



Joint press release

April 12, 2017

BORGWARD to return to Bremen

- **Borgward Group AG and WFB Wirtschaftsförderung Bremen GmbH (Bremen invest) sign memorandum of understanding**
- **Borgward to acquire 140,000-square-meter site in the Cargo Distribution Center**
- **Construction of the production facility scheduled to begin in early 2018**
- **Bremen to become competence center for electric mobility**

Bremen / Stuttgart – The time-honored Borgward brand is set to return to Bremen. The Stuttgart-based automaker plans to acquire a 140,000-square-meter site in the Cargo Distribution Center (Güterverkehrszentrum / GVZ) in the western part of Bremen. Borgward Group AG and WFB Wirtschaftsförderung Bremen GmbH (Bremen invest) have signed a memorandum of understanding to this effect. "The purchase of this site is the next systematic step in our global growth strategy," said Ulrich Walker, CEO of Borgward Group AG. The purchase price was not disclosed.

"We extend a warm welcome to Borgward," added Andreas Heyer, CEO of WFB: "The Cargo Distribution Center Bremen offers with its outstanding transport connections perfect location conditions for the undertaking of Borgward Group AG." Bremen's Senator for Economic Affairs, Martin Günthner, also welcomes the commitment of Borgward Group AG: "We are very pleased about the location decision of Borgward. The Bremen region has great experience in the automotive sector and wins with Borgward a strong brand that has the ambition to play an important role in the European market."

During the first stage of construction, the automaker plans to build a SKD/CKD assembly facility for the production of up to 50,000 vehicles per year. The objective is to ensure that the SKD/CKD assembly facility can be changed into a full-scale production plant if demand for the vehicles requires. In addition to the production facility, plans call to include a test track, a delivery center, and a brand studio. Borgward intends to start construction of the facility by early 2018. Production is scheduled to begin in 2019. WFB will already begin with sand filling at the site that is needed for the first investment in May. Immediately thereafter, sand filling will also be carried out at the expansion area.

For more than 30 years the Cargo Distribution Center is a surety for top performances: As an investment location as well as in the logistic sector. It was founded in the mid 80`s as

a nationwide pioneer in the development of freight transportation centres. Today more than 1,500 companies with around 8,000 employees are working in the GVZ. The areal comprises 500 hectare and scores with its tri-modalty: The logistic location is connected in an optimal way to road, rail and water and the near-by Bremen airport adds the infrastructural range of services with air cargo.

Borgward Group has already started an architectural pitch for the production facility and the other buildings. "We also want to make a statement in architectural terms," said Walker. As previously announced, the Bremen facility will initially produce all-electric vehicles and plug-in hybrid models. "The production facility in Bremen will become our competence center for electric mobility worldwide," said Walker. The electric vehicles from Bremen are intended to be sold in Europe and other markets.

Industry 4.0 to serve as the guidepost for the expansion of production

The technological systems of the manufacturing facility, the processes, and the equipment at Borgward's Bremen location will be based on Industry 4.0 standard from the very beginning. The production facility's layout will be focused on the smart factory—planned production process will be extremely efficient and able to handle the increasing complexity of automotive manufacturing. The amount of local added value cannot be fully determined. Along with suppliers that have already been announced, such as Continental, Kuka, Schäffler/SKF, BorgWarner, and Webasto, Bosch will play a major role in the production of all-electric vehicles, while the electronics company LG will do the same in regard to batteries.

End

Further information

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