

**Unaudited Condensed Consolidated Interim Financial
Statements of the Company as of and for the six months
ended June 30, 2022, prepared in accordance with IFRS
on Interim Financial Reporting (IAS 34)**

Consolidated Income Statement of Dr. Ing. h.c. F. Porsche Aktiengesellschaft
for the period from January 1 to June 30

€ million	PORSCHE AG GROUP	
	2022	2021
Sales revenue	17,922	16,525
Cost of sales	-12,869	-12,036
Gross profit	5,053	4,489
Distribution expenses	-956	-957
Administrative expenses	-766	-722
Other operating income/expense	149	-18
Operating profit	3,480	2,792
Share of profit or loss of equity-accounted investments	12	-9
Interest result and other financial result ¹	196	181
Financial result	208	172
Profit before tax	3,688	2,964
Income tax expense	-1,183	-846
Profit after tax	2,505	2,118
thereof profit attributable to shareholders	2,500	2,113
thereof profit attributable to non-controlling interests	5	5
Basic/diluted earnings per ordinary share in €²	2.74	2.31
Basic/diluted earnings per preferred share in €²	2.75	2.32

1 In the first half of 2022, "Interest result and other financial result" contains an impairment loss of €37 million on Bertrandt AG that has been accounted for using the equity method.

2 Earnings per share are explained in the note "Earnings per share".

Consolidated Statement of Comprehensive Income of Dr. Ing. h.c. F. Porsche Aktiengesellschaft
for the period from January 1 to June 30

€ million	2022	2021
Profit after tax	2,505	2,118
Pension plan remeasurements recognized in other comprehensive income		
Pension plan remeasurements recognized in other comprehensive income, before tax	2,062	766
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income	-617	-230
Pension plan remeasurements recognized in other comprehensive income, net of tax	1,445	536
Fair value valuation of equity instruments that will not be reclassified to profit or loss, net of tax	12	58
Share of other comprehensive income of equity-accounted investments that will not be reclassified to profit or loss, net of tax	-	-
Items that will not be reclassified to profit or loss	1,457	594
Foreign exchange differences		
Unrealized currency translation gains/losses	451	156
Transferred to profit or loss	-	-
Exchange differences on translating foreign operations, before tax	451	156
Deferred taxes relating to exchange differences on translating foreign operations	-	-
Exchange differences on translating foreign operations, net of tax	451	156
Hedging		
Fair value changes recognized in other comprehensive income (OCI I)	-1,237	-503
Transferred to profit or loss (OCI I)	364	-151
Cash flow hedges (OCI I), before tax	-873	-654
Deferred taxes relating to cash flow hedges (OCI I)	269	197
Cash flow hedges (OCI I), net of tax	-604	-457
Fair value changes recognized in other comprehensive income (OCI II)	-307	-190
Transferred to profit or loss (OCI II)	206	309
Cash flow hedges (OCI II), before tax	-101	119
Deferred taxes relating to cash flow hedges (OCI II)	30	-36
Cash flow hedges (OCI II), net of tax	-71	83
Share of other comprehensive income of equity-accounted investments that may be reclassified subsequently to profit or loss, net of tax	0	1
Items that may be reclassified subsequently to profit or loss	-224	-217
Other comprehensive income, before tax	1,551	445
Deferred taxes relating to other comprehensive income	-318	-68
Other comprehensive income, net of tax	1,233	377
Total comprehensive income	3,738	2,495
thereof profit attributable to shareholders	3,733	2,490
thereof profit attributable to non-controlling interests	5	5

Consolidated Statement of Financial Position of Dr. Ing. h.c. F. Porsche Aktiengesellschaft
as of June 30, 2022 and as of December 31, 2021

€ million	PORSCHE AG GROUP	
	2022	2021
Assets		
Non-current assets	26,744	32,830
Intangible assets	6,813	6,190
Property, plant and equipment	8,659	8,763
Leased assets	4,048	3,954
Financial services receivables	3,895	3,461
Equity-accounted investments, other equity investments, other financial assets, other receivables and deferred tax assets	3,330	10,462
Current assets	28,311	18,552
Inventories	5,245	4,517
Financial services receivables	1,338	1,081
Other financial assets and other receivables	3,885	7,131
Tax receivables	91	155
Securities and time deposits ¹	2,034	982
Cash and cash equivalents ¹	3,838	4,686
Assets held for distribution	11,881	–
Total assets	55,055	51,382
Equity and liabilities		
Equity	15,043	22,935
Equity before non-controlling interests	15,036	22,927
Non-controlling interests	7	8
Non-current liabilities	14,728	15,368
Provisions for pensions and similar obligations	3,649	5,525
Financial liabilities	6,424	6,599
Other liabilities	4,655	3,244
Current liabilities	25,284	13,079
Financial liabilities	3,338	3,128
Trade payables	3,181	2,447
Other liabilities	6,885	7,505
Liabilities from distributions in kind	11,881	–
Total equity and liabilities	55,055	51,382

1 As of June 30, 2022, time deposits with an original contractual term of more than 3 months were allocated to “Securities and time deposits”; as of December 31, 2021 these were contained in “Cash and cash equivalents” (€359 million), which had been recorded under “Cash, cash equivalents and time deposits” in the prior year.

Consolidated Statement of Changes in Equity of Dr. Ing. h.c. F. Porsche Aktiengesellschaft
for the period from January 1 to June 30

€ million	OTHER RESERVES			
	Subscribed capital	Capital reserve	Retained earnings	Currency translation
Balance at Jan. 1, 2021	45	13,754	6,302	-173
Profit after tax	-	-	2,113	-
Other comprehensive income, net of tax	-	-	537	155
Total comprehensive income	-	-	2,650	155
Disposal of equity instruments	-	-	58	-
Capital contribution	-	254	-	-
Profit transfer and dividends payment	-	-	-	-
Capital transactions involving a change in ownership interest	-	-	-	-
Other changes	-	-	-1	1
Balance at June 30, 2021	45	14,008	9,009	-17
Balance at Jan. 1, 2022	45	14,225	9,146	223
Profit after tax	-	-	2,500	-
Other comprehensive income, net of tax	-	-	1,445	451
Total comprehensive income	-	-	3,945	451
Disposal of equity instruments	-	-	-	-
Capital contribution	-	257	-	-
Profit transfer and dividends payment	-	-	0	-
Capital transactions involving a change in ownership interest	-	-	-	-
Other changes ¹	-	-11,679	-201	-
Balance at June 30, 2022	45	2,803	12,889	674

