Master Agreement on E/E Architecture Technical Collaboration With Volkswagen Group

July 22, 2024

- **XPENG and the Volkswagen Group will jointly develop industry-leading E/E Architecture for all locally produced vehicles based on Volkswagen's China Main Platform (CMP) and Modular Electric Drive Matrix (MEB) platform**
- **The first vehicle equipped with the jointly developed E/E Architecture will SOP (Start of Production) within approximately 24 months**
- **Both parties will actively explore further collaboration opportunities to expand the scope of the usage of the jointly developed E/E Architecture**

GUANGZHOU, China, July 22, 2024 (GLOBE NEWSWIRE) -- XPeng Inc. (the "**Company**" or " **XPENG**") and the Volkswagen Group are pleased to announce today that, further to XPENG's announcement dated April 17, 2024 (the "**Announcement**") in connection with the framework agreement on technical collaboration with respect to electrical/electronic architecture ("**E/E Architecture**"), XPENG and the Volkswagen Group have entered into a Master Agreement on E/E Collaboration ("Master Agreement") which solidifies both parties' commitment to jointly develop industry-leading E/E Architecture for all locally produced vehicles based on Volkswagen's China Main Platform (CMP) and Modular Electric Drive Matrix (MEB) platform. The execution of the Master Agreement not only signifies the expeditious joint development of E/E Architecture in China by the parties but also paves the way for potential expansion of collaboration on E/E Architecture.



Under the E/E Architecture technical collaboration, XPENG and the Volkswagen Group have established Project House in Guangzhou and Hefei for engineers from both parties to work closely together and accelerate the development process for E/E Architecture. Such close technical collaboration through Project House enables the first vehicle equipped with the jointly developed E/E Architecture to SOP (Start of Production) within approximately 24 months, demonstrating extensive trust and commitment throughout the strategic partnership of Volkswagen and XPENG.

In addition, under this Master Agreement, XPENG and the Volkswagen Group will actively explore further collaboration opportunities to expand the scope of the usage of the jointly developed E/E Architecture. Both parties recognize the possibility to replicate such collaboration and further enhance the partnership.

"The E/E Architecture collaboration marks the third major milestone we achieved within a year in our long-term strategic partnership with Volkswagen Group. With the trust built up between Volkswagen and XPENG as well as the dedication by engineers from both parties, we have been executing our joint projects swiftly and realized significant synergies. I look forward to broadening our technology collaboration and win-win strategic partnership," said Mr. Xiaopeng He, Chairman and CEO of XPENG.

Ralf Brandstätter, Member of the Board of Management of Volkswagen AG for China, said: "The rapid progress in the close cooperation between the Volkswagen Group and XPENG underlines the great potential of this partnership. With the joint development of a highly modern E/E Architecture, in which both partners contribute their technological expertise, we are now taking the next step together. For us at Volkswagen, this project is also the next milestone in the consistent implementation of our "in China for China" strategy - with a clear focus on Chinese customers and technological innovations. From 2026, all all-electric vehicles of the Volkswagen brand in China will be equipped with this very powerful and efficient architecture."

About XPENG

XPENG is a leading Chinese Smart EV company that designs, develops, manufactures, and markets Smart EVs that appeal to the large and growing base of technology-savvy middle-class consumers. Its mission is to drive Smart EV transformation with technology, shaping the mobility experience of the future. In order to optimize its customers' mobility experience, XPENG develops in-house its full-stack advanced driver-assistance system technology and in-car intelligent operating system, as well as core vehicle systems including the powertrain and the electrical/electronic architecture. XPENG is headquartered in Guangzhou, China, with main offices in Beijing, Shanghai, Silicon Valley, San Diego and Amsterdam. XPENG's Smart EVs are mainly manufactured at its plants in Zhaoqing and Guangzhou, Guangdong province. For more information, please visit https://www.xpeng.com.

About Volkswagen Group China

Volkswagen Group is one of the earliest and most successful international partners of China's automobile industry. The company's success story started in 1978 when the Volkswagen Group first began to engage with its Chinese counterparts. In 1984, SAIC Volkswagen Corporation Ltd., Volkswagen Group's first joint venture in China, was founded in Shanghai. In 1991, FAW-Volkswagen Corporation Ltd. was established in Changchun. In 2017, the Volkswagen Group launched Volkswagen (Anhui) Automotive Company Limited, with a focus on the R&D and manufacture of new energy vehicles (NEVs). In 2021, the Audi FAW NEV Company was incorporated, focusing on the manufacture of luxury battery electric vehicles (BEVs) in China. The business scope of Volkswagen Group in China includes the production, sales and services of whole vehicles and parts, such as engines and transmissions. Some of the Group's auto brands — including VGIC, Volkswagen Passenger Cars Brand,Volkswagen Commercial Vehicles, Audi, ŠKODA, JETTA, Porsche, Bentley, Lamborghini, and Ducati — have a business presence in China through Volkswagen Group China and its subsidiaries. In 2023, Volkswagen Group China delivered over 3.23 million vehicles to customers in the Chinese mainland and Hong Kong, together with its Chinese joint venture partners. By the end of 2023, Volkswagen Group China had over 90,000 employees.

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. Statements that are not historical facts, including statements about XPENG's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: XPENG's goals and strategies; XPENG's expansion plans; XPENG's future business development, financial condition and results of operations; the trends in, and size of, China's EV market; XPENG's expectations regarding demand for, and market acceptance of, its products and services; XPENG's expectations regarding its relationships with customers, contract manufacturers, suppliers, third-party service providers, strategic partners and other stakeholders; general economic and business conditions; and assumptions underlying or related to any of the foregoing. Further information regarding these and other risks is included in XPENG's filings with the SEC. All information provided in this press release is as of the date of this press release, and XPENG does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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A photo accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/7461cbcd-bac2-430e-9731-50db26d2516d

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XPENG and VW Group Enter Master Agreement on EEA Collaboration