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Media information

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Volkswagen greenlights IPO plans for Porsche AG

- The Board of Management and Supervisory Board of Volkswagen AG decide to seek an initial public offering of Porsche AG on the Frankfurt Stock Exchange
- Planned public offering of up to 25% of Porsche non-voting preferred shares
- The planned IPO is targeted for the end of September or beginning of October and is expected to be completed by year end, subject to capital market conditions
- Private/retail investors would be able to subscribe for shares in selected European countries as part of the IPO
- Dr. Arno Antlitz: "The IPO of Porsche AG would give a tangible tailwind to Volkswagen's transformation."

Wolfsburg, September 05, 2022 - Volkswagen AG is seeking an initial public offering of Dr. Ing. h.c. F. Porsche AG ("Porsche AG"). This has been decided by the Board of Management of Volkswagen AG with the approval of the Supervisory Board following an intensive review.

A possible IPO of Porsche AG would be a significant next step in the transformation of Volkswagen, which has been successfully initiated. The company is transforming itself into a vertically integrated mobility group and aims to become one of the leading providers of software-based mobility.

In preparation for a potential IPO, Porsche AG's share capital has been divided into 50 percent preferred shares and 50 percent ordinary shares. In the course of the potential IPO, it is planned to place a total of up to 25 percent of the preferred shares with investors. In this context, Porsche Automobil Holding SE would acquire 25 percent plus one of the ordinary shares of Porsche AG from Volkswagen AG - at the placement price of the preference shares plus a premium of 7.5 percent.

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"The automotive industry is transforming at a rapid pace. This transformation involves significant investment in new technologies. With its ten strong group brands, Volkswagen intends to continue to occupy a leading position in the market for battery-electric, increasingly automated and software-based mobility. With an IPO of Porsche, the Volkswagen Group could open a new chapter in its corporate history. The IPO would give the Group more entrepreneurial flexibility to implement the NEW AUTO strategy and generate tangible tailwind for the transformation towards an integrated mobility company," said Dr. Arno Antlitz, Chief Financial Officer, Chief Operating Officer and Member of the Group Board of Management of Volkswagen AG.

For Porsche AG, the IPO would mean greater agility and entrepreneurial freedom. It would also better enable Porsche to implement its already successful strategy.

In the event of an IPO, it is intended to appoint Micaela le Divelec Lemmi, Melissa Di Donato Roos and Hauke Stars as new members of the Supervisory Board of Porsche AG. Dr. Arno Antlitz commented: "I am pleased that we have been able to win Micaela le Divelec Lemmi, Melissa Di Donato Roos and Hauke Stars for the Supervisory Board of Porsche AG. They are accomplished experts in the luxury and technology sector respectively and would accompany Porsche AG's path constructively and critically."

Private investors can invest in Porsche preferred shares

The preferred shares are targeted to be listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard) at the end of September or beginning of October 2022 and is expected to be completed by year end, subject to capital market conditions. Qatar Investment Authority (QIA) has expressed strong interest to act as cornerstone investor in the Porsche AG IPO and intends to commit to an investment of 4.99% of the preference share capital in the IPO of Porsche AG, subject to the execution of a cornerstone investment agreement. In addition to institutional investors, the preferred shares are planned to also be offered to private investors in Germany, Austria, Switzerland, France, Italy and Spain.

Acting as Joint Global Coordinators and Joint Bookrunners in connection with the proposed transaction are: BofA Securities, Citigroup, Goldman Sachs and J.P. Morgan. BNP Paribas, Deutsche Bank, Morgan Stanley, Santander, Barclays, Société Générale, UniCredit are acting as Joint Bookrunners. Commerzbank, Crédit Agricole, LBBW and Mizuho are acting as Co-lead managers.

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VW shareholders to benefit from special dividend

In the event of a successful IPO, Volkswagen AG would hold an extraordinary general meeting in December 2022 and propose to its shareholders the payment of a special dividend: here, 49 percent of the total gross proceeds from the placement of the preferred shares and the sale of the ordinary shares would be distributed to shareholders, probably early next year.

Industrial cooperation would continue

Volkswagen AG would continue to hold the majority of Porsche AG's ordinary and preferred shares after the IPO and would fully consolidate the sports car manufacturer in its consolidated financial statements as before. The existing industrial and strategic cooperation between Volkswagen AG and Porsche AG would also be continued. Both companies would thus continue to benefit from synergies and innovations arising from the technology platforms Mechatronics, Software, Battery & Charging and Mobility Solutions defined within the NEW AUTO strategy.

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The Banks are acting exclusively for Porsche AG, the selling shareholder and Volkswagen AG and no one else in connection with the planned IPO. They will not regard any other person as their respective clients in relation to the planned IPO and will not be responsible to anyone other than Porsche AG and the selling shareholder and Volkswagen AG for providing the protections afforded

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to its clients, nor for providing advice in relation to the offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

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

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About the Volkswagen Group:

The Volkswagen Group, with its headquarters in Wolfsburg, is one of the world's leading automobile manufacturers and the largest carmaker in Europe. Ten brands from seven European countries belong to the Group: Volkswagen Passenger Cars, Audi, SEAT, Cupra, ŠKODA, Bentley, Lamborghini, Porsche, Ducati and Volkswagen Commercial Vehicles. The passenger car portfolio ranges from small cars all the way to luxury-class vehicles. Ducati offers motorcycles. In the light and heavy commercial vehicles sector, the products range from pick-ups to buses and heavy trucks. Every weekday, 672,800 employees around the globe are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2021, the total number of vehicles delivered to customers by the Group globally was 8.9 million (2020: 9.3 million). Group sales revenue in 2021 totaled EUR 250.2 billion (2020: EUR 222.9 billion). Earnings after tax in 2021 amounted to EUR 15.4 billion (2020: EUR 8.8 billion).