

**Audited Unconsolidated Financial Statements of the Company  
as of and for the year ended December 31, 2021, prepared in  
accordance with the German Commercial Code (HGB)**

# Balance Sheet

of Dr. Ing. h.c. F. Porsche Aktiengesellschaft as of December 31, 2021

€ thousand	Note	Dec. 31, 2021	Dec. 31, 2020
<b>Assets</b>			
Fixed assets	[1]		
Intangible assets		2,272,485	2,243,776
Property, plant and equipment		6,371,036	6,499,928
Financial assets		1,874,094	1,215,939
		<b>10,517,615</b>	9,959,643
Current assets			
Inventories	[2]	2,487,882	1,922,811
Receivables	[3]	19,651,996	17,537,427
Other assets	[4]	498,531	401,965
Cash on hand and bank balances		8,651	350
		<b>22,647,060</b>	19,862,553
Prepaid expenses		147,938	159,382
Excess of covering assets over pension and similar obligations		30,981	0
		<b>33,343,594</b>	29,981,578
<b>Equity and liabilities</b>			
Equity			
Subscribed capital	[5]	45,500	45,500
Capital reserves	[6]	14,225,080	13,754,508
Retained earnings		25,224	25,224
Distributable profit		0	0
		<b>14,295,804</b>	13,825,232
Provisions	[7]		
Provisions for pensions and similar obligations		4,209,743	3,470,226
Other provisions		3,228,776	2,769,386
		<b>7,438,519</b>	6,239,612
Liabilities			
Liabilities to banks	[8]	1,488,184	1,894,951
Payments received on account of orders	[9]	45,063	44,558
Trade payables	[10]	784,433	561,457
Other liabilities	[10]	8,852,640	7,132,517
		<b>11,170,320</b>	9,633,483
Deferred income		438,951	283,251
		<b>33,343,594</b>	29,981,578

The contingent liabilities that exist as of December 31, 2021 are presented under note [18] Contingent liabilities.

# Income Statement

of Dr. Ing. h.c. F. Porsche Aktiengesellschaft for the period from  
January 1, 2021 to December 31, 2021

€ thousand	Note	2021	2020
Sales revenue		<b>24,539,721</b>	21,492,527
Changes in inventories and other own work capitalized	[11]	<b>210,210</b>	84,944
<b>Total operating performance</b>		<b>24,749,931</b>	21,577,471
Other operating income	[12]	<b>682,803</b>	671,424
Cost of materials	[13]	<b>-14,269,582</b>	-12,477,835
Personnel expenses	[14]	<b>-3,273,454</b>	-2,765,906
Amortization and depreciation of intangible assets and property, plant and equipment		<b>-1,567,448</b>	-1,571,692
Other operating expenses	[15]	<b>-3,925,801</b>	-3,263,820
Income from equity investments	[16]	<b>108,272</b>	58,356
Income from profit and loss transfer agreements		<b>256,011</b>	213,607
Expenses from loss absorption		<b>-24,024</b>	-6,596
Income from securities and loans		<b>0</b>	3,591
Interest result	[17]	<b>265,165</b>	254,258
Earnings before taxes		<b>3,001,873</b>	2,692,858
Tax allocations		<b>-1,144,337</b>	-832,528
Earnings after taxes		<b>1,857,536</b>	1,860,330
Profit transferred on account of a profit and loss transfer agreement		<b>-1,857,536</b>	-1,860,330
<b>Net income for the year</b>		<b>0</b>	0

# Mandatory Disclosures and Notes to the Annual Financial Statements 2021

of Dr. Ing. h.c. F. Porsche Aktiengesellschaft for the Fiscal Year from January 1 to December 31, 2021

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### ACCOUNTING PRINCIPLES

The annual financial statements of Dr. Ing. h.c. F. Porsche Aktiengesellschaft, entered in the commercial register of Stuttgart local court under HRB no. 730623 (hereafter "Porsche AG"), are prepared in accordance with the provisions of the HGB ["Handelsgesetzbuch": German Commercial Code] and the special requirements of the AktG ["Aktiengesetz": German Stock Corporation Act] in Euro.

