
Media information

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Volkswagen to strengthen regional development competence for autonomous driving in China through joint venture between CARIAD and Horizon Robotics

- Partnership to help Volkswagen Group to speed up customization of automated driving solutions for the Chinese market
- Volkswagen Group to invest in a cooperation with Horizon Robotics, a leading supplier of energy-efficient computing solutions for smart vehicles
- As part of the cooperation, CARIAD and Horizon Robotics intend to establish a joint venture in China, in which CARIAD will hold a majority stake of 60%
- Integration of numerous functions in one integrated chip is intended to increase stability and reduce energy consumption of entire automated systems, allowing for scalable ADAS and AD solutions with differentiating innovation
- Volkswagen Management Board Member Ralf Brandstätter: “Teaming up with Horizon Robotics will allow Volkswagen to accelerate the development of automated driving as part of our NEW AUTO strategy and drive the repositioning of our China business.”
- Horizon Robotics CEO Dr. Kai Yu: “As one of the leading companies to commercialize and mass produce computing solutions of autonomous driving in China, we will bring in our expertise to our partnership with CARIAD to develop next-generation technologies for smart vehicle users.”

Wolfsburg/Beijing, October 13, 2022 - The Volkswagen Group is strengthening its development competence “in China, for China” to accelerate the pace of innovation, promote technological localization and further strengthen its customer focus in this important market. A new partnership between its software company CARIAD and Horizon Robotics, one of the leading providers of computing solutions for smart vehicles in China, will accelerate the regional development of Advanced Driver Assistance System (ADAS) and Autonomous Driving (AD) systems for the Chinese market. As part of the cooperation, CARIAD and Horizon Robotics plan to also establish a joint venture, with CARIAD being majority shareholder. Volkswagen Group will overall invest approximately EUR 2.4 billion in the cooperation with Horizon Robotics. The transaction is expected to be completed in the first half of 2023. Together CARIAD and Horizon

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Robotics plan to develop cutting-edge, highly optimized full stack ADAS/AD solutions for China to drive forward the integration of numerous functions on one chip, increasing the stability of the system, saving costs, and reducing energy consumption. The fully integrated software/hardware technology offers differentiation and provides scalable as well as cost efficient ADAS/AD solutions for the Group's BEV (Battery Electric Vehicles) models in China. The closing of the transaction is subject to the final signing of transaction documents between the parties involved and customary government approval, as well as, in particular, the approval of merger control and foreign investment authorities.

“The partnership with Horizon Robotics is a central cornerstone of our strategy to realign and further strengthen our activities in our most important market worldwide. Localized technology development grants the region more autonomy to further expand its position in the dynamic automotive market. Cutting edge technology comprising the full software and hardware stack, which the new joint venture will develop, will enable us to tailor our products and services even faster and more consistently to the needs of our Chinese customers. Teaming up with Horizon Robotics will allow Volkswagen to accelerate the development of automated driving solutions as part of our NEW AUTO strategy and drive the repositioning of our China business,” said Ralf Brandstätter, Member of the Management Board of Volkswagen AG for China.

“As the global automotive software and technology company of Volkswagen Group, CARIAD is an important force in the Group's transformation into a software-driven mobility provider. Through the joint venture with Horizon Robotics in China and further investment in autonomous driving technology, we are underlining our position in innovation and modernization in China's automotive industry. Our goal is to create long-term value in China for the Group and our shareholders in line with expected market development”, said CARIAD CEO Dirk Hilgenberg.

“Horizon Robotics is committed to empowering smart vehicles through integrated computing solutions with the mission to make human life safer and better,” said Dr. Kai Yu, founder and CEO of Horizon Robotics, “As one of the leading companies to commercialize and mass produce computing solutions of autonomous driving in China, we will bring in our expertise to the partnership with CARIAD to develop next-generation technologies for smart vehicle users. We believe our integrated software and hardware solutions will continue to position Horizon Robotics as a partner of choice for international auto makers in China.”

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Smart, intelligent driving enabled by advanced ADAS/AD systems is the key technology of future mobility and an area with high potential for market growth, in which the speed of development is paramount. The partnership of CARIAD and Horizon Robotics foresees the formation of a joint venture, in which CARIAD shall hold a 60 percent stake. CARIAD and Horizon Robotics aim to accelerate the development and commercialization of software and hardware technologies in the automotive sector in China to make automated driving for Chinese customers a reality faster.

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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).

About Horizon

Horizon Robotics is a leading provider of energy-efficient computing solutions for advanced driver assistance systems (ADAS) and autonomous driving (AD) for smart vehicles, with the mission to make human life safer and better. As a pioneer to commercialize embedded passenger-vehicle ADAS and AD products in China, Horizon Robotics is committed to enhancing next-generation smart driving experiences by integrating hardware and software, including low-power hardware computing solutions and open software development tools. By closely collaborating with a community of partners, Horizon Robotics offers products and services that enable an open ecosystem of smart vehicle transformation.