1 For "Other changes", see the note "Significant events (section: IFRS 5 – Assets held for distribution)".

	HEDGING		Equity and debt instruments	Equity-accounted investments	Equity before non-controlling interests	Non-controlling interests	Total equity
	Cash flow hedges (OCI I)	Deferred costs of hedging (OCI II)					
	757	-465	0	-1	20,219	5	20,224
	-	-	-	-	2,113	5	2,118
	-457	83	58	1	377	0	377
	-457	83	58	1	2,490	5	2,495
	-	-	-58	-	-	-	-
	-	-	-	-	254	-	254
	-	-	-	-	-	-4	-4
	-	-	-	-	-	-	-
	-1	-	-	-	-1	-	-1
	299	-382	0	0	22,962	6	22,968
	-361	-340	-11	-0	22,927	8	22,935
	-	-	-	-	2,500	5	2,505
	-604	-71	12	-0	1,233	0	1,234
	-604	-71	12	-0	3,733	5	3,738
	-	-	-	-	-	-	-
	-	-	-	-	257	-	257
	-	-	-	-	0	-6	-6
	-	-	-	-	-	-	-
	-	-	-	0	-11,881	-	-11,881
	-965	-410	1	-1	15,036	7	15,043

Consolidated Statement of Cash Flows of Dr. Ing. h. c. F. Porsche Aktiengesellschaft
for the period from January 1 to June 30

€ million	PORSCHE AG GROUP	
	2022	2021
Cash and cash equivalents at beginning of period	4,327	4,344
Profit before tax	3,688	2,964
Income taxes paid	-1,112	-1,053
Depreciation, amortization and impairment losses ¹	1,504	1,619
Gain/loss on disposal of non-current assets	-35	6
Share of profit or loss of equity-accounted investments	27	10
Other non-cash expense/income	-267	-81
Change in inventories	-582	-17
Change in receivables (excluding financial services)	-249	-176
Change in liabilities (excluding financial liabilities)	1,556	1,141
Change in pension provisions	183	233
Change in other provisions	-91	-30
Change in leased assets	-181	-586
Change in financial services receivables	-520	-376
Cash flows from operating activities	3,922	3,653
Investments in intangible assets (excluding capitalized development costs), and property, plant and equipment	-456	-556
Additions to capitalized development costs	-985	-784
Change in equity investments	-425	-111
Cash received from disposal of intangible assets and property, plant and equipment	3	3
Change in investments in securities, loans and time deposits	966	-2,252
Cash flows from investing activities	-898	-3,701
Capital contributions	257	254
Profit transfer and dividends	-1,864	-1,864
Proceeds from issuance of bonds	2,457	2,450
Repayment of bonds	-2,705	-1,699
Change in other financial liabilities	-138	-286
Repayments of lease liabilities	-56	-51
Cash flows from financing activities	-2,049	-1,197
Effect of exchange rate changes on cash and cash equivalents	38	18
Net change in cash and cash equivalents	1,013	-1,227
Cash and cash equivalents at end of period²	5,340	3,117

1 Offset against reversals of impairment losses.

2 Cash and cash equivalents comprise bank balances, checks, cash on hand, time deposits with an original contractual term of up to 3 months and funds due on demand.

The statement of cash flows is explained in the note on the statement of cash flows.

Notes to the Consolidated Financial Statements

IFRS (International Financial Reporting Standards) accounting

Pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, Dr. Ing. h.c. F. Porsche Aktiengesellschaft ("Porsche AG") has prepared its consolidated financial statements for fiscal year 2021 in accordance with the international accounting standards adopted by the European Union, the International Financial Reporting Standards (IFRSs). Accordingly, these interim consolidated financial statements as of June 30, 2022 have also been prepared in accordance with IAS 34 (Interim Financial Reporting) and have a reduced scope of reporting compared to the consolidated financial statements.

All amounts are rounded in line with common business practice; this can lead to minor differences in total amounts.

Accounting policies

The Porsche AG group has applied all accounting pronouncements adopted by the EU and effective for periods beginning from January 1, 2022.

IFRS 5 – ASSETS AND LIABILITIES HELD FOR DISTRIBUTION

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale or held for distribution if it is highly probable that they will be mainly recovered through a sale or distribution transaction rather than through continuing use.

These assets or the disposal group are generally recognized at the lower of the carrying amount and fair value less costs to sell. Any impairment loss of a disposal group is initially allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis – with the exception that no loss is allocated to inventories, financial assets, deferred tax assets, assets in connection with employee benefits, investment property or biological assets, which remain accounted for in accordance with the group's other accounting policies.

For distributions in kind to the owners of a company acting in their capacity as owners, for which the asset is ultimately controlled by the same party or parties before and after the distribution, it is deemed permissible to measure the obligation regarding the distribution in kind at the carrying amount or fair value of the asset to be distributed. The Porsche AG group has decided to recognize liabilities from distributions in kind at the carrying amount.

Impairment losses upon initial classification as held for sale or held for distribution and subsequent gains and losses upon remeasurement are recognized in profit or loss. Intangible assets and property, plant and equipment are no longer amortized or depreciated, and each investee accounted for using the equity method is no longer accounted for using the equity method as soon as they are classified as held for sale or held for distribution.

OTHER ACCOUNTING POLICIES

For these interim consolidated financial statements, a discount rate of 3.3% (December 31, 2021: 1.4%) was used for pension provisions in Germany. Due to the sustained increase in inflation expectations, future pension increases in Germany were adjusted to 2.0% as of June 30, 2022 (December 31, 2021: 1.7%). These changes largely caused the actuarial gain of €2,062 million recognized in the statement of comprehensive income. Furthermore, adjustments to the interest rates to measure other provisions had a positive effect on the financial result of €99 million.

