

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

## Nova Bus ends bus production in the US

Nova Bus is exiting bus production in the US market. Consequently, the company has decided to close its Plattsburgh manufacturing and delivery facility by 2025. Production in North America will be focused to its Canadian facilities located in Saint-Eustache and Saint-François-du-Lac (Quebec) and Nova Bus will continue its successful Canadian business, where it is the market leader. A restructuring provision of SEK 1.3 billion will negatively impact the Volvo Group's operating income in the second quarter of 2023.

### Securing Nova Bus competitiveness

"The strategic decision to end bus production in the US by 2025 was made after evaluating its profitability, which was experiencing continued financial losses over the years," says Anna Westerberg, Chair of the Nova Bus Board of Directors.

Nova Bus will work closely with employees, customers, and suppliers as bus operations in the Plattsburgh facility are planned to continue until the first quarter of 2025. Nova Bus will continue to support its US customers' parts and service needs.

"Although this strategic decision is a difficult one, by changing our business model with a focus on Canada, we will improve profitability and secure our long-term competitiveness," adds Ralph Acs, President of Nova Bus.

### Deploying efforts to provide alternatives for Nova Bus employees

The decision to end bus production in the US and focus on Canada will gradually affect full time positions at Nova Bus, by 2025.

"We will do the utmost to support our employees, many of whom have been employed for numerous years. We will work together with our sister Volvo companies, surrounding businesses, local authorities, and communities to support our people in finding new employment opportunities," says Ralph Acs.

The extent of the impact this decision will have on the Canadian organizational structure remains under analysis by Nova Bus and will continue to be defined as the restructuring takes place over the next 24 months.

The restructuring will not have a material impact on Volvo Group revenues. When completed, the restructuring is expected to make the Nova Bus operation profitable. A restructuring provision of approximately SEK 1.3 billion will negatively impact Volvo Group's operating income in the second quarter of 2023. The provision will be reported in the segment Group Functions & Other. The expected negative cash flow effect is estimated to approximately SEK 1.0 billion over the next two years.

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