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Volkswagen Group pushes ahead with strategic realignment of charging and energy business

- As of July 1, Giovanni Palazzo has become Senior Vice President responsible for the Volkswagen Group's global charging and energy business and also leads the Elli brand as CEO and Head of Sales
- Volkswagen Group develops new business models with its own smart energy platform
- Stronger collaboration between Elli and Electrify America as well as with Volkswagen Group brands
- Elli to become an international heavyweight in the energy and battery management business together with Electrify America

Wolfsburg, 10 July 2023 — Volkswagen Group will continue to drive forward the strategic realignment of the charging and energy business with the new Head of Charging and Energy, Giovanni Palazzo. Palazzo has been responsible for the Volkswagen Group's global charging and energy business since July 1 and also leads the Elli brand as CEO and Head of Sales. He will focus on expanding the fast-charging network and further advancing the development of Volkswagen's own smart energy platform. Elli and Electrify America are to cooperate more closely and roll out new business models internationally. In addition, the division will strengthen cooperation with the Group brands and intensify its proximity to private and fleet customers. The cornerstones of the strategy have already been presented to investors and analysts at the Capital Markets Day.



Giovanni Palazzo, Senior Vice President Volkswagen Group Charging and Energy / CEO Elli

"Volkswagen Group can build on the expertise of its brands in the field of charging and energy, in particular Electrify America - the largest open charging network in the US - and Elli, which is already the largest mobility service provider in Europe," said Giovanni Palazzo, Senior Vice President Volkswagen Group Charging and Energy and Elli's CEO. "We want to further expand this expertise along the entire value chain and

verticalize the energy management business, which will be an important revenue driver in the future. This is based on a new strategic orientation, new business models and closer cooperation within the division as well as with Volkswagen Group's brands."

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With this clear strategic orientation, Volkswagen aims to offer innovative solutions for load management, energy market optimization, and energy trading. The Volkswagen Group is for instance planning the first intelligent charging management services for fleet customers from 2024. Giovanni Palazzo brings important experience from the North American market, where he has served as CEO of Electrify America since 2018. Robert Barrosa took over the leadership of Electrify America as President and CEO starting June 1.

"We recognized early on that charging and energy is one of the most important future fields for the ramp-up of electric mobility and the energy transition. It is therefore crucial to develop our own products and services along the entire value chain and to conclude strategic partnerships in the energy sector," says Thomas Schmall, Member of the Volkswagen Group Board of Management responsible for Technology and CEO of Volkswagen Group Technology. "With Giovanni Palazzo, we now have an excellent industry expert and a modern leader in our team who will strengthen the Group's competencies in the energy transition. As an internationally experienced manager, he has the skills to drive global cooperations and innovation partnerships."

Global fast charging network with Elli, Electrify America and CAMS

With Electrify America, Volkswagen already operates the largest open charging network in the US. Volkswagen's goal is to work with partners to build more than 43,000 fast-charging points in Europe, China and North America by 2025. In North America alone, Electrify America plans to double the fast-charging network to 8,000 charging points. In Europe, the Group already offers customers access to more than 500,000 charging points with its Elli brand as a mobility service provider (MSP). In China, Volkswagen is building a total of 17,000 fast-charging points by 2025 through the CAMS joint venture. At the same time, the Group intends to expand its range of charging and energy services in order to better meet customers' needs.

In addition to hardware such as home chargers and flexible fast-charging stations, Volkswagen Group will expand its future offering in charging and energy services such as public charging, green energy, and energy management. Electrify America already provides some of these services in North America. In Europe, these are covered by Elli. In the long run, the Group will anchor the electric car as an intelligent consumer and power bank within the electricity grid and thus make a contribution to the energy system of the future.

Group Technology: The Group's technology powerhouse

In addition to PowerCo, Group Components and Group Platform Business, the Charging and Energy division is one of four technology pillars of Group Technology. Two years ago, the Volkswagen Group created a unique ecosystem around electric mobility with Group Technology, which covers all services, from components for the electric engine and batteries to charging and energy.

Volkswagen Group Technology bundles the Group-wide activities in the areas of batteries, charging, and e-components and supports the brands as a group-wide technology supplier. The subsidiaries PowerCo (battery) and Elli (charging & energy) are also connected here. This high-tech portfolio includes the unified cell, which will be produced by PowerCo from 2025 and will set a new benchmark in battery technology. The division also includes the Platform Business, which includes cooperation with external partners such as Ford and Mahindra.

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About Elli

The Elli brand, with around 300 employees, takes care of customers' needs at the interface between energy and mobility. Elli, as part of the Volkswagen Group, offers a broad range of energy and charging solutions in Europe and acts as a mobility service provider. The current product portfolio includes charging solutions for private customers and companies – from the company's own home chargers and the flexible fast-charging stations (Flexpoles) to charging services and innovative smart green electricity tariffs. For charging in public spaces, Elli provides digital solutions and services for a seamless charging experience. Elli, which was founded in 2018, has offices in Berlin, Wolfsburg and Munich.

For more information about Giovanni Palazzo, as well as photos about this topic, please visit www.volkswagen-group.com or www.elli.eco.

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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 ten core brands from seven European countries: 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. Around 675,800 employees around the globe are involved in vehicle-related services or work in other areas of business. With its brands, the Volkswagen Group is present in all relevant markets around the world.

In 2022, the total number of vehicles delivered to customers by the Group globally was 8.3 million (2021: 8.9 million). Group sales revenue in 2022 totaled EUR 279.2 billion (2021: EUR 250.2 billion). The operating result before special items in 2022 amounted to EUR 22.5 billion (2021: EUR 20.0 billion).