The income tax expense for the interim consolidated financial statements is calculated pursuant to IAS 34 (Interim Financial Reporting) based on the annual average tax rate expected for the entire fiscal year.

Taking the condensed presentation into account, generally the same accounting policies and consolidation principles have been used when preparing the interim consolidated financial statements and determining the comparative figures for the prior year as those used in the 2021 consolidated financial statements. A detailed description of these methods can be found in the notes to the 2021 consolidated financial statements under "Accounting policies".

In addition, the effects of new standards are described in more detail in the notes to the 2021 consolidated financial statements under "New and amended standards and interpretations".

Significant events

Diesel issue

On November 2, 2015, the United States Environmental Protection Agency (EPA) issued a notice of violation of the Clean Air Act to Volkswagen AG, Audi AG, Volkswagen Group of America, Inc., Porsche AG and Porsche Cars North America, Inc. The notice alleges that certain 3.0 liter V6 Volkswagen group diesel engines are in contravention of the applicable emissions certification standards. A detailed explanation can be found in the 2021 consolidated financial statements under "Litigation".

More information on litigation in connection with the diesel issue can be found here under "Litigation".

Russia-Ukraine conflict / Covid-19 pandemic / semiconductor shortages

The start of the Russia-Ukraine conflict in February 2022 led not only to a humanitarian crisis but also brought market upheaval around the world. There are significant price rises, particularly on the energy and commodity markets, and significant increases in inflation rates have been observed internationally. In addition, the parts supply shortages intensified in this context directly after the start of the conflict. In the Porsche AG group, this particularly affected the supply of cable harnesses from Ukraine. The Porsche AG group took immediate action to clear these supply bottlenecks from Ukraine, with the result that there are no material bottlenecks in this regard at present.

Moreover, various sanctions have been imposed on Russia as a result of the conflict, especially by the EU and the USA. These sanctions restrict economic transactions with Russia and have an impact on the Russian companies of the Porsche AG group and on sales of vehicles to Russia. They also affect the new financial services business in Russia and could potentially lead to impairment risks to existing leased assets and financial receivables. Against the backdrop of the Russia-Ukraine conflict and the resulting consequences, Porsche AG has decided to halt vehicle exports to Russia. In addition, the respective sanction requirements are also being complied with in relation to parts supplies and the provision of technical information. To date, only an insignificant number of complaints has been received from customers, service providers, or other contract partners. It is not clear at present how the situation will develop further.

Triggered by the Russia-Ukraine conflict and its indirect effects, significant assets of the Porsche AG group were tested for impairment as of 30 June 2022. The impairment test did not reveal any need for impairment beyond the normal measurement. In connection with the measurement of liabilities against the backdrop of the Russia-Ukraine conflict, expenses in the mid-two-digit million euro range were recognized in the first half of 2022, primarily in the other operating result. Given the very dynamic developments, it is, however, not possible at present to make a reliable assessment of the many different effects of the growing supply insecurity affecting energy resources in Europe (e.g., the gas shortage).

As a result of the turbulence on the money and capital markets due to the Russia-Ukraine conflict, income in the mid-two-digit million euro range had to be recognized in the other operating result, primarily from the premature termination of the currency hedge.

Apart from the effects of the Russia-Ukraine conflict, the global spread of the Omicron variant of coronavirus SARS-CoV-2 continued to lead to considerable disruption to everyday life and the economy in a number of regions in the first half of 2022. In China particularly, local infection outbreaks during the first half of 2022 led to tight restrictions under the zero-Covid strategy being pursued there, resulting in economic constraints and disruption to supply chains.

In addition to uncertainty and measures being taken around the world to deal with the Covid-19 pandemic, persistent semiconductor supply shortages and the resulting limited availability of vehicles meant that demand could not be adequately met in some regions.

IFRS 5 – Assets held for distribution

Non-current assets are classified as held for distribution if it is highly probable that they will mainly be recovered through a distribution transaction rather than through continuing use.

In the second quarter, the shareholders of Porsche AG approved the spin-off of assets, primarily non-current loan receivables and other financial assets due from Porsche Holding Stuttgart GmbH as well as receivables due from Volkswagen AG from the in-house bank account, which are classified as cash and cash equivalents, to another company of the Volkswagen AG Group. As of June 30, 2022 and thus before the spin-offs take effect through entry in the commercial register at the beginning of July 2022, these financial assets are therefore classified as assets held for distribution.

The assets held for distribution are stated at their carrying amount and break down as follows:

€ million	June 30, 2022
Loan receivables due from Porsche Holding Stuttgart GmbH	8,349
Other financial assets	2,028
Cash and cash equivalents	1,501
Deferred tax assets	3
Assets held for distribution	11,881

The assets are allocated to the automotive segment.

Due to the spin-off resolutions, liabilities from distributions in kind of €11,881 million were recognized as of June 30, 2022, leading to a decrease in the capital reserve and retained earnings.

Basis of consolidation

In addition to Porsche AG, which has its registered offices in Stuttgart and is registered at the Stuttgart Local Court under HRB 730623, the consolidated financial statements include all material German and foreign subsidiaries, including structured entities, that are controlled directly or indirectly by Porsche AG. Control exists if Porsche AG has power over the potential subsidiary, directly or indirectly, as a result of voting rights or other rights, participates in positive or negative variable returns from the potential subsidiary and is able to affect those returns. There are no significant restrictions.

Rimac Group d.o.o.

The Porsche AG group had already increased its shareholding in the Croatian technology group Rimac Group d.o.o. in the past year. In the course of an additional financing round, the Porsche AG group also made an investment in the tens of millions. Following the transaction, the Porsche AG group still holds more than 20% of Rimac Group d.o.o., which it continues to account for using the equity method. Porsche AG group and Rimac Group d.o.o. have thus taken the next step in their collaboration toward the digital and electrified future of mobility.

IONITY Holding GmbH & Co. KG

IONITY Holding GmbH & Co. KG operates what is currently Europe's largest high-power charging network that is accessible for most electric vehicles. With a view to further expanding the charging infrastructure, the investment that had already been agreed on in the past year was implemented by a financial investor in 2022. The Porsche AG group's shareholding now amounts to around 15% and it has significant influence, which is why IONITY Holding GmbH & Co. KG continues to be accounted for using the equity method.

