significant opportunities may arise from potential additional synergies with new vehicle architectures within the Porsche AG Group but also in association with the Volkswagen AG Group as well as from technological innovations. 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.

GEOPOLITICS

Possible risks related to geopolitical events may also increasingly arise from the 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.

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 succeeded in reducing this risk in the fiscal year 2024 by increasingly securing its supply chains.

Due to the continuing tense geopolitical environment, the risks in this context for the Porsche AG Group are classified as “high”, as in the prior year.

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.

Operational risks and opportunities

REGULATORY ENVIRONMENT

In an increasingly volatile global regulatory environment, the Porsche AG Group is faced with strict safety standards, which may result from requirements for driver assistance systems that must comply with certain defined standards.

Risks also arise from increasing emissions standards and a gradual tightening of environmental and sustainability requirements. These may include, for example, substance and material bans and restrictions, taxonomy requirements, recycling quotas or data governance laws, which may result in significant risks due to non-compliance with the requirements.

Legal limits aimed at reducing fuel consumption and carbon emissions from passenger car fleets also pose challenges for the Porsche AG Group. Failure to meet the specified targets can lead to fines and reputational damage. There is also a risk of vehicles that exceed the set limits not being allowed to be registered in the affected markets.

Furthermore, government regulations for the protection of human rights are constantly increasing the demands placed on companies. This requires greater transparency in international supply chains and can even lead to bans on importing products that are suspected of being linked to human rights violations, either themselves or with regard to the parts they contain.

Within the regulatory environment, this can lead to significantly higher 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 becoming more complex and harbors the risk of non-compliance, fines and even possible loss of sales.

Due to the increasing tensions in the regulatory environment, the risks for the Porsche AG Group increased compared to the prior year and are classified as “high”.

The Porsche AG Group meets the challenges of the increasing 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.

In the latter areas, 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.

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.

Global geopolitical tensions and trade disputes have increased the risk of potential cyber attacks, resulting in turn in an increase in risks in connection with information technology which are classified as “medium”.

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.

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".

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**

Financial risks and opportunities

CURRENCIES

As an international group, the Porsche AG Group conducts transactions in different currencies, which can give rise to currency risks. Significant risks in the automotive segment arise in particular from operating transactions that are denominated in currencies other than the euro. Currency risks are partly hedged through the use of exchange rate hedging instruments for a period of up to five years. 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. The currency risks presented are classified as "low" for the Porsche AG Group.

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. 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 considers the risks in connection with the price development of raw materials 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. Floating-rate items are included in cash flow hedges and some are hedged by means of interest rate swaps. These interest rate risks are classified as "low".

OTHER FINANCIAL RISKS

Other financial risks in the Porsche AG Group include risks in connection with the capital investment of surplus liquidity and investment risks. These risks are assessed as "low".

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. As a result, significant risks may arise from impairment losses. To manage investment risks, financial targets are anchored in the investment strategy and a portfolio approach is used to ensure risk diversification.

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.

Personnel risks and opportunities

In the current fiscal year 2024, no significant risks were identified in the “Personnel risks and opportunities” risk category within the RMS period under review. The risk situation is therefore unchanged compared to the prior year and is classified as “low”.

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. Based on the information and assessments available as of the reporting date, a development jeopardizing the group’s ability to continue as a going concern is sufficiently improbable.

REPORT ON EXPECTED DEVELOPMENTS

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, multinational organizations and consultancy firms.

MACROECONOMIC AND SECTOR-SPECIFIC OUTLOOK

Development of global economy

The Porsche AG Group expects growth in global economic output to lose some of its momentum in 2025 compared to the reporting year. Falling inflation in major economic regions and the resulting 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 markets. Negative effects are also expected from ongoing geopolitical tensions and conflicts as well as uncertainties related to the political direction of the USA.

GERMANY

For Germany, the Porsche AG Group assumes that gross domestic product (GDP) will develop positively in 2025, albeit with little momentum. The annual average inflation rate should fall slightly, while the situation on the labor market is likely to deteriorate.

EUROPE

Economic growth in Western Europe in 2025 is expected to be similar to the reporting year and inflation is expected to fall on average. Interest rate cuts by the European Central Bank are intended to support the economic situation in the eurozone. The Porsche AG Group anticipates a slightly higher growth rate for Central Europe with persistently high but less dynamic price increases. A slower pace of economic growth is expected in Eastern Europe.

