

Press Information
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Foundation stone laid for state-of-the-art plant in Debrecen

+++ Series production of fully electric Neue Klasse will launch in 2025
+++ CO₂-free car plant – a world first
+++ Board Member for Production Nedeljković: "Important building block in capacity will support long-term volume growth"
+++ BMW iFACTORY will be fully implemented

Munich/Debrecen. The foundation stone has been laid for the BMW Group's new plant in Debrecen, Hungary. The new facility comes after an investment of more than €1 billion and will launch series production of the fully electric Neue Klasse in 2025. "Plant Debrecen will set new standards in highly innovative vehicle manufacturing," said BMW AG Board Member for Production Milan Nedeljković at the foundation stone-laying ceremony. "This plant is state-of-the-art in terms of flexibility, sustainability and digitalisation in the entire automotive industry."

The BMW Group consistently pursues a strategy of profitable growth. "The new plant in Hungary will play a key role in the transformation to electric mobility for both the BMW Group and its production network," said Nedeljković at the ceremony. "It's another important building block in our capacity and will support our long-term volume growth." By building up further capacities in Europe, the company is strengthening the balance of production volumes between the American, Chinese and European markets.

"Through the hard work of recent years, we have succeeded in creating the most competitive investment environment in Europe in Hungary, based on political stability, an excellent Hungarian workforce and the lowest taxes on labor in Europe," said Foreign Affairs and Trade Minister Péter Szijjártó in his speech: "The success of Hungary's economic policy is clearly shown by BMW's investment of around one billion euros, which will create Hungary's



leading position in the new electric age of the automotive industry and help the economy grow in the long run."

"As BMW 's new plant in Debrecen reinterprets car manufacturing, we will redefine Debrecen and the eastern region of Hungary with the arrival of BMW. Following the 2018 announcement, the city is characterized by unprecedented dynamism and development. It became tangible for everyone in Debrecen how important it was for the company's leaders to choose Debrecen," said Dr László Papp, the Mayor of Debrecen at the groundbreaking ceremony. "The plant under construction here marks the beginning of a new era, both for BMW's global network and for the entire automotive industry. New production processes, new technology, and a revolutionary new vehicle. All this increases the value of the Debrecen plant and with it Debrecen," said Papp.

BMW iFACTORY perfectly implemented

The BMW Group is establishing a full vehicle plant in Debrecen, with a press shop, bodyshop, paintshop and assembly. Built on a plot of more than 400 hectares to the northwest of the Hungarian city, it will have a capacity of about 150,000 units a year. It comes at an investment of more than €1 billion and will launch production purely of electric vehicles in 2025. Debrecen will manufacture the founding member of the Neue Klasse, which will be based on the cluster architecture developed specially for fully electric vehicles.

"The Neue Klasse is a unique opportunity for us to completely rethink automotive production in every respect," said Milan Nedeljković. "In BMW Production, our strategic vision is the BMW iFACTORY with its three dimensions: LEAN. GREEN. and DIGITAL., and we are going to implement it perfectly in our new plant."

**Clear target: No CO₂ emissions in production in Debrecen**

The BMW Group has set clear sustainability and production targets for its new facility. Nedeljković: "CO₂ emissions per vehicle manufactured will be zero – proving that with sufficient determination and innovativeness, automotive production can indeed be sustainable." A key element in the sustainability concept for the new plant is the complete absence of fossil fuels. "We will not use oil or natural gas and will source any electricity that's needed purely from renewables," said Nedeljković. He emphasised: "Our plant in Debrecen is the first in the world to deliver CO₂.free vehicle production." As a result, Debrecen will make a noticeable contribution towards achieving the 80-percent reduction in CO₂ emissions from production that we are targeting for 2030."

Much of the energy needed will be generated by extensive photovoltaic systems directly on the plant premises. The rest will be sourced regionally from 100-percent renewables. Investigations are also underway into the use of geothermal energy. In addition, Plant Debrecen will utilise innovative technologies that do not yet exist in this form in the market, especially in the paint shop. Here, paint will no longer be dried by means of gas furnaces. Instead, new, electrically powered technologies will be integrated into the future production system. "We are clearly a pioneer in this respect," added Nedeljković.

Another key element in sustainable production is consistent circularity. Wherever possible, production materials and resources will be reused. Metal offcuts and filings from milling and pressing, for example, will be recycled for further use. Waste heat from cooling systems will be fed into a closed loop to heat indoor spaces and water. And smart energy monitoring systems will track exactly how all the energy is used, detect any waste and ensure production is as resource-efficient as possible.

