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## Media information

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# Volkswagen Group and Gotion High-Tech team up to industrialize battery cell production in Germany

- **Gotion High-Tech is technology partner for planned cell factory at Volkswagen Group Components plant Salzgitter**
- **Volkswagen extends existing partnership with the Chinese battery maker to develop and industrialize the first generation of the unified cell for the volume segment in Germany**
- **Further international collaboration potential to be explored**

**Wolfsburg, July 13, 2021 – Volkswagen Group and Gotion High-Tech Co., Ltd. deepen their partnership. Based on a substantial shareholding agreement in May 2020, the Wolfsburg-based automobile company entered a strategic cooperation framework with the major Chinese battery producer headquartered at Hefei. The goals of both partners are to industrialize the planned battery cell production at the Salzgitter site of Volkswagen Group Components and to develop first use cases of the Volkswagen unified cell concept for the volume segment. Both projects are part of the overarching plan of Volkswagen Group – outlined at the Power Day event in March – to significantly reduce battery complexity and costs while boosting range and charging performance in order to make the electric car still more attractive.**



**Volkswagen and Gotion High-Tech participants at the signing ceremony**

Both sides will team up for fast cell industrialization at the Volkswagen-owned Salzgitter plant with Gotion High-Tech acting as technology partner for the cell factory layout, machinery, and production processes.

In addition, Volkswagen (China) Investment Company Ltd. (VCIC) and Hefei Gotion High-Tech Power Energy Co., Ltd. agreed that Gotion High-Tech will develop the first generation of unified cells for the volume segment. The new activities will not affect ongoing contracts with other battery suppliers.

While the Salzgitter traditional engine plant is consequently transforming, a new battery production cell hub will be built up in partnership with Gotion High-Tech. At the site, a Group-wide Center of Excellence Battery Cell with extensive cell laboratories, a pilot line for cell production, and a pilot plant for battery recycling are the solid foundation for the imminent construction of the cell factory with scheduled start of production in 2025.

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In Europe alone, Volkswagen Group will establish six gigafactories with a total production capacity of 240 GWh together with partners – in order to secure battery cell supply and achieve large economies of scale implementing the unified cell concept as well as numerous production innovations.

The Volkswagen unified cell concept refers to a prismatic cell format adaptable to various chemistry mixes available today or market-ready at a later point in time. The unified cell is compatible to all major upcoming innovations in both product and production technology.

Dr. Herbert Diess, Chairman of the Board of Management of Volkswagen AG: “We are excited to extend our partnership with Gotion High-Tech as an established high level battery company to drive forward cell tech together. This is only one step towards our aim to become, together with partners, one of the top three battery cell manufacturers worldwide.”

Thomas Schmall, Group Board Member for Technology and CEO of Volkswagen Group Components: “Gotion High-Tech is an accomplished cell producer recognized for innovative quality work. I look forward to scaling up battery tech together, starting at Salzgitter. With this, we make the central customer-relevant car component even better and e-mobility still more affordable.”

Mr. Zhen Li, Chairman and CEO of Gotion High-Tech: “With our cutting-edge battery technology and rich experiences in battery manufacturing, Gotion High-Tech will fully support Volkswagen Group’s electrification strategy and together promote the carbon neutral transition by 2050 to completely change human society’s dependence on fossil energy. I firmly believe this cooperation will be a successful model of Sino-European Trade and Economy, as well as of the global new energy strategy.”

In May 2020, both partners signed binding agreements that Volkswagen (China) Investment Co. Ltd. will become the largest shareholder in Gotion High-Tech, with 26 percent of the shares, through a buy-in of around €1.1 billion. The transaction has been approved by the China Securities Regulatory Commission (CSRC) and both parties are presently working on closing procedures. Volkswagen is thus the first global automaker to invest directly in a Chinese battery supplier.

Furthermore, Gotion High-Tech is in the process of becoming a certified Volkswagen Group battery supplier in China, including supplies for local MEB vehicles. The MEB is a modular electric vehicle platform of the Volkswagen Group.

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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 twelve brands from seven European countries: Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN. 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, 662.600 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 2020, the total number of vehicles delivered to customers by the Group globally was 9.31 million (2019: 10.98 million). Group sales revenue in 2020 totaled EUR 222.9 billion (2019: EUR 252.6 billion). Earnings after tax in 2020 ended amounted to EUR 8.8 billion (2019: EUR 14.0 billion).

## About Gotion High-Tech:

Gotion High-Tech went public in May 2015 as China's first power battery company to enter the capital market. Gotion High-Tech specializes in batteries for new energy vehicles, energy storage application, power transmission and distribution equipment, and other new energy business. Gotion High-Tech Co., Ltd. was founded in 2006 with headquarters in Hefei, capital of Anhui Province and production bases in Hefei (Xinzhan, Jingkai, Lujiang, Feidong), Nanjing, Qingdao, Tangshan, Nantong and Liuzhou. In addition, it has built R&D centers in Hefei, Shanghai, Silicon Valley, Cleveland, Tsukuba / Japan, Singapore, Germany, and India. Gotion High-Tech has more than 2,000 professional R&D engineers and scientists. By late June 2021, Gotion High-Tech has been granted 2,797 patents in different fields.