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Volkswagen Group and Rivian Announce Plans for Joint Venture to Create Industry-Leading Vehicle Software Technology and for Strategic Investment by Volkswagen

- Volkswagen Group and Rivian intend to enter a joint venture to create next generation software-defined vehicle (SDV) architectures to be used in both companies' future electric vehicles
- Volkswagen Group to invest an initial \$1 billion in Rivian, with up to \$4 billion in planned additional investment for a total expected deal size of \$5 billion
- Joint venture is expected to build on Rivian's industry-leading software and electrical architecture to create best-in-class software-defined vehicle technology platform

Irvine, California and Wolfsburg, Germany, Tuesday, June 25, 2024: Rivian (NASDAQ: RIVN) and Volkswagen Group (XETRA: VOW / VWO3) have today announced their intention to form an equally controlled and owned joint venture (JV) to create next-generation electrical architectures and best-in-class software technology.



RJ Scaringe, Founder and CEO Rivian;
Oliver Blume, CEO Volkswagen Group

The partnership is anticipated to accelerate the development of software for Rivian and Volkswagen Group. It is expected to allow both companies to combine their complementary strengths and lower cost per vehicle by increasing scale and speeding up innovation globally. Rivian's proven in-market zonal hardware design and integrated technology platform are expected to serve as the foundation for future SDV development in the JV that will be applied to both companies' vehicles. Rivian plans to contribute its electrical architecture expertise and is expected to license existing intellectual property rights to the joint venture.

Both companies aim to launch vehicles benefitting from the technology created within the joint venture in the second half of the decade. In the short term, the joint venture is expected to enable Volkswagen Group to utilize Rivian's existing electrical architecture and software platform. The partnership's ambition is to accelerate Volkswagen Group's SDV plans and transition to a pure

zonal architecture. Each company will continue to separately operate their respective vehicle businesses.

Oliver Blume, CEO of Volkswagen Group said:

"Our customers benefit from the targeted partnership with Rivian to create a leading technology architecture. Through our cooperation, we will bring the best solutions to our vehicles faster and at lower cost. We are also acting in the best interest of our strong brands, which will inspire with their iconic products. The partnership fits seamlessly with our existing software strategy, our products, and partnerships. We are strengthening our technology profile and our competitiveness."

RJ Scaringe, Founder and CEO of Rivian said:

"We're very excited to be partnering with Volkswagen Group. Since the earliest days of Rivian, we have been focused on developing highly differentiated technology, and it's exciting that one of the world's largest and most respected automotive companies has recognized this. Not only is this partnership expected to bring our software and associated zonal architecture to an even broader market through Volkswagen Group's global reach, but this partnership also is expected to help secure our capital needs for substantial growth. Rivian was created to help the world to transition away from fossil fuels through compelling products and services, and this partnership is beautifully aligned with that mission."

Underpinned by the vision of the strategic partnership, Volkswagen Group plans to make up to \$5 billion total investments. Initially Volkswagen Group will invest \$1 billion in Rivian through an unsecured convertible note that will convert into Rivian's common stock upon the later of receipt of regulatory approvals and December 1, 2024.¹ Volkswagen Group is expected to invest further up to \$4 billion as part of the transaction.²

There has been significant work done over the past months to validate that Rivian's electrical architecture and software are compatible with Volkswagen Group's vehicles. The parties currently expect the completion of the JV formation in the fourth quarter of 2024. All transactions described in this release are subject to completion of definitive agreements, the conditions included in those agreements and the receipt of required regulatory approvals.

¹ The conversion price of half of the outstanding amount under the note will be calculated based on a certain daily volume-weighted average price (VWAP) prior to this announcement and the conversion price for the remaining half will be calculated based on a certain daily VWAP prior to the conversion date.

² The investment of \$2 billion in Rivian's common stock is expected to take place through two tranches of \$1 billion each in 2025 and 2026, with pricing based on a certain average market price of Rivian's common stock prior to each respective purchase. The investment of \$2 billion related to the JV is expected to be split between a payment at the inception of the JV and for a licence in Rivian's electrical architecture technology as well as a loan available in 2026.

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About the Volkswagen Group:

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 114 production facilities in 19 European countries and 10 countries in the Americas, Asia and Africa. With around 684,000 employees worldwide. The Group's vehicles are sold in over 150 countries.

With an unrivalled portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability.

In 2023, the total number of vehicles delivered to customers by the Group globally was 9.2 million (2022: 8.3 million). Group sales revenue in 2023 totaled EUR 322.3 billion (2022: EUR 279.1 billion). The operating result before special items in 2023 amounted to EUR 22.6 billion (2022: EUR 22.5 billion).

About Rivian:

Rivian (NASDAQ: RIVN) is an American automotive manufacturer that develops and builds category-defining electric vehicles and accessories. The company creates innovative and technologically advanced products that are designed to excel at work and play with the goal of accelerating the global transition to zero-emission transportation and energy. Rivian vehicles are built in the United States and are sold directly to consumer and commercial customers. The company provides a full suite of services that address the entire lifecycle of the vehicle and stay true to its mission to keep the world adventurous forever. Whether taking families on new adventures or electrifying fleets at scale, Rivian vehicles all share a common goal — preserving the natural world for generations to come.

Learn more about the company, products and careers at www.rivian.com.