Explanations on the interim consolidated financial statements

1. Sales revenue

STRUCTURE OF SALES REVENUE OF THE GROUP IN H1 2022

€ million	Automotive	Financial Services	Total Segments	Reconciliation	Porsche AG Group
Vehicles	14,208	–	14,208	–50	14,158
Genuine parts	837	–	837	–0	837
Used vehicles and third-party products	647	809	1,456	–48	1,408
Rental and leasing business	0	642	642	–16	626
Interest and similar income from financial services business	0	145	145	–1	143
Hedges sales revenue	–539	–	–539	–	–539
Other revenue	1,271	21	1,292	–4	1,288
	16,425	1,616	18,042	–120	17,922

STRUCTURE OF SALES REVENUE OF THE GROUP IN H1 2021

€ million	Automotive	Financial Services	Total Segments	Reconciliation	Porsche AG Group
Vehicles	12,832	–	12,832	–58	12,774
Genuine parts	721	–	721	–0	721
Used vehicles and third-party products	620	794	1,415	–49	1,365
Rental and leasing business	1	606	607	–10	597
Interest and similar income from financial services business	0	119	119	–2	117
Hedges sales revenue	–85	–	–85	–	–85
Other revenue	1,017	24	1,041	–5	1,036
	15,107	1,543	16,650	–125	16,525

Other revenue contains insurance premiums received from used vehicle warranty insurance policies. Otherwise, other revenue mainly contains income from mobile services, consulting, development services and workshop services.

2. Cost of sales

Cost of sales amounted to €12,869 million (prior year: €12,036 million) and mainly comprises production materials, personnel expenses, non-staff overheads and depreciation and amortization.

Cost of sales also contains interest expenses attributable to the financial services business amounting to €37 million (prior year: €30 million), impairment losses on leased assets amounting to €84 million (prior year: €68 million) and expenses for indemnification payments from warranty insurance for used vehicles' insurance amounting to €36 million (prior year: €23 million).

3. Research and development costs

€ million	H1		%
	2022	2021	
Total research and development costs	1,304	1,255	3.9
of which: capitalized development costs	985	784	25.6
Capitalization ratio in %	75.6	62.5	
Amortization of capitalized development costs	380	491	-22.7
Research and development costs recognized in the income statement	699	962	-27.4

4. Earnings per share

Basic earnings per share are calculated by dividing the share of the result of Porsche AG's shareholders by the weighted average number of ordinary and preferred shares outstanding during the reporting year. By amendment to the articles of association of Porsche AG effective August 15, 2022 the number of issued shares changes to 455,500,000 ordinary shares and 455,500,000 preferred shares. As this change was made before the financial statements were approved for publication, this change has been taken into account retrospectively for all periods presented. Since there were no transactions in the reporting period that had a dilutive effect on the number of shares, diluted earnings per share correspond to the basic earnings per share.

Pursuant to article 28 (4) of the Articles of Association of Porsche AG, the preferred shareholders are entitled to an additional dividend of € 0.01 per preferred share above the dividend allocable to the ordinary share.

		H1	
		2022	2021
Weighted average number of:			
Ordinary shares – basic/diluted	Shares	455,500,000	455,500,000
Preferred shares – basic/diluted	Shares	455,500,000	455,500,000
Earnings after tax	€ million	2,505	2,118
Noncontrolling interests	€ million	5	5
Earnings attributable to Volkswagen AG shareholders	€ million	2,500	2,113
of which: basic/diluted earnings attributable to ordinary shares	€ million	1,248	1,054
of which: basic/diluted earnings attributable to preferred shares	€ million	1,252	1,059
Earnings per ordinary share – basic/diluted	€	2.74	2.31
Earnings per preferred share – basic/diluted	€	2.75	2.32

5. Non-current assets

DEVELOPMENT OF SELECTED NON-CURRENT ASSETS FROM JANUARY 1 TO JUNE 30, 2022

€ million	Carrying amount at Jan. 1, 2022	Additions/ Changes in consolidated Group	Disposals/ Other changes	Depreciation and amortization	Carrying amount at June 30, 2022
Intangible assets	6,190	1,098	2	473	6,813
Property, plant and equipment	8,763	482	-26	612	8,659
Leased assets	3,954	997	407	496	4,048
Other equity investments	313	337	8	-	643

In the fiscal year, additions to other equity investments primarily relate to the acquisition of shares in FAZUA GmbH (€101 million), the acquisition of an investment in Group14 Technologies (€92 million) as well as the acquisition of Porsche Financial Services Korea Ltd. (€54 million).

Other financial assets come to €702 million (prior year: €8,596 million) and in the prior year contained loan receivables due from Porsche Holding Stuttgart GmbH of €8,135 million. See also the explanations in the note "Significant events (section: IFRS 5 – Assets held for distribution)".

6. Inventories

€ million	June 30, 2022	Dec. 31, 2021
Raw materials, consumables and supplies	445	385
Work in progress	471	1,078
Finished goods and merchandise	4,256	2,994
Current rental and leasing assets	37	26
Advance payments made	34	34
	5,245	4,517

The write-downs recognized in profit or loss in the reporting period amounted to €62 million (prior year: €55 million) and largely resulted from the remeasurement of used vehicles. Reversals of write-downs of €1 million (prior year: €1 million) were recognized in profit or loss in the reporting period, also resulting primarily from the remeasurement of used vehicles.

7. Current other financial assets and other receivables

€ million	June 30, 2022	Dec. 31, 2021
Trade receivables	1,106	1,199
Other financial assets and miscellaneous other receivables	2,779	5,932
	3,885	7,131

In the period from January 1 to June 30, 2022, the operating result was negatively impacted by impairment losses and reversals of impairment losses on non-current and current financial assets amounting to €4 million (prior year: €3 million).

Other financial assets contain receivables from Volkswagen AG of €0 million (prior year: €2,000 million) and Porsche Holding Stuttgart GmbH of €6 million (prior year: €2,058 million). These relate to the current clearing account and interest receivables of Porsche AG. See also the explanations in the note "Significant events (section: IFRS 5 – Assets held for distribution)".