In order to improve clarity, some items have been combined in the balance sheet and income statement. These items are broken down in the report below. Figures in the annual financial statements are rounded to the nearest thousand euro. Notes are also disclosed in thousands of Euro, unless indicated otherwise. The income statement is classified using the nature of expense method.

## [1] FIXED ASSETS

€ thousand	Net book values	
	Dec. 31, 2021	Dec. 31, 2020
<b>Intangible assets</b>		
Industrial and similar rights and assets, and licenses in such rights and assets	1,470,439	1,748,116
Advance payments made	802,046	495,660
<b>Total intangible assets</b>	<b>2,272,485</b>	<b>2,243,776</b>
<b>Property, plant and equipment</b>		
Land, land rights and buildings, including buildings on third-party land	2,809,282	2,579,463
Plant and machinery	787,132	823,400
Other equipment, furniture and fixtures	1,973,834	2,211,519
Advance payments and assets under construction	800,788	885,546
<b>Total property, plant and equipment</b>	<b>6,371,036</b>	<b>6,499,928</b>
<b>Financial assets</b>		
Shares in affiliates	770,245	530,043
Equity investments	345,930	69,393
Securities classified as fixed assets	757,919	616,503
<b>Total financial assets</b>	<b>1,874,094</b>	<b>1,215,939</b>
<b>Total fixed assets</b>	<b>10,517,615</b>	<b>9,959,643</b>

## [2] INVENTORIES

€ thousand	Dec. 31, 2021	Dec. 31, 2020
Raw materials, consumables and supplies	340,591	292,405
Work in progress (goods)	250,099	132,064
Work in progress (services)	62,885	54,367
Finished goods and merchandise	1,815,128	1,424,796
Advance payments made	19,179	19,179
	<b>2,487,882</b>	1,922,811

## [3] RECEIVABLES

€ thousand	Dec. 31, 2021	Dec. 31, 2020
Trade receivables	200,884	141,238
Receivables from affiliates	19,451,020	17,394,957
Receivables from other investees and investors	92	1,232
	<b>19,651,996</b>	17,537,427

Receivables from affiliates result from loans issued as well as trade, cash pooling and profit transfers. As such, these relate to the items trade receivables as well as cash and cash equivalents. Loan receivables of €8,148,152 thousand (prior year: €8,211,577 thousand) were due in more than one year.

## [4] OTHER ASSETS

Of other assets, an amount of €144,554 thousand (prior year: €112,822 thousand) is due in more than one year.

## [5] SUBSCRIBED CAPITAL

The subscribed capital of Porsche AG amounts to €45.5 million and is divided into 45,500,000 ordinary shares, each representing a share of €1.00 in the company's capital stock.

## [6] CAPITAL RESERVES

In the fiscal year 2021, Porsche Holding Stuttgart GmbH made a voluntary equity contribution pursuant to Sec. 272 (2) No. 4 HGB of €470,572 thousand (prior year: €1,028,441 thousand) to the capital reserves of Dr. Ing. h.c. F. Porsche AG, Stuttgart. The capital reserves also contain premiums.

## [7] PROVISIONS

€ thousand	Dec. 31, 2021	Dec. 31, 2020
Provisions for pensions and similar obligations	<b>4,209,743</b>	3,470,226
Tax provisions	<b>93,052</b>	80,219
Other provisions	<b>3,135,724</b>	2,689,167
	<b>7,438,519</b>	6,239,612

Provisions for pensions largely relate to pension benefits for the employees of Porsche AG. The pension obligations are fully covered by provisions. Pension provisions are discounted at the average market interest rate of the past 10 fiscal years (Sec. 253 (2) Sentence 1 HGB). These are €612,629 thousand (prior year: €660,051 thousand) (difference) lower than the carrying amount for pension provisions that would have been recorded as of December 31, 2021 had the seven-year average interest rate been applied.

