

# Renault Group and Geely Sign Joint Venture Agreement to Launch Leading Powertrain Technology Company

- **Renault Group and Geely signed a joint venture agreement, with each entity holding 50% stake in the new company, which aims to become the leader in next-generation hybrid and highly efficient powertrain solutions to meet worldwide demand for the years to come.**
- **As announced on March 2, 2023 following the letter of intent signed between Aramco, Geely and Renault Group, Aramco is evaluating a strategic investment in this new powertrain technology company.**
- **The new company will include 17 engine plants and 5 R&D centers in 3 continents with 19,000 employees in a full fledge effective organization strategically structured to provide PWT solutions for multiples OEMs and with an attractive business model to welcome new partners.**
- **Share capital ownership of the joint venture company will be co-controlled by both Renault Group and Geely.**
- **The joint venture company aims to have an annual production capacity up to five million internal combustion, hybrid and plug-in hybrid engines and transmissions per year. It will supply multiple brands worldwide with a complete range of best-in-class powertrains.**
- **The completion of the transaction is expected to take place in H2 2023 and remains subject to the conditions normally applicable to this type of transaction, in particular the prior approval of the relevant antitrust and foreign direct investment authorities.**

**Hangzhou, Hong Kong SAR, China and Boulogne-Billancourt, France – July 11, 2023** – Following the framework agreement announced in November 2022, Geely Holding Group (Geely Holding), Geely Automobile Holdings Limited (Geely Auto HK.0175) (collectively referred to above as “Geely”) and Renault Group have signed today a binding 50/50 joint venture agreement to launch a new powertrain technology company that aims to become the global leader in developing, manufacturing, and supplying best-in-class hybrid powertrains and highly efficient ICE powertrain.

Aramco, which signed letter of intent with Renault and Geely on March 2, 2023, is evaluating a strategic investment in this new powertrain technology company. Aramco’s investment would support the growth of the company and contribute to key research and development across synthetic fuels solutions and next-gen

hydrogen technologies. Synthetic fuels including e-fuels, and hydrogen are part of the solution for decarbonation in the automotive industry, including for the ICE vehicles on the road today.

The joint venture will be jointly led by Renault Group and Geely, with equal board members to formulate and execute strategies and set the direction for the joint venture. The initial organization will secure the continuity of the business with two operational centers in charge of the respective operations: Madrid for Renault Group and Hangzhou Bay for Geely. An executive team will be based in the headquarters of the new company, which is intended to be established in the UK, to consolidate operations, build on synergies, and define future plans.

Renault Group and Geely will transfer Intellectual Property to the operational centers enabling them to be fully autonomous in developing future powertrain technologies capable of addressing all market expectations. The new joint venture's complementary product portfolio and regional footprint could offer solutions for 80% of the global ICE and hybrid market. At launch, the new company is expected to supply multiple industrial customers including Renault Group, Geely Auto, Volvo Cars, Proton, Nissan, Mitsubishi Motors Company, and PUNCH Torino. In the future, the joint venture will be capable of providing end to end solutions in powertrain technologies to third-party car brands and will welcome partners to further strengthen the value chain.

Subject to applicable laws and regulations, Geely Auto and Renault will enter into a long term procurement agreement from the joint venture for ICE, hybrid and plug-in hybrids powertrains (engine and transmissions) for passenger vehicles. In addition, Renault will procure powertrains from the joint venture for light commercial vehicles as well as the development of hybrid batteries.

**Luca de Meo, CEO Renault Group:**

*"Facing today's automotive challenges, no one can claim to have all the solutions, alone. Coming up with breakthrough innovations requires to combine expertise and assets. When it comes about the global race for decarbonizing road transports, there is no time to lose, and it will not be business as usual. Today, we are proud to join forces with a great company like Geely to set up a new player, up to the challenge, able to disrupt the game and open the way for ultra-low emissions ICE technologies. I want to thank Eric Li Shufu for his trust: we are now ready to move forward!"*

**Eric Li, Geely Holding Group Chairman, said:**

*"We are pleased to be embarking on this journey to become a global leader in hybrid technologies, providing low-emission solutions for automakers around the world. We are looking forward to working with Luca de Meo and his Renault team. With this agreement, we reiterate our commitment to leveraging our group-wide technological expertise and brand portfolio to pioneer the journey to greater sustainability and value creation which will lead to better consumer experiences."*

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Renault Group is at the forefront of a mobility that is reinventing itself. Strengthened by its alliance with Nissan and Mitsubishi Motors, and its unique expertise in electrification, Renault Group comprises 4 complementary brands - Renault, Dacia, Alpine and Mobilize - offering sustainable and innovative mobility solutions to its customers. Established in more than 130 countries, the Group has sold 2.1 million vehicles in 2022. It employs nearly 106,000 people who embody its Purpose every day, so that mobility brings people closer.

Ready to pursue challenges both on the road and in competition, Renault Group is committed to an ambitious transformation that will generate value. This is centered on the development of new technologies and services, and a new range of even more competitive, balanced, and electrified vehicles. In line with environmental challenges, the Group's ambition is to achieve carbon neutrality in Europe by 2040.

More information : <https://www.renaultgroup.com/en/>

**About Zhejiang Geely Holding Group**

Zhejiang Geely Holding Group (Geely Holding) is a global automotive group that owns several well-known international automotive brands, with operations spanning the automotive value chain, from research, development and design to production, sales and servicing.

Founded in 1986 by Eric Li, the company's Chairman, in the city of Taizhou in China's Zhejiang province, Geely Holding launched its automotive business in 1997 and is now headquartered in Hangzhou, China. Today, Geely Holding operates a number of brands including Geely Auto, Lynk & Co, ZEEKR, Geometry, Volvo Cars, Polestar, Lotus, London Electric Vehicle Company, Farizon Auto, and Cao Cao Mobility.

Geely Holding sold over 2.3 million vehicles in 2022, with Volvo Cars sales reaching 615,121 units globally and Geely Auto Group's Hong Kong listed entity reporting sales reaching 1,432,988 units.

Geely Holding employs over 120,000 people globally, and has been listed in the Fortune Global 500 for the past eleven years.

For more information regarding Zhejiang Geely Holding Group please refer to the official website at [www.zgh.com](http://www.zgh.com)

**About Geely Automobile Holdings Limited**

Geely Automobile Holdings Limited (the "Company" and its subsidiaries, collectively the "Group") (SEHK stock code: 175) is an automobile manufacturer, focusing on development, manufacturing and sales of passenger vehicles. The Group sells most of its products in the China market and has also expanded its sales through export to other countries in the past few years. The Group has production bases in various parts of the mainland China, with more than 40,000 employees. The Company is listed on the main board of The Stock Exchange of Hong Kong Limited ("SEHK") and is a constituent of the Hang Seng Index since 2017. The controlling shareholder of the Company is Zhejiang Geely Holding Group.