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## Media information

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NO. 296/2019

## Volkswagen and Northvolt form joint venture for battery production

- **The goal is to build a factory for lithium-ion batteries in Salzgitter (Lower Saxony)**
- **Start of production is planned for the end of 2023/beginning of 2024**
- **Initial annual output to be 16 GWh**

**Wolfsburg (Germany), Stockholm (Sweden), September 06, 2019. Volkswagen AG and Northvolt AB have created a 50/50 joint venture to build a factory for lithium-ion batteries. Construction of the production facility is scheduled to start in Salzgitter (Lower Saxony) in 2020. Start of production is planned for the end of 2023/beginning of 2024. The initial annual output is to be 16 GWh.**

The finalization of the joint venture is the result of an agreement which both parties concluded in June. Part of the approximately 900 million euros invested by Volkswagen is now flowing into the joint venture. Another part goes directly to Northvolt. In return, Volkswagen has received about 20 percent of the shares in the Swedish battery manufacturer and a seat on the Supervisory Board.

Dr. Stefan Sommer, Member of the Volkswagen AG Board of Management responsible for Procurement and member of the Supervisory Board of Northvolt AB, commented: "The battery cell is the key component for electric mobility. Therefore, Volkswagen and Northvolt are together pushing ahead efficient cell production in Europe to accelerate their joint battery activities. With the founding of the joint venture and the planned construction of a battery cell factory in Salzgitter, we are making a decisive contribution to establishing the core battery cell technology in Germany as well."

Fredrik Hedlund, Chief Executive Officer of the new joint venture and former Chief Strategy Officer of Northvolt, said: "Building a gigafactory in Germany together with Volkswagen allows Northvolt to further increase the production capacity of green battery cells with a minimal CO<sub>2</sub> footprint. This will have a significant impact on electrification in Europe."

As part of the electrification strategy, the Volkswagen Group alone has an annual demand of more than 150 gigawatt hours from 2025 in Europe – and also in Asia at the same level.

The Group is planning to launch almost 70 new electric models in the next ten years. As a result, the projected number of vehicles to be built on the Group's electric platforms in the next decade will increase to 22 million. Volkswagen is therefore investing more than €30 billion into the electrification of the fleet by 2023. Expanding e-mobility is an important building block on the

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road to a CO<sub>2</sub>-neutral balance. Volkswagen has signed off a comprehensive decarbonization program aimed at achieving a CO<sub>2</sub>-neutral balance in all areas from fleet to production to administration by 2050. Volkswagen is thus fully committed to the Paris climate targets.

**Note:** This text can be downloaded from [www.volkswagen-newsroom.com](http://www.volkswagen-newsroom.com).



**Volkswagen AG**

**Deputy Head of Corporate Communications**

**Contact** Dr. Christoph Ludewig

**Phone** +49-53 61-9-875 75

**E-mail** [christoph.ludewig@volkswagen.de](mailto:christoph.ludewig@volkswagen.de) | [www.volkswagen-newsroom.com](http://www.volkswagen-newsroom.com)



**Volkswagen AG**

**Corporate Communications | Spokesperson Procurement and Production**

**Contact** Leslie Bothge

**Phone** +49-5361-9-215 49

**E-mail** [leslie.bothge@volkswagen.de](mailto:leslie.bothge@volkswagen.de) | [www.volkswagen-newsroom.com](http://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 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 include ranges from pick-ups, buses and heavy trucks. Every weekday, 664,496 employees around the globe produce on average 44,567 vehicles, are involved in vehicle-related services or work in other areas of business. The Volkswagen Group sells its vehicles in 153 countries.

In 2018, the total number of vehicles supplied to customers by the Group globally was 10,8 million (2017: 10,7 million). The passenger car global market share was 12.3 per cent. In Western Europe 22.0 per cent of all new passenger cars come from the Volkswagen Group. Group sales revenue in 2018 totalled €235.8 billion (2017: €231 billion). Earnings after tax in 2017 amounted to €17.1 billion (2017: €11.6 billion).

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