No significant impairment losses were recognized for other financial assets.

8. Equity

Porsche AG's subscribed capital amounts to €45,500,000 (prior year: €45,500,000) and is divided into 45,500,000 (prior year: 45,500,000) no-par-value shares, each with a pro rata share of €1 of the share capital. For changes during the year, please see the explanations in the note "Significant events (section: IFRS 5 – Assets held for distribution)" and "Significant events after the reporting date".

Non-controlling interests in equity relate to 25 per cent of the shares in Porsche Taiwan Motors Ltd., Taipei.

9. Non-current financial liabilities

€ million	June 30, 2022	Dec. 31, 2021
ABS-refinancing and debenture bonds	5,091	5,244
Liabilities to banks	345	399
Lease liabilities	987	956
	6,424	6,599

10. Current financial liabilities

€ million	June 30, 2022	Dec. 31, 2021
ABS-refinancing and debenture bonds	2,989	2,795
Liabilities to banks	229	221
Lease liabilities	111	107
Other financial liabilities	9	5
	3,338	3,128

11. Fair value disclosures

Generally, the principles and techniques used for fair value measurement remained unchanged year on year. Detailed explanations of the measurement principles and techniques can be found in the "Accounting policies" section of the 2021 consolidated financial statements.

Fair value generally corresponds to the market or quoted market price. If no active market exists, fair value is determined using valuation techniques, such as by discounting the future cash flows at the market interest rate, or by using recognized option pricing models.

Financial assets and liabilities measured at fair value in profit or loss consist of derivative financial instruments to which hedge accounting is not applied. This primarily includes interest rate swaps, currency swaps and interest rate/currency swaps as well as options to acquire equity instruments. Moreover, other equity investments (shares representing an ownership interest of less than 20% as a rule) in partnerships (debt instruments) as well as financial assets held in special funds controlled by the Porsche AG group are measured at fair value in profit or loss. Derivative financial instruments to which hedge accounting is applied are measured at fair value directly in equity.

Financial assets measured at fair value through other comprehensive income include equity investments (shares representing an ownership interest of less than 20% as a rule) in corporations (equity instruments) for which the Porsche AG group normally exercises the option of fair value measurement through other comprehensive income. For instruments measured through other comprehensive income, changes in fair value are recognized directly in equity, taking deferred taxes into account.

Uniform valuation techniques and inputs are used to measure fair value. The fair value of Level 2 and Level 3 financial instruments is measured in the individual divisions on the basis of group-wide specifications.

RECONCILIATION OF ITEMS IN THE STATEMENT OF FINANCIAL POSITION TO CLASSES OF FINANCIAL INSTRUMENTS

The following table shows the reconciliation of the items in the statement of financial position to the relevant classes of financial instruments, broken down by the carrying amount and fair value of the financial instruments.

The fair value of financial instruments measured at amortized cost, such as receivables and liabilities, is calculated by discounting the carrying amount using a market rate of interest for a similar risk and matching maturity. For reasons of materiality, the fair value of current balance sheet items is generally deemed to be their carrying amount.

The risk variables governing the fair value of the receivables are risk-adjusted interest rates.

RECONCILIATION OF ITEMS IN THE STATEMENT OF FINANCIAL POSITION TO CLASSES OF FINANCIAL INSTRUMENTS AS OF JUNE 30, 2022

€ million	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASUREMENT CATEGORY	BALANCE SHEET ITEM AT JUNE 30, 2022
	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	-	-	-	-	643	643
Other equity investments	273	-	-	-	369	643
Financial services receivables	-	2,721	2,598	-	1,174	3,895
Other financial assets ¹	92	301	292	309	-	702
Current assets						
Trade receivables	-	1,106	1,106	-	0	1,106
Financial services receivables	-	776	776	-	562	1,338
Other financial assets ²	399	1,407	1,407	90	-	1,897
Tax receivables	-	-	-	-	91	91
Securities and time deposits ³	1,376	658	658	-	-	2,034
Cash and cash equivalents ³	-	3,838	3,838	-	-	3,838
Assets held for distribution	-	11,881	11,881	-	-	11,881
Non-current liabilities						
Financial liabilities	-	5,437	5,313	-	987	6,424
Other financial liabilities ⁴	-	254	254	1,051	-	1,306
Current liabilities						
Financial liabilities	-	3,227	3,227	-	111	3,338
Trade payables	-	3,181	3,181	-	-	3,181
Other financial liabilities ⁵	80	973	973	1,140	-	2,194
Tax payables	-	-	-	-	86	86
Liabilities from distributions in kind	-	11,881	11,881	-	-	11,881

1 Other assets that are not financial assets are not included (other receivables and deferred tax assets: €1,342 million).

2 Other assets that are not financial assets are not included (other receivables: €882 million).

3 As of June 30, 2022, time deposits with an original contractual term of more than 3 months were allocated to "Securities and time deposits"; as of December 31, 2021 these were contained in "Cash and cash equivalents" (€359 million), which had been recorded under "Cash, cash equivalents and time deposits" in the prior year.

4 Other liabilities that are not financial liabilities are not included (other provisions, deferred tax liabilities and other liabilities: €3,349 million).

5 Other liabilities that are not financial liabilities are not included (income tax provisions, other provisions and other liabilities: €4,605 million).