The recognition of covering assets pursuant to Secs. 246 (2) Sentence 2, 253 (1) Sentence 4 HGB results in a difference between the amortized cost and fair value as of the reporting date of €13,001 thousand. A ban on distribution pursuant to Sec. 268 (8) Sentence 3 HGB in conjunction with Sec. 301 Sentence AktG does not take effect as there are enough freely available reserves.

## [8] LIABILITIES TO BANKS

Of liabilities to banks, €132,500 thousand (prior year: €303,500 thousand) is due in less than one year and €1,345,000 thousand (prior year: €1,577,500 thousand) in more than one year.

## [9] ADVANCE PAYMENTS RECEIVED ON ACCOUNT OF ORDERS

Of the advance payments received on account of orders, €2,104 thousand (prior year: €1,204 thousand) relates to prepayments to affiliates.

## [10] TRADE PAYABLES AND OTHER LIABILITIES

€ thousand	Dec. 31, 2021			Dec. 31, 2020		
	Total	Due in less than one year	Due in more than one year	Total	Due in less than one year	Due in more than one year
<b>Trade payables</b>	<b>784,433</b>	<b>784,433</b>	<b>0</b>	561,457	561,457	0
Liabilities to affiliates	8,442,228	8,442,228	0	6,761,104	6,761,104	0
Liabilities to other investees and investors	22,521	22,521	0	15,101	15,101	0
Sundry other liabilities	387,891	115,805	272,086	356,312	120,957	235,355
thereof for taxes	(24,370)	(16,055)	(8,315)	(22,572)	(22,572)	(0)
thereof for social security	(4)	(4)	(0)	(6)	(6)	(0)
<b>Other liabilities</b>	<b>8,852,640</b>	<b>8,580,554</b>	<b>272,086</b>	7,132,517	6,897,162	235,355

These relate to the items trade payables as well as other liabilities.

## [11] CHANGES IN INVENTORIES AND OTHER OWN WORK CAPITALIZED

€ thousand	2021	2020
Change in finished goods and work in progress	<b>139,315</b>	15,931
Other own work capitalized	<b>70,895</b>	69,013
	<b>210,210</b>	84,944

## [12] OTHER OPERATING INCOME

Of other operating income of €682,803 thousand (prior year: €671,424 thousand), an amount of €274,698 thousand (prior year: €169,707 thousand) relates to exchange rate gains.

## [13] COST OF MATERIALS

€ thousand	2021	2020
Cost of raw materials, consumables and supplies and of purchased merchandise	<b>12,133,624</b>	10,624,910
Cost of purchased services	<b>2,135,958</b>	1,852,925
	<b>14,269,582</b>	12,477,835



## [14] PERSONNEL EXPENSES

€ thousand	2021	2020
Wages and salaries	<b>2,317,632</b>	2,205,832
Social security, pension and other benefit costs	<b>955,822</b>	560,074
thereof for old-age pensions:	<b>(665,887)</b>	(291,752)
	<b>3,273,454</b>	2,765,906

## [15] OTHER OPERATING EXPENSES

Other expenses of €3,925,801 thousand (prior year: €3,263,820 thousand) include exchange rate losses of €74,391 thousand (prior year: €273,110 thousand).

## [16] INVESTMENT RESULT

€ thousand	2021	2020
Income from equity investments	<b>108,272</b>	58,356
thereof from affiliates:	<b>(85,845)</b>	(53,655)
	<b>108,272</b>	58,356

## [17] INTEREST RESULT

€ thousand	2021	2020
Interest and similar income	<b>391,461</b>	380,725
thereof from affiliates:	<b>(366,939)</b>	(367,511)
Interest and similar expenses	<b>-126,296</b>	-126,467
thereof to affiliates:	<b>(-147)</b>	(-66)
	<b>265,165</b>	254,258

The interest result contains interest income of €3,402 thousand (prior year: €1,848 thousand) from the interest on long-term provisions. Interest expenses of €82,483 thousand (prior year: €90,765 thousand) result from the interest on long-term provisions.

