
Media information

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Gigafactory Valencia: PowerCo gives starting signal for construction of second cell factory

- **Salzgitter, Valencia, St. Thomas: PowerCo forges ahead with expanding its global battery business**
- **Cell factory in Valencia to start production of the unified cell in 2026, creating more than 3,000 direct jobs**
- **Initial capacity of 40 GWh per year with potential for further expansion**
- **Sustainable batteries: PowerCo sets on manufacturing with 100 % green electricity from solar and wind power**
- **The Spanish President Pedro Sánchez: “The factory that will be built here exemplifies the Spanish Government's commitment to innovation and sustainable mobility.”**

Valencia/Sagunto, March 17, 2023 – PowerCo SE is taking the next step in building its global battery business: In the Spanish region of Valencia, the company today gave the starting signal for construction of its second PowerCo cell factory in the presence of His Majesty King Felipe VI, Spain's President Pedro Sánchez and Ximo Puig, President of the Valencian Generalitat. Gigafactory Valencia will start production of the unified cell in 2026 and will directly employ more than 3,000 people in the future, with a further up to 30,000 indirect jobs potentially being created at suppliers and partners in Spain according to a recent study. The Volkswagen Group has made battery technology a core element of its NEW AUTO strategy and has established PowerCo, a separate battery company. Since its launch in July 2022, PowerCo has decided three sites for cell factories: Salzgitter, Valencia and St. Thomas in Ontario/Canada, two of them already under construction.



Felipe VI, His Majesty the King of Spain (centre), with (from left) Ximo Puig, President of the Valencian Generalitat; Spain's President Pedro Sánchez; Volkswagen board member for Group Technology Thomas Schmall; Wayne Griffiths, President SEAT and CUPRA

The Spanish President Pedro Sánchez: “The factory that will be built here exemplifies the Spanish Government's commitment to innovation and sustainable mobility. It is a sign of our commitment to industry, but also to the characteristics that define an entrepreneurial nation in the global market: innovation, territorial cohesion and public-private cooperation.”

Thomas Schmall, Board of Management member responsible for Group Technology and Chairman of

the Supervisory Board of PowerCo SE: “We are moving into the fast lane with PowerCo. We have just broken ground for PowerCo's second gigafactory in Valencia, and are already making the next step with the announcement of another gigafactory in St. Thomas, Canada. Our objective is to make PowerCo a global player in the battery business and pave the way for better mobility with sustainably manufactured battery cells. The gigafactory Valencia is an important milestone in that.”

Frank Blome, CEO of PowerCo: “Like the Volkswagen Group, PowerCo stands for responsible conduct. That includes good working conditions, care for the environment and sparing use of scarce resources. We want to be a good neighbour to the people in the region and make a significant contribution to economic development. Not only will we create more than 3,000 jobs of the future, but we also intend to work with the regional government to initiate targeted projects aimed at strengthening science and society.”

Gigafactory Valencia: Potential for 60 GWh

The annual production capacity is initially 40 GWh, but has the potential to be expanded to 60 GWh in the future. The cell factory is being built over an area of around 130 hectares in Sagunto, in the immediate vicinity of Valencia. Together with the planned supplier park, which will be built parallel to the PowerCo factory, the area even amounts to 200 hectares. Important factors in deciding to build the site in Valencia included the availability of low-cost green electricity, the regional research and innovation cluster, as well as the good transport infrastructure and proximity to the Group's Spanish production sites. The Valencia gigafactory will supply unified cells to the vehicle plants in Martorell and Pamplona, among others.

The President of the Generalitat Valenciana, Ximo Puig, thanked the Volkswagen Group and SEAT for their commitment to Sagunto and the Valencian community: "Mission Valencia stands for a productive alliance between PowerCo, the Generalitat, and the governments of Spain and Europe on the path towards a sustainable transition in mobility. Looking forward, we have the Valencian Community behind us to accelerate our ambitious work with full confidence in what we can achieve when we act together."

PowerCo is aiming to manufacture sustainable batteries in Valencia. The cell factory will be supplied completely with green electricity generated by solar and wind power, for instance by a new 250-hectare solar farm in the immediate vicinity. The raw material cycle will be closed directly on the site of the cell factory

10 billion investment programme for the electrification of Spain

Gigafactory Valencia is a core component of the 10 billion euro investment programme called "Future: Fast Forward" which the Volkswagen Group announced last year together with PowerCo, its Spanish subsidiary SEAT S.A. and 49 partners. Under the plan, Volkswagen will also electrify its car factories in Martorell and Pamplona as part of the PERTE programme for electric and connected vehicles.

PowerCo bundles the Volkswagen Group's global battery business throughout the value chain – from raw material supply and development to the construction and operation of gigafactories. By 2030, PowerCo and partners are expected to generate annual revenue of over 20 billion euros.

You will soon find images of the event here: www.volkswagen-newsroom.com



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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).