RECONCILIATION OF ITEMS IN THE STATEMENT OF FINANCIAL POSITION TO CLASSES OF FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2021

€ million	MEASURED AT FAIR VALUE	MEASURED AT AMORTIZED COST		DERIVATIVE FINANCIAL INSTRUMENTS WITHIN HEDGE ACCOUNTING	NOT ALLOCATED TO A MEASUREMENT CATEGORY	BALANCE SHEET ITEM AT DEC. 31, 2021
	Carrying amount	Carrying amount	Fair value	Carrying amount	Carrying amount	
Non-current assets						
Equity-accounted investments	-	-	-	-	573	573
Other equity investments	142	-	-	-	171	313
Financial services receivables	-	2,330	2,402	-	1,131	3,461
Other financial assets ¹	147	8,301	9,009	148	-	8,596
Current assets						
Trade receivables	-	1,199	1,199	-	-	1,199
Financial services receivables	-	497	497	-	584	1,081
Other financial assets ²	71	5,219	5,219	63	-	5,353
Tax receivables	-	-	-	-	155	155
Securities and time deposits ³	982	-	-	-	-	982
Cash and cash equivalents ⁴	-	4,686	4,686	-	-	4,686
Non-current liabilities						
Financial liabilities	-	5,643	5,680	-	956	6,599
Other financial liabilities ⁵	1	259	259	373	-	633
Current liabilities						
Financial liabilities	-	3,021	3,021	-	107	3,128
Trade payables	-	2,447	2,447	-	-	2,447
Other financial liabilities ⁵	16	2,857	2,857	765	-	3,638
Tax payables	-	-	-	-	65	65

1 Other assets that are not financial assets are not included (other receivables and deferred tax assets: €980 million).

2 Other assets that are not financial assets are not included (other receivables: €579 million).

3 As of June 30, 2022, time deposits with an original contractual term of more than 3 months were allocated to "Securities and time deposits"; as of December 31, 2021 these were contained in "Cash and cash equivalents" (€359 million), which had been recorded under "Cash, cash equivalents and time deposits" in the prior year.

4 Other liabilities that are not financial liabilities are not included (other provisions, deferred tax liabilities and other liabilities: €2,611 million).

5 Other liabilities that are not financial liabilities are not included (income tax provisions, other provisions and other liabilities: €3,801 million).

The class "Not allocated to a measurement category" primarily includes lease receivables, lease liabilities, investments accounted for using the equity method as well as investments in non-consolidated affiliates.

Lease receivables have a carrying amount of €1,736 million (prior year: €1,714 million) and a fair value of €1,640 million (prior year: €1,765 million).

As a result of the increased number of time deposits with an original contractual term of more than 3 months, these time deposits have been recognized together with securities as of June 30, 2022.

The tables below provide an overview of the financial assets and liabilities measured at fair value:

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE BY LEVEL

€ million	June. 30, 2022	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	273	0	0	273
Financial services receivables	–	–	–	–
Other financial assets	92	–	92	–
Current assets				
Trade receivables	–	–	–	–
Financial services receivables	–	–	–	–
Other financial assets	399	–	313	86
Securities and time deposits ¹	1,376	1,376	–	–
Non-current liabilities				
Other financial liabilities	–	–	–	–
Current liabilities				
Other financial liabilities	80	–	80	–

1 As of June 30, 2022, time deposits with an original contractual term of more than 3 months were allocated to “Securities and time deposits”; as of December 31, 2021 these were contained in “Cash and cash equivalents” (€359 million), which had been recorded under “Cash, cash equivalents and time deposits” in the prior year.

€ million	Dec. 31, 2021	Level 1	Level 2	Level 3
Non-current assets				
Other equity investments	142	0	0	142
Financial services receivables	–	–	–	–
Other financial assets	147	–	87	60
Current assets				
Trade receivables	–	–	–	–
Financial services receivables	–	–	–	–
Other financial assets	71	–	70	1
Securities and time deposits ¹	982	982	–	–
Non-current liabilities				
Other financial liabilities	1	–	1	–
Current liabilities				
Other financial liabilities	16	–	16	–

1 As of June 30, 2022, time deposits with an original contractual term of more than 3 months were allocated to “Securities and time deposits”; as of December 31, 2021 these were contained in “Cash and cash equivalents” (€359 million), which had been recorded under “Cash, cash equivalents and time deposits” in the prior year.

DERIVATIVE FINANCIAL INSTRUMENTS INCLUDED IN HEDGE ACCOUNTING BY LEVEL

€ million	June. 30, 2022	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	309	–	309	–
Current assets				
Other financial assets	90	–	90	–
Non-current liabilities				
Other financial liabilities	1,051	–	1,051	–
Current liabilities				
Other financial liabilities	1,140	–	1,140	–

€ million	Dec. 31, 2021	Level 1	Level 2	Level 3
Non-current assets				
Other financial assets	148	–	148	–
Current assets				
Other financial assets	63	–	63	–
Non-current liabilities				
Other financial liabilities	373	–	373	–
Current liabilities				
Other financial liabilities	765	–	765	–

Fair values are allocated to the levels of the fair value hierarchy based on the availability of observable market prices. Level 1 shows the fair values of financial instruments where a quoted price is directly available on active markets. This includes securities issued by the Porsche AG group. Fair values in level 2, such as derivatives, are derived from market data using market valuation techniques. These market data include in particular currency exchange rates and yield curves which are observable on the relevant markets and can be obtained from pricing service providers. Level 3 fair values are calculated using valuation techniques with inputs that are not based on directly observable market data. In particular, the Porsche AG group allocated other equity investments and options on equity instruments to level 3. Equity instruments are primarily measured on the basis of the respective business plans and entity-specific discount rates.

The table below summarizes the changes in items in the statement of financial position measured at fair value and allocated to level 3:

CHANGES IN ITEMS IN THE STATEMENT OF FINANCIAL POSITION MEASURED AT FAIR VALUE BASED ON LEVEL 3

€ million	Financial assets measured at fair value
Balance at Jan. 1, 2022	203
Additions (acquisitions)	131
Total comprehensive income	51
recognized in profit or loss	39
recognized in other comprehensive income	12
Realizations	-26
Balance at June 30, 2022	359

€ million	Financial assets measured at fair value
Balance at Jan. 1, 2021	147
Changes in consolidated Group	-158
Additions (acquisitions)	85
Transfers from Level 3 into Level 2	0
Total comprehensive income	58
recognized in other comprehensive income	58
Balance at June 30, 2021	132

Transfers between the levels of the fair value hierarchy are generally reported as of the respective reporting dates.

There were no transfers between the levels of the fair value hierarchy during the reporting period.

The key risk variable for options on equity instruments held by the company is the corresponding enterprise value. A sensitivity analysis is used to present the effects of a change in the risk variable on profit after tax.

If the assumed enterprise values had been 10 per cent higher as of June 30, 2022, profit after tax would have been €6 million (prior year: €4 million) higher. If the assumed enterprise values had been 10 per cent lower, profit after tax would have been €6 million (prior year: €4 million) lower.

