

Geely and Renault Group Sign Framework Agreement to Create Leading Powertrain Technology Company

New global company to develop, produce and supply advanced hybrid and low-emission powertrains

- Framework agreement envisages Geely and Renault Group holding 50% stakes in new company
- New partnership aims to become leader in next-generation hybrid and highly efficient powertrain solutions to meet worldwide demand for years to come
- Initiative forms part of '*Renaulution*' transformation at Renault Group and Geely's transition to intelligent e-mobility services
- New company will supply multiple brands worldwide with complete range of best-in-class powertrains including electrified solutions
- On completion, the new company will comprise 17 powertrain plants and 5 R&D centers in 3 continents with around 19,000 employees, supplying 130 countries
- New organization structure, combining a strategic footprint and attractive business model, will welcome new partners in due course

8th November 2022, Hangzhou, HongKong SAR, China and Boulogne-Billancourt, France – Geely Holding Group (Geely Holding), Geely Automobile Holdings Limited (Geely Auto HK.0175) (collectively referred to above as "Geely") and Renault Group have signed a non-binding framework agreement to create a new global leader to develop, manufacture and supply best-in-class hybrid powertrains and highly efficient ICE powertrains.

Under the framework agreement, Geely and Renault Group will hold respective 50-50 equity stakes in the new company.

The new company will be a standalone global supplier of propulsion system solutions, producing next generation hybrid propulsion systems, and developing carbon free and low-emission technologies from five global R&D centres. At launch, the new company is expected to supply multiple industrial customers including Renault, Dacia, Geely Auto, Volvo Cars, Lynk & Co, Proton, and also Nissan and Mitsubishi Motors Company. In future, the partnership could also offer powertrain technologies to third-party car brands.

The new company is planned to operate 17 powertrain plants in 3 continents, employing around 19,000 people in total. It will have a combined capacity of over 5 million internal combustion, hybrid and plug-in hybrid engines and transmissions per year, supplying over 130 countries and regions. The new company's joint product portfolio and regional footprint could offer solutions for 80% of the global ICE market.

News of this agreement has coincided with a Renault Group Capital Market Day in Paris, at which the Group has outlined a range of initiatives to speed-up its transformation and shared its mid-term financial outlook.

Luca de Meo, CEO Renault Group: “As Renault Group accelerates with its Renaulution transformation to capture value on the entire new automotive value chain, we are pleased to have agreed plans for an ambitious partnership with Geely to keep developing the ICE and hybrid engine technologies that will remain a critical part of the automotive supply chain for decades to come. We’ll be able to offer best-in-class powertrain and electrified solutions to multiple OEM brands worldwide, unleashing the market potential for this low emission technology.”

Eric Li, Geely Holding Group Chairman, said: “Today’s agreement with Renault Group will enable the creation of a global leader in hybrid technologies to provide highly efficient advanced solutions for automakers around the world. We are looking forward to working together with Luca de Meo and his Renault team to make this partnership a reality. This agreement builds on our commitment to leverage our group wide technological expertise and brand portfolio to continue our pioneering journey in sustainability and value creation that leads to consumer excellence.”

The new company will welcome partners and shareholders attracted by the opportunity to contribute to industry-leading “cradle-to-grave” low and zero emission eco-systems worldwide.

This framework agreement is expected to lead to formal combination in 2023. Further details of the new entity are expected to be announced over coming months.

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 2.2 million vehicles in 2021, with Volvo Cars sales reaching 698,693 units globally and Geely Auto Group’s Hong Kong listed entity reporting sales reaching 1,328,029 units.

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

For more information regarding Zhejiang Geely Holding Group please refer to the official website at 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.

About Renault Group

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 2.7 million vehicles in 2021. It employs nearly 111,000 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 centred 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.

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

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