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Capgemini and Audi launch new Joint Venture: XL2

- New company to focus on SAP S/4HANA[®] and Cloud Services
- XL2 to support the digital transformation of the automotive industry

Ingolstadt/Paris, May 28, 2020 - Capgemini and Audi today announced the launch of their joint venture - XL2. Following regulatory approvals, the company was founded at the end of April. It will provide digital technology and consulting services, namely in the fields of SAP S/4HANA® and cloud services primarily for Audi and the entire Volkswagen Group. XL2 combines an agile start-up culture reinforced by two global industry-leaders. The company's goal is to expand its project business gradually and achieve a powerful workforce within the next five years.

XL2 was founded by Audi and Capgemini to support the automotive industry in digital transformation tasks. The joint venture that focuses on consulting and technology services for cloud and SAP S/4HANA® includes industry solutions such as SAP Leonardo®. XL2 is designed to enable end-to-end digital manufacturing, covering all central processes, including production planning, logistics, finance, maintenance, quality and materials management. Projects of the legally independent entity are to be carried out for Audi. The first focus areas are SAP projects for production and master data management, as well as development in the context of cloud-based applications.

XL2 embodies an agile innovative start-up culture backed by two global brands

Capgemini and Audi have a long-standing partnership in developing solutions for digital transformation and co-innovation. The new co-owned company strengthens this collaboration and leverages their joint capabilities. The formation of XL2 takes the partnership to a new level and continues the successful collaboration in developing solutions and co-innovations for digital transformation. XL2 will benefit from the combined experience and expertise of the two global leaders. Its independence and agility, combined with the rigor and breadth of the large organizations, aims to address the rapidly changing requirements of digital transformation in the automotive sector.





Frank Loydl, Chief Information Officer at AUDI AG: "XL2's flexible and scalable way of working and its focus on important key technologies is part of our vision and our needs in further advancing digital transformation. Our long-term relationship with Capgemini and its proven capabilities in the automotive and SAP sectors makes it the right partner."

The joint venture will have dual leadership: by Géraldine Aubert, previously Vice President of Packaged Based Services at Capgemini, and Felix Spitznagel, previously Director SAP Acceleration Center at Audi. The goal of this agile, innovative company is to build a powerful workforce within the next five years in order to service more projects in the future. The company is now looking to recruit namely SAP consultants, software developers as well as analytics and data engineers, from graduates to established experts. XL2's headquarters are located in Heilbronn in Germany, in close proximity to Audi's production site in Neckarsulm. The vicinity of the Audi production site is noteworthy and an additional enrichment of the ecosystem. The Audi location in Neckarsulm also offers an ideal testing and application environment for IT solutions in the field of digital production.

Markus Winkler, Global Head of the Automotive Sector at Capgemini said "XL2 is an exciting new brand that stands out from the market combining an agile start-up culture and the experience and capabilities of two industry leaders. Its employees will shape digital transformation in the automotive industry with key state-of-the-art technologies. For that, we are excited to join forces with Audi, a technology leader in its own industry.

For more information on XL2: <u>www.xl2.de</u>

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About Audi

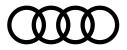
The Audi Group, with its brands Audi, Ducati and Lamborghini, is one of the most successful manufacturers of automobiles and motorcycles in the premium segment. It is present in more than 100 markets worldwide and produces at 16 locations in 11 countries. 100 percent subsidiaries of AUDI AG include Audi Sport GmbH (Neckarsulm, Germany), Automobili Lamborghini S.p.A. (Sant'Agata Bolognese, Italy) and Ducati Motor Holding S.p.A. (Bologna, Italy).

In 2019, the Audi Group delivered to customers about 1.845 million automobiles of the Audi brand, 8,205 sports cars of the Lamborghini brand and 53,183 motorcycles of the Ducati brand. In the 2019 fiscal year, AUDI AG achieved total revenue of € 55.7 billion and an operating profit of € 4.5 billion. At present, 90,000 people work for the company all over the world, 60,000 of them in Germany. Audi focuses on sustainable products and technologies for the future of mobility.

About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of €17billion.





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