If the financial performance of the equity investments measured at fair value as of June 30, 2022 had been 10 per cent better, equity would have been €15 million higher (prior year: €4 million) and profit after tax €4 million higher (prior year: €2 million). If the financial performance of the equity investments measured at fair value had been 10 per cent worse, equity would have been €15 million lower (prior year: €4 million) and profit after tax €4 million lower (prior year: €2 million).

12. Statement of cash flows

The statement of cash flows shows the cash inflow within the Porsche AG group. Cash and cash equivalents according to the statement of cash flows comprise bank balances, checks, cash on hand, time deposits with an original contractual term of up to 3 months and funds due on demand.

€ million	June 30, 2022	June 30, 2021
Cash and cash equivalents as reported in the statement of financial position ¹	3,838	3,278
Cash and cash equivalents held for distribution	1,501	–
Time deposits ¹	0	–161
Cash and cash equivalents as reported in the statement of cash flows	5,340	3,117

1 As of June 30, 2021, “cash and cash equivalents as reported in the statement of financial position” contain time deposits with an original contractual term of more than 3 months.

13. Segment reporting

The segments are based on the internal management and reporting within the Porsche AG group. This takes into account the group objectives and policies set by the Executive Board of Porsche AG. Segment reporting is made up of the two reportable segments automotive and financial services.

The activities of the automotive segments cover the development, manufacturing and sale of vehicles as well as related services.

The activity of the financial services segment comprises customer and dealer financing, the leasing business as well as mobility services and other finance-related services.

The purchase price allocation from acquired companies is directly allocated to the corresponding segments.

In the Porsche AG group, the segment result is determined on the basis of the operating profit after tax.

Reconciliation includes consolidation between the segments.

The business relationships between the companies of the segments of the Porsche AG group are generally based on arm's length prices.

REPORTING SEGMENTS H1 2022

€ million	Automotive	Financial Services	Total segments	Reconciliation	Porsche AG Group
Sales revenue from external customers	16,352	1,569	17,922	–	17,922
Intersegment sales revenue	73	47	120	–120	–
Total sales revenue	16,425	1,616	18,042	–120	17,922
Segment result (operating result)	3,261	216	3,477	3	3,480
Depreciation and amortization	1,080	438	1,518	–20	1,498
Impairment losses	0	84	84	0	84

REPORTING SEGMENTS H1 2021

€ million					Porsche AG
	Automotive	Financial Services	Total segments	Reconciliation	Group
Sales revenue from external customers	15,031	1,494	16,525	0	16,525
Intersegment sales revenue	76	49	125	-125	-
Total sales revenue	15,107	1,543	16,650	-125	16,525
Segment result (operating result)	2,661	151	2,812	-20	2,792
Depreciation and amortization	1,193	397	1,590	-18	1,571
Impairment losses	0	68	68	-	68

RECONCILIATION

€ million	H1	
	2022	2021
Segment profit (operating profit)	3,477	2,812
Consolidation	3	-20
Operating profit	3,480	2,792
Financial result	208	172
Consolidated profit before tax	3,688	2,964

BY REGION H1 2022

€ million	Germany	Europe without Germany	North America ¹	China ²	Rest of the world	Hedges sales revenue	Porsche AG
							Group
Sales revenue from external customers	2,091	3,401	4,968	5,640	2,361	-539	17,922

- 1 excl. Mexico
2 incl. Hong Kong

BY REGION H1 2021

€ million	Germany	Europe without Germany	North America ¹	China ²	Rest of the world	Hedges sales revenue	Porsche AG
							Group
Sales revenue from external customers	1,874	3,134	4,280	5,116	2,206	-85	16,525

- 1 excl. Mexico
2 incl. Hong Kong

Sales revenues allocated to the regions in accordance with the destination principle.

14. Related party disclosures

As of the reporting date, Porsche AG is a subsidiary of Porsche Holding Stuttgart GmbH, Stuttgart. Since August 1, 2012, Porsche AG and its fully consolidated subsidiaries together with Porsche Holding Stuttgart GmbH have been included in the consolidated financial statements of Volkswagen AG based on the control concept.

Porsche SE holds the majority of voting rights in Volkswagen AG.

The creation of rights of appointment for the State of Lower Saxony was resolved at the extraordinary general meeting of Volkswagen AG on 3 December 2009. This means that, even though it holds the majority of voting rights of Volkswagen AG, Porsche SE cannot determine the majority of the members of Volkswagen AG's supervisory board for as long as the State of Lower Saxony holds at least 15% of Volkswagen AG's ordinary shares. The Porsche SE group (Porsche SE) is therefore classified as a related party as defined by IAS 24.

€ million	SUPPLIES AND SERVICES RENDERED		SUPPLIES AND SERVICES RECEIVED	
	H1		H1	
	2022	2021	2022	2021
Porsche SE	1	1	0	0
State of Lower Saxony, its majority interests and joint ventures	0	0	–	–
Volkswagen AG - group	2,254	1,972	2,849	2,509
Porsche Holding Stuttgart GmbH	190	183	0	–
Non-consolidated entities	38	12	96	45
Joint ventures and their majority interests	1	1	15	4
Associates and their majority interests	2	1	43	35

€ million	RECEIVABLES FROM		LIABILITIES TO	
	June 30, 2022	Dec. 31, 2021	June 30, 2022	Dec. 31, 2021
	Porsche SE	0	0	0
State of Lower Saxony, its majority interests and joint ventures	28	21	–	–
Volkswagen AG - group	5,067	6,822	3,403	2,078
Porsche Holding Stuttgart GmbH	10,393	10,246	12,519	2,444
Non-consolidated entities	298	128	130	81
Joint ventures and their majority interests	46	5	3	2
Associates and their majority interests	46	38	110	91

Receivables from the Volkswagen AG Group largely relate to loans granted of €474 million (December 31, 2021: €2,348 million) as well as trade receivables of €344 million (December 31, 2021: €493 million). Receivables from non-consolidated subsidiaries also primarily result from loans granted of €248 million (December 31, 2021: €89 million) as well as from trade of €22 million (December 31, 2021: €12 million).