## **[18] CONTINGENT LIABILITIES**

Contingent liabilities as of December 31, 2021 comprise liabilities from guarantees and warranty agreements. These largely relate to letters of comfort to third-party creditors in favor of affiliates.

This includes a rent guarantee for Porsche Deutschland GmbH with regard to the rental of space and the Porsche Experience Center at the Hockenheimring racing circuit. The fixed-rent agreement provides for total annual rent of at least €4,400 thousand and has a fixed term until 2039.

Porsche AG has also issued guarantees and collateral of up to €121,623 thousand.

### **EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS AND A GROUP MANAGEMENT REPORT PURSUANT TO SEC. 291 (2) HGB AS WELL AS EXEMPTION FROM PREPARING A MANAGEMENT REPORT AND NOTES TO THE ANNUAL FINANCIAL STATEMENTS PURSUANT TO SEC. 264 (3) HGB**

Volkswagen Aktiengesellschaft, Wolfsburg, prepares consolidated financial statements and a group management report in accordance with German law, in which the company's annual financial statements are included. These consolidated financial statements are published in the *Bundesanzeiger* [German Federal Gazette]. The company is therefore exempted from the obligation of preparing consolidated financial statements and a group management report. With reference to the provision of Sec. 291 (2) HGB, the company has opted to prepare neither consolidated financial statements pursuant to Sec. 315a HGB nor a group management report for the fiscal year 2021. Voluntary IFRS consolidated financial statements have been prepared for the fiscal year 2021.

Pursuant to Sec. 264 (3) HGB, Dr. Ing. h.c.F. Porsche AG has opted to neither prepare a management report and notes to the annual financial statements nor to publish the annual financial statements.

Stuttgart, February 21, 2022

Dr. Ing. h.c. F. Porsche Aktiengesellschaft  
registered in Stuttgart,

The Executive Board

-----  
Dr. Oliver Blume,  
Chairman

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Lutz Meschke,  
Deputy chairman

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Andreas Haffner

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Detlev von Platen

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Albrecht Reimold

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Barbara Frenkel

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Dr. Michael Steiner

*English-language translation of the German-language independent auditor's report  
(Bestätigungsvermerk des unabhängigen Abschlussprüfers)*

## **Independent auditor's report**

To Dr. Ing. h.c. F. Porsche Aktiengesellschaft

### **Audit opinion**

We have audited the annual financial statements of Dr. Ing. h.c. F. Porsche Aktiengesellschaft, Stuttgart, which comprise the balance sheet as of December 31, 2021, the income statement and the mandatory disclosures and notes to the annual financial statements 2021 for the fiscal year from January 1 to December 31, 2021.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law as applicable to all merchants as well as the classification and disclosure provisions applicable for corporations pursuant to Secs. 264 to 277 HGB ["Handelsgesetzbuch": German Commercial Code].

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

### **Basis for the opinion**

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

## **Other matter**

Applying the simplification provision of Sec. 264 (3) HGB, notes to the financial statements and a management report were not prepared. At the time of completing our audit of the financial statements, it was not possible to conclusively determine whether the Company rightly made use of the exemption afforded by Sec. 264 (3) HGB because the requirements according to Sec. 264 (3) Sentence 1 No. 3, No. 4 and No. 5 lit. a) to e) HGB will not be met until a later date. Our opinion on the annual financial statements was not modified in this respect.

## **Responsibilities of the executive directors and the supervisory board for the annual financial statements**

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to all merchants and the classification and presentation requirements applicable to corporations in Secs. 264 to 277 HGB. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements.

## **Auditor's responsibilities for the audit of the annual financial statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally

Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of this system of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuttgart, February 21, 2022

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Matischiok  
Wirtschaftsprüfer  
[German Public Auditor]

Orlov  
Wirtschaftsprüfer  
[German Public Auditor]