

BMW Group continues to drive electromobility: Long-term supply contract with Northvolt for battery cells from Europe concluded

- Order volume of 2 billion euros from 2024
- Sustainable production using 100% wind and hydroelectric power
- Oliver Zipse: “For an effective contribution to climate protection BMW Group aims to improve its products’ overall environmental balance”

Munich. The BMW Group is driving the expansion of electromobility and has signed a long-term supply contract worth 2 billion euros for battery cells with the Swedish company Northvolt. The battery cells will be produced in Europe at the Northvolt gigafactory currently under construction in Skellefteå in northern Sweden (series plant Northvolt Ett) from 2024.

A decisive aspect for the BMW Group: Northvolt will obtain 100 percent of the energy needed to produce the battery cells regionally in northern Sweden and exclusively from wind and hydroelectric power. Oliver Zipse, Chairman of the Board of Management of BMW AG, said: “To make an effective contribution to climate protection, we aim to improve our products’ overall environmental balance – from resources to recycling. This applies in particular to energy-intensive production of high-voltage batteries for electric vehicles. That is why we now have a contractual agreement with our cell manufacturers that they will only use green power to produce our fifth-generation battery cells.”

Andreas Wendt, member of the Board of Management of BMW AG responsible for Purchasing and Supplier Network, added: “Northvolt is the third battery cell supplier we have partnered with, alongside our existing partners, CATL and Samsung SDI. Signing this contract is another step towards meeting our growing need for battery cells in the long term. We are systematically driving electrification of our vehicle fleet. By 2023, we aim to have 25 electrified models on the roads – more than half of them fully-electric.” The BMW Group will also source cells manufactured in Europe from the Chinese manufacturer CATL –

from the plant currently under construction in Erfurt, Germany. Every cell generation at the BMW Group is awarded in global competition to the leading manufacturer from both a technology and a business perspective. Wendt: “This ensures we always have access to the best possible cell technology.”

Sustainability plays key role in expanding electromobility

The BMW Group and Northvolt will commonly source the cobalt and lithium needed as key raw materials for cell production from mines that fulfil the high sustainability standards of both companies. This ensures full transparency of the origin of raw materials at any time. Compliance with environmental standards, respect for human rights and reducing the carbon footprint are top priority. “Sustainability is an important aspect of our corporate strategy and plays a key role in expanding electromobility,” emphasised Wendt. The BMW Group will also no longer use rare earths in its fifth-generation electric drive trains from 2021 on.

The BMW Group and Northvolt are pursuing their goal of a sustainable value chain for battery cells in Europe through a joint technology consortium.

Recyclable cell design is a consistent focus throughout the development of battery cells. Faced with rapidly growing demand for battery cells, recycling of battery components at the end of their lifecycle and extensive reuse of raw materials will be key to closing the materials loop in the best way possible.

Production of battery cells: an important and effective lever for reducing CO₂ – accounting for up to 40% of carbon emissions

As e-mobility gains more and more traction, the focus of CO₂ reduction shifts to upstream added value – and, especially, the energy-intensive production of high-voltage batteries, because up to 40 percent of a fully-electric vehicle’s emissions come from battery cell production alone. This is a major and very effective lever for reducing CO₂ – so that is precisely where the BMW Group is focusing its efforts. As a leader in sustainability, the company has therefore reached a

contractual agreement with CATL, Samsung SDI and Northvolt that they will only use green power to produce fifth-generation battery cells for the BMW Group. “As volumes increase, the use of green power will save around ten million tonnes of CO₂ over the next decade. For comparison, that is roughly the amount of CO₂ a city of over a million inhabitants, like Munich, emits per year,” according to Zipse.

Northvolt potential recognised early

The BMW Group recognised Northvolt's potential and expertise early: In mid-2018, the BMW Group entered a cooperation to develop battery cells with the company formed in 2016. This was underpinned by the BMW Group's financial participation in the firm. Both sides benefit from the partnership: The BMW Group contributes the battery expertise it has acquired over more than 15 years, while Northvolt has enabled itself for mass production with its gigafactory in northern Sweden.

Extensive in-house expertise throughout entire battery cell value chain

The BMW Group operates its Battery Cell Competence Centre in Munich. The aim of the competence centre is to advance battery cell technology and introduce it into production processes. The production of battery cell prototypes makes it possible to analyse and fully understand cell value creation processes. The BMW Group produces batteries in-house at its plants in Dingolfing (Germany), Spartanburg (USA) and at the BBA plant in Shenyang (China). The BMW Group has also localised battery production in Thailand, where it is working with the Dräxlmaier Group.

BMW Group as e-mobility pioneer – 25 electrified models by 2023

The BMW Group will have 25 electrified models in its line-up by 2023. The basis for this is provided by flexible vehicle architectures for fully-electric vehicles, plug-in hybrids and models with combustion engines that allow the company to respond quickly to changing conditions. More than half of the 25 models will be

Corporate Communications

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Page 5

fully electric. The BMW Group will double its sales of electrified vehicles between 2019 and 2021, and the company expects to see a steep growth curve up to 2025: Global sales of our electrified vehicles should increase by an average of over 30 percent every year. In Europe, the company is also pursuing an ambitious growth logic: By 2021, electrified vehicles should make up a quarter of our new vehicle fleet, a third in 2025 and half of our sales in 2030.

As an e-mobility pioneer, the BMW Group is already a leading provider of electrified vehicles. By the end of 2019, the company already had more than half a million fully-electric and plug-in hybrid vehicles on the roads. By the end of 2021, the BMW Group will offer five fully-electric production vehicles. In addition to the BMW i3*, production of the fully-electric MINI* also got underway at Plant Oxford in 2019. This will be followed later in 2020 by the fully-electric BMW iX3*, produced in Shenyang, China and, then, in 2021, by the BMW iNEXT, built in Dingolfing, and the BMW i4 from Plant Munich.

***Consumption and emission data:**

BMW i3 (120 Ah): fuel consumption combined: 0.0 l/100 km; power consumption combined 13.1 kWh/100 km; CO2 emissions combined 0 g/km

BMW i3s (120 Ah): fuel consumption combined: 0.0 l/100 km; power consumption combined 14.6-14.0 kWh/100 km; CO2 emissions combined 0 g/km

MINI Cooper SE: fuel consumption combined: 0.0 l/100 km, power consumption combined 16.8-14.8 kWh/100 km, CO2 emissions combined: 0 g/km

BMW iX3: fuel consumption combined: 0.0 l/100 km; power consumption combined: 17.8-17.5 kWh/100 km; CO2 emissions combined 0 g/km

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Page 5

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The BMW Group

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial and mobility services. The BMW Group production network comprises 31 production and assembly facilities in 15 countries; the company has a global sales network in more than 140 countries.

In 2019, the BMW Group sold over 2.5 million passenger vehicles and more than 175,000 motorcycles worldwide. The profit before tax in the financial year 2019 was € 7.118 billion on revenues amounting to € 104.210 billion. As of 31 December 2019, the BMW Group had a workforce of 126,016 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company has therefore established ecological and social sustainability throughout the value chain, comprehensive product responsibility and a clear commitment to conserving resources as an integral part of its strategy.

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