
Media information

NO. 70/2023

Volkswagen Group brings products to market faster in China – development time reduced by around 30 percent

- Volkswagen invests around EUR 1 billion to establish a new centre for development, innovation, and procurement for fully connected electric cars, with headquarters in Hefei
- New company – project name ‘100%TechCo’ – combines vehicle and component R&D and procurement and will reduce development times for new products and technologies by around 30 percent
- 100%TechCo integrates state-of-the-art technologies from local suppliers into the development process at an early stage, to adapt vehicles even faster to the wishes of Chinese customers
- Ralf Brandstätter, Group Board Member for China: "The establishment of 100%TechCo is an important step of our ‘in China, for China’ strategy. By consistently bundling development and procurement capacities as well as integrating local suppliers at an early stage, we will significantly accelerate our development pace. This will also strengthen the efficiency of cooperation for our joint venture and increase our profitability."

Beijing and Shanghai, 18 April 2023. The Volkswagen Group is systematically expanding its development expertise ‘in China for China’. The company is investing around EUR 1 billion in a new state-of-the-art development, innovation, and procurement centre for fully connected intelligent electric vehicles in the southern Chinese city of Hefei. The announcement was made today by the Volkswagen Group at the Shanghai Auto Show. The new company, with the project name ‘100%TechCo’, combines vehicles and components R&D teams with purchasing. This will leverage synergies in the development process and integrate state-of-the-art local technologies into product development at an early stage. The aim is to align the Group’s vehicles even more quickly with the wishes of Chinese customers and to achieve shorter time to market. With the

VOLKSWAGEN

GROUP CHINA

launch of 100%TechCo in 2024, the development times of new products and technologies will be gradually shortened by around 30 percent.

Ralf Brandstätter, Group Board Member for China: "The establishment of 100%TechCo is an important step of our 'in China, for China' strategy. By consistently bundling development and procurement capacities as well as integrating local suppliers at an early stage, we will significantly accelerate our development pace. This will also strengthen the efficiency of cooperation for our joint venture and increase our profitability."

For R&D activities, 100%TechCo will not only bundle research and development for vehicles and components in China, for China, but also merge procurement into a joint unit. To this end, local suppliers will be involved in the early stages of product development in order to integrate the latest technologies and application concepts into new products. In addition, the new company will more closely integrate the development projects of all of the Volkswagen Group's joint ventures in China – SAIC, Volkswagen, FAW-VW, and Volkswagen Anhui.

The new unit is expected to launch in early 2024 and will comprise more than 2,000 employees from procurement and R&D. The CEO will be Marcus Hafkemeyer, Chief Technology Officer of Volkswagen Group China.

Marcus Hafkemeyer, CEO of 100%TechCo, said: "With 100%TechCo, we are opening a new chapter in our cooperation with our joint venture partners in Changchun, Shanghai, and Hefei, as well as the Group's brands. We are fostering seamless collaboration to bring customized products to the Chinese market even faster and more efficiently. In a first step, 100%TechCo will steer the development of the models of the Volkswagen Anhui joint venture based on the MEB platform and will be responsible for the development of China-specific platform requirements and modules with a focus on electric mobility." The company is already expected to play a major role in the development of a future Volkswagen brand model to be launched in 2024.

The foundation of 100%TechCo is another important milestone in the Volkswagen Group's 'in China, for China' strategy. It builds on further strategic measures taken by the company in order to address market-defining trends in China at an early stage and to significantly increase the speed of innovation locally. These include, for example, the recently announced strategic partnership with Horizon Robotics, a leading provider of hardware and software solutions for automated driving in China.

VOLKSWAGEN

GROUP CHINA



Volkswagen Group China

International Communications

Contact Robin Aschhoff

Phone +86-13811044303

E-mail robin.aschhoff@volkswagen.com.cn | www.volkswagen-newsroom.com



Volkswagen Group China

International Communications

Contact Christoph Ludewig

Phone +86-13810230447

E-mail christoph.ludewig@volkswagen.com.cn | www.volkswagen-newsroom.com



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).