Digitalization potential is used intelligently and effectively

Furthermore, the BMW Group is adopting new approaches to digitalisation in Debrecen – including right now, as the plant is constructed. Digital planning tools are being used to an unprecedented extent, to design every last detail of the entire production process virtually. Each individual stage of manufacturing is simulated and optimised with absolute precision. In particular, the collaboration with the US company NVIDIA and the use of the jointly developed Omniverse planning software is making planning not only more accurate and faster but also far more collaborative, both in-house and with partners and suppliers. Milan Nedeljković: "This fascinating technology is revolutionary. Our future plant in Debrecen is already manufacturing Neue Klasse vehicles today – virtually."

Plant Debrecen will use numerous digitalisation tools as well. Artificial intelligence (AI) applications will support quality assurance in a range of ways and optimise processes in smart and predictive maintenance. The spectrum of digital applications will also include edge computing, data analytics, 5G location technologies and autonomous smart logistics systems with AI functions. "Digitalisation offers huge potential, and we are going to exploit it fully and intelligently in Debrecen," the Board Member for Production emphasised. "We are going to achieve new dimensions of data consistency along the entire value chain and across all process chains."

Recruiting is picking up speed

"But despite all the technologies, innovations and high tech, a car plant is only ever as good as the people who work there," Nedeljković added. Over the next two years, Hans-Peter Kemser's team of currently 100 people will grow to over 1,000. "Recruiting is gradually picking up speed already," Kemser reported. The aim is to fill management positions in all technologies with Hungarian specialists. We will focus very clearly on recruiting talented specialists from the Debrecen area and eastern Hungary," he continued. As



well as attractive salary opportunities, the company will offer many additional benefits that will make it a highly attractive employer in Hungary, as elsewhere. Benefits will include specific accident insurances, mobility allowances, high-quality catering and, from 1 June this year, access to the company health service. There are also plans to offer childcare and education for children of German and Hungarian families. "We see ourselves as an attractive employer in various respects," Kemser explained. "To us, a working environment in which employees are appreciated is just as important as fair working conditions and employee-centric workplaces. Because it helps employees identify with the company and stay loyal to us."

As the next phase of construction begins, the company is offering jobs for specialists and people who are skilled in the construction of buildings and systems as well as facility management. Further employees are being recruited for HR, Finance, Purchasing, IT, Planning and Controlling. Positions in production will be advertised at a later stage.

Construction of the BMW Training Centre at Plant Debrecen is already underway, in preparation for September 2023, when local vocational training will be launched as part of a dual course of study. Three-year training programmes in four professions will be delivered by eight training instructors to prepare 70 apprentices a year for proficiency examinations. "We are shaping not only the future of our plant but also the personal futures of a great many young people," Plant Director Hans-Peter Kemser emphasised.

If you have any questions, please contact:

Corporate Communications

Julian Friedrich, head of Communications Production Network BMW Group

Telephone: +49 89 382 25885

Email: Julian.Friedrich@bmw.de

Martina Hatzel, Communications Production Network BMW Group

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Telephone: +49-89-382-11966

Email: Martina.Hatzel@bmwgroup.comMedia website: www.press.bmwgroup.comEmail: presse@bmw.de**The BMW Group production network**

The BMW Group has regarded itself for decades as the benchmark for production technology and operational excellence in vehicle construction. BMW iFACTORY. LEAN. GREEN. DIGITAL. represents the strategic vision of the worldwide production network. It provides answers to the challenges of the transformation towards e-mobility, with a global approach.

Lean stands for efficiency, precision and the highest level of flexibility, as well as outstanding integration capability. Green means using state-of-the-art technologies to establish production with minimal use of resources. The aim is to reduce CO₂ emissions per vehicle from production by 80% from 2019 levels by 2030. Digital focuses on data science, artificial intelligence and virtual planning and development. In this way, BMW Group production is able to make a decisive contribution to the company's profitability.

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 over 30 production sites all over the world; the company has a global sales network in more than 140 countries.

In 2021, the BMW Group sold over 2.5 million passenger vehicles and more than 194,000 motorcycles worldwide. The profit before tax in the financial year 2021 was € 16.1 billion on revenues amounting to € 111.2 billion. As of 31 December 2021, the BMW Group had a workforce of 118,909 employees.

The success of the BMW Group has always been based on long-term thinking and responsible action. The company set its course for the future early on and is making sustainability and resource efficiency the focus of the company's strategic direction – from the supply chain, through production, to the end of the use phase, for all its products.

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