There is a master loan agreement with the Volkswagen group for a line of € 4,000 million (amount drawn: € 0 million; prior year: € 0 million).

Transactions with related parties are regularly conducted at arm's length.

With the conclusion of the notarized deed of the spin-off resolutions, liabilities from distributions in kind have been recognized at the carrying amount of the assets being spun off (€11,881 million) due to Porsche Holding Stuttgart GmbH. See also the explanations in the note "Significant events (section: IFRS 5 – Assets held for distribution)" and "Significant events after the reporting date".

Write-downs of €10 million (prior year: €10 million) were recognized in respect of the outstanding receivables from related parties. Expenses for this purpose in the first half of 2022 amounted to €0 million (prior year: €0 million).

The maximum credit risk for financial guarantees issued to joint ventures amounted to €73 million (prior year: €73 million).

From January to June, the Porsche AG group made capital contributions at related parties of €227 million (prior year: €11 million).

Furthermore, Porsche AG received a capital contribution of €257 million from Porsche Holding Stuttgart GmbH in the first six months of 2022. In the first six months of 2021, this capital contribution amounted to €254 million.

15. Litigation

Diesel issue

In July 2017, in connection with the diesel issue, the public prosecutor's office in Stuttgart had instigated a criminal investigation against an Executive Board member as well as a total of six employees or former employees of Porsche AG on suspicion of fraud and illegal advertising. Proceedings against an Executive Board member have since been discontinued without determining any misconduct pursuant to section 153a of the German Code of Criminal Procedure (Strafprozessordnung – StPO). A penalty order was also issued against a Porsche employee. This only relates to the Cayenne V8 TDI EU6 and to a period as of 2016. The penalty order has since become legally binding, meaning that these proceedings have also come to an end. According to the information currently available, the other individual proceedings are also expected to be closed shortly in accordance with section 153 StPO and section 153a StPO.

In July 2022, the European Court of Justice (ECJ) ruled that a so-called thermal window (i.e. a built-in temperature-dependent emissions control feature) in the range of 15°C and 33°C outside temperature represents a defeat device. In this context, the ECJ has developed a new, unwritten criterion according to which a thermal window, even if it serves to prevent sudden and extraordinary damage, is inadmissible if it is active for the "largest part of a year under the driving conditions which are actually prevailing in the European Union area". Volkswagen Group and Porsche AG are assessing the effects of this decision and are in discussion with the authorities.

Additional important legal cases

In connection with the amended antitrust class action, which was initially dismissed with prejudice by the Northern District of California and which alleged that several automobile manufacturers, including Porsche AG and other group companies, had conspired to unlawfully increase vehicle prices in violation of US antitrust and consumer protection law, the Ninth Circuit Court of Appeals in January 2022 dismissed plaintiffs' motion (filed at the end of 2021) for a new hearing on the decision in which the court had affirmed the judgment of the US District Court. In February 2022, the District Court also denied plaintiffs' motion to set aside its judgment and to be allowed to file a new complaint. In June 2022, the US Supreme Court definitively rejected the petition filed by the plaintiffs against this decision.

In March 2022, the European Commission and the Competition and Markets Authority (CMA), the English antitrust authorities, searched the premises of various automotive manufacturers and automotive industry organizations and/or served them with formal requests for information. Volkswagen AG has received a group-wide information request from the European Commission. The investigation relates to European, Japanese, and Korean manufacturers as well as national organizations operating in such countries and the European organization European Automobile Manufacturers' Association (ACEA), which are suspected of having agreed from 2001/2002 to the present to avoid paying for the services of recycling companies that dispose of end-of-life vehicles (ELV). Also alleged is an agreement to refrain from competitive use of ELV issues, that is, not to publicize relevant recycling data for competitive purposes. The violation under investigation is alleged to have taken place in particular in working groups of the ACEA. A response was given to the European Commission's information request.

The public prosecutor's office in Stuttgart, had instigated a criminal investigation against twelve (former) employees at Porsche AG regarding issues in connection with gasoline-fueled vehicles. Proceedings against all those accused have since been closed pursuant to section 153 StPO. The public prosecutor's office has not instigated administrative fine proceedings against the company. The internal investigations into this matter at Porsche AG have largely been completed. Furthermore, the US Department of Justice ended proceedings on June 2, 2022 without consequence for the Porsche AG group. A comprehensive settlement agreement is aimed to be reached with the CARB (California Air Resources Board) in summer 2022. Talks with other authorities are still ongoing.

In accordance with IAS 37.92, no further disclosures are made in respect of estimates of the financial impact or disclosures relating to uncertainties surrounding the amount or timing of provisions and contingent liabilities in connection with material litigation, so as not to prejudice the outcome of the proceedings or the company's interests.

Other than that, there were no significant changes in the reporting year compared to the detailed explanations contained in the 2021 consolidated financial statements under "Litigation".

16. Contingent liabilities

Contingent liabilities increased by €75 million to €117 million compared to the 2021 consolidated financial statements, primarily as a result of recognizing additional legal and product-related matters.

17. Other financial obligations

Other financial obligations increased by €995 million to €3,850 million overall compared to the 2021 consolidated financial statements. The increase is primarily attributable to obligations from development, supply and service agreements.

Significant events after the reporting date

At the beginning of July 2022, the spin-offs (under transformation law) of the assets held for distribution were formerly entered in the commercial register. As a result, the assets held for distribution and the corresponding liabilities from distributions in kind were derecognized. See also the explanations in the note "Significant events".

At the beginning of August 2022, the annual general meeting resolved to perform a capital increase from company funds. This was entered in the commercial register on August 15, 2022. The capital increase raises the company's share capital to € 911,000,000, which is divided into 455,500,000 ordinary shares and 455,500,000 non-voting preferred shares. For each non-par value share, an imputed share of € 1.00 in the share capital is attributable to the sole shareholder of the company.

Stuttgart, August 25, 2022

Porsche Aktiengesellschaft

The Executive Board

Dr. Oliver Blume,
Chairman

Lutz Meschke,
Deputy Chairman

Andreas Haffner

Detlev von Platen

Albrecht Reimold

Barbara Frenkel

Dr. Michal Steiner