

P R E S S R E L E A S E

Volvo Group signs agreement with Westport for joint venture to reduce CO2 emissions from long haul transport

The Volvo Group has signed an agreement according to the previously announced Letter of Intent with Westport Fuel Systems Inc to establish a joint venture to accelerate the commercialization and global adoption of Westport's High Pressure Direct Injection (HPDI™) fuel system technology for long-haul and off-road applications.

The closing of the joint venture is subject to certain closing conditions, including regulatory and government approvals. It is anticipated that the joint venture will become operational following the formal closing which is expected in the second quarter of 2024.

High Pressure Direct Injection (HPDI) is a fuel system technology which can be applied in vehicles with internal combustion engines to replace greenhouse gas-emitting fuels, like diesel, with carbon-neutral or zero-carbon fuels like biogas or hydrogen.

“Decarbonization with internal combustion engines running on renewable fuels, especially with High Pressure Direct Injection (HPDI), plays an important part in sustainable solutions. HPDI has been on the road in Volvo trucks for over five years and is a proven technology that allows customers to significantly reduce CO2 emissions in LBG (Liquified Biogas) applications here and now and is a potential avenue for hydrogen,” says Lars Stenqvist, Chief Technology Officer Volvo Group.

As previously announced, Westport will contribute certain HPDI assets and opportunities, including related fixed assets, intellectual property, and business, into the joint venture. Volvo Group will acquire a 45 % interest in the joint venture for the sum of approximately US\$28 million, payable upon closing, plus up to an additional US\$45 million depending on the performance of the joint venture.

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V O L V O

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The Volvo Group drives prosperity through transport and infrastructure solutions, offering trucks, buses, construction equipment, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Founded in 1927, the Volvo Group is committed to shaping the future landscape of sustainable transport and infrastructure solutions. The Volvo Group is headquartered in Gothenburg, Sweden, employs more than 100,000 people and serves customers in almost 190 markets. In 2023, net sales amounted to SEK 553 billion (EUR 48 billion). Volvo shares are listed on Nasdaq Stockholm.