NORTH AMERICA EXCL. MEXICO

According to estimates by the Porsche AG Group, economic growth in the USA will continue to be robust, albeit weaker than in the fiscal year 2024 – with a corresponding impact on the labor market. Despite an expected slight increase in the inflation rate, the US Federal Reserve is expected to cut key interest rates further. Economic growth in Canada is expected to be slightly higher 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 2025, albeit at a lower rate than in the reporting year.

Market development for the automotive segment

For the automotive industry, whose development is closely tied to global economic developments, the Porsche AG Group expects competition to become even keener in 2025. The forecast for 2025 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 slightly higher than in 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 and the stable development of material and energy prices – at a high level – will be ensured.

GERMANY

In the German passenger car market, the volume of new registrations in 2025 is expected to be up slightly on the level of the reporting year 2024.

EUROPE WITHOUT GERMANY

For the Western European markets (excluding Germany), a moderately higher volume of new passenger car registrations is expected for 2025 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.

NORTH AMERICA EXCL. MEXICO

For the region North America excl. Mexico, the volume of new passenger car registrations in 2025 is expected to be on a par with 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.

Market development for the financial services segment

Automotive-related financial services are again expected to be of great importance for global automotive sales in the fiscal year 2025.

FORECAST ASSUMPTIONS

The Porsche AG Group bases its forecast for the fiscal year 2025 on the current framework conditions with global conflicts and tensions.

In its forecast, the Porsche AG Group also expects market conditions to remain highly challenging and competition in China to remain intense. It is also expected that geopolitical uncertainties will continue to persist with the new US administration. In its current forecast for 2025, the Porsche AG Group has not taken into account the current framework conditions and therefore no further import restrictions and tariffs.

The forecast for the fiscal year 2025, 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.

In addition to the external factors described above, the Porsche AG Group also expects vehicle sales to be below the level of the reporting year due to the slower transition to electromobility and, as a result of the regulatory environment, the partially incomplete product range for individual model series and in individual regions in 2025.

Against the backdrop of the changed and challenging market environment, extensive measures are planned to strengthen the company's earnings power in the short and medium term. These measures include the expansion of the product portfolio to include additional models with combustion engines or plug-in hybrids, the expansion of special and exclusive manufacturing and adjustments to the company organization. Expenditure, particularly on vehicle development and the battery activities of the group's own companies, will lead to significant additional costs. The total impact on the operating profit and the automotive net cash flow is expected to amount to up to approximately €0.8 billion as a result of the above measures.

The forecast for 2025 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.

FORECAST OF THE MOST IMPORTANT KEY PERFORMANCE INDICATORS

For the fiscal year 2025, based on the aforementioned assumptions, the Porsche AG Group expects a significantly lower return on sales of between 10% and 12%. This forecast is based on estimated sales revenue in a range of €39 billion to €40 billion.

Automotive net cash flow margin is also expected to be lower compared to the reporting year at between 7% and 9%.

The Porsche AG Group plans to achieve an automotive EBITDA margin of between 19% and 21%, which is also lower than the reporting year.

In its sales revenue forecast for 2025, the company expects purely battery-powered electric vehicles (automotive BEV share) to account for between 20% and 22%.

OVERALL STATEMENT ON ANTICIPATED DEVELOPMENT

In its planning for 2025, the Porsche AG Group assumes slightly weaker global economic growth and a slight average increase in global demand for passenger cars compared to the reporting year. However, there are uncertainties in this regard, particularly due to the global geopolitical environment.

Difficult market conditions due to protectionist tendencies and intensified competition in the important markets of the USA and China, coupled with a continuing high level of costs, amortization and depreciation, will make the 2025 fiscal year a challenging one for the Porsche AG Group, in which high one-off burdens are also expected as a result of additional planned measures. At the same time, the Porsche AG Group expects these activities to strengthen its earnings power in the short and medium term. Furthermore, the Porsche AG Group believes it is well positioned to exploit market potential with its existing product range – in line with demand in individual regions – and to further strengthen the Porsche brand worldwide.

Forecast of the Porsche AG Group

		Actual business development 2024	Forecast 2025
Porsche AG Group			
Sales revenue	€ billion	40.1	39 to 40
Return on sales	%	14.1	10 to 12
Automotive segment			
Automotive net cash flow margin	%	10.2	7 to 9
Automotive EBITDA margin	%	22.7	19 to 21
Automotive BEV share	%	12.7	20 to 22

Stuttgart, February 24, 2025

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