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„Unboxing“ in Salzgitter: Prime Minister Stephan Weil unpacks first industrial machine for future Gigafactory

- PowerCo factory grows rapidly: Construction of machine park, more than 2,500 standard containers with equipment planned
- Salzgitter on its way to becoming the Group's global battery cell lead plant and industrial beacon in Germany
- Job magnet: PowerCo grows to 1,000 battery experts

Salzgitter, June 30, 2023 – Milestone for the Salzgitter Gigafactory: The Prime Minister of Lower Saxony, Stephan Weil, unpacked the first industrial machine that will be used in the cell factory. The "unboxing" in large format – the entire machine is around 10 x 3 meters in size – marks the start of a new construction phase. From now on, the ramp-up of the machine and equipment park begins. More than 2,500 standard containers are required for the delivery of the equipment alone. The first mega project of the battery company PowerCo, which belongs to the Volkswagen Group, is thus fully on schedule; series production of battery cells at the Salzgitter site will start in 2025.



Thomas Schmall, Member of the Volkswagen AG Board of Management for Technology and Chairman of the Supervisory Board of PowerCo SE and Stephan Weil, Prime Minister of Lower Saxony, unpacking the first industrial machine for the future Gigafactory)

Prime Minister Weil visited Salzgitter as part of his two-day summer tour through Lower Saxony with a focus on energy. The Gigafactory is regarded as an industrial lighthouse in Germany and as a figurehead for lower Saxony as a location. The Gigafactory is also taking on a pioneering role in terms of sustainability: it relies entirely on renewable energies, and innovative production processes such as dry coating will reduce energy requirements by up to 30 percent in the future.

Weil explained on site: "It was a courageous and wise decision by Volkswagen to build the first gigafactory for battery cell production in Lower Saxony. The time of the pandemic has taught us that we need to be independent of supplies from distant countries in important areas of production. This applies in particular to the battery as the most important component of electric vehicles. We must

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ensure that Germany will continue to be the location of battery cell production in the future despite high energy costs."

Thomas Schmall, Volkswagen Group Board Member Group Technology: "A year ago this was still an open field, but now we are already setting up the first high-tech machines. This shows the speed at which we are putting our plans into practice. PowerCo is well on its way to becoming a global player in the battery business and can become a new, future-proof powerhouse for Lower Saxony and Germany."

With a construction area of around 2 million square meters (equivalent to around 280 football fields), the Gigafactory Salzgitter is one of the largest construction projects in Lower Saxony. In total, three PowerCo sites are already under construction: In addition to Salzgitter, further Gigafactories are being built in Valencia and St. Thomas, Canada. The total capacity amounts to up to 200 gigawatt hours per year, enough for more than 2 million electric cars.

PowerCo: Magnet for battery experts

The PowerCo is developing into an attraction for battery experts. On July 1, 2023, the thousandth employee will start working for the battery company. By the end of the year, the number of employees is expected to grow further to up to 1,500. The average age is currently 38 years, more than a quarter of employees have an international background. PowerCo also has an above-average proportion of women of more than 30 percent compared to the rest of the industry.

PowerCo CEO Frank Blome: "We are building an absolute top team. One year after its foundation, PowerCo has become a magnet for experienced battery specialists who are in short supply and hot demand worldwide. At the same time, the qualification offensive for employees from the Group is in full swing. Especially in times of a shortage of skilled workers, this is a clear competitive advantage for us."

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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. The Group comprises ten core brands from seven European countries: 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. Around 675,800 employees around the globe are involved in vehicle-related services or work in other areas of business. With its brands, the Volkswagen Group is present in all relevant markets around the world.

In 2022, the total number of vehicles delivered to customers by the Group globally was 8.3 million (2021: 8.9 million). Group sales revenue in 2022 totaled EUR 279.2 billion (2021: EUR 250.2 billion). The operating result before special items in 2022 amounted to EUR 22.5 billion (2021: EUR 20.0 billion).

About PowerCo:

The Volkswagen Group is bundling its global battery activities in the European company PowerCo SE. From Salzgitter, the company manages international factory operations, the further development of cell technology, the vertical integration of the value chain and the supply of machinery and equipment to the factories. Looking ahead, further products such as major storage systems for the energy grid are planned. Since its launch in July 2022, PowerCo has already decided three gigafactory locations: Salzgitter in Germany, Valencia in Spain and St. Thomas in Canada.
