

PRESS RELEASE

Volvo Group and Daimler Truck intend to form a joint venture for a software-defined vehicle platform to amplify digital transformation

- Volvo Group and Daimler Truck share the ambition to lead transformation to software-defined heavy-duty commercial vehicles to enhance customer efficiency and experience.
- Both companies intend to create a joint venture to become the leading developer of a software-defined heavy-duty vehicle platform, including software and hardware, providing the basis for differentiating digital vehicle features.
- The new company is intended to be a 50/50 joint venture to be headquartered in Gothenburg, Sweden.

As two leading companies in the commercial vehicle industry, Volvo Group and Daimler Truck share the ambition to lead the digital transformation to software-defined heavy-duty commercial vehicles. To amplify their efforts, both companies have reached a preliminary agreement to establish a joint venture to develop a common software-defined vehicle platform and dedicated truck operating system, providing the basis for future software-defined commercial vehicles. The intention is to make the new joint venture a leading developer of standardized hardware and software. This technical basis will then enable Volvo Group and Daimler Truck and potentially other partners to provide differentiating digital vehicle features for its products ultimately enhancing customer efficiency and experience.

Volvo Group and Daimler Truck intend to be 50/50 partners in the joint venture, which will operate as an independent entity, with Volvo Group and Daimler Truck continuing to be competitors in all other areas of business. In the context of the already heavy-investments into the transformation towards CO₂-neutral drive technologies, cooperation on digital technology development has become even more vital to best meet development objectives and customer expectations within a feasible timeframe.

Martin Lundstedt, Volvo Group President and CEO adds: "Volvo Group and Daimler Truck are two individually great companies. Now we are combining our forces to accelerate the customer benefits that a software-defined truck platform will bring. Given the rapid transformation of our industry, it makes sense to collaborate to accelerate development, increase volumes and share cost. Software-defined heavy-duty trucks represent a paradigm shift in the transformation of our industry. Making the truck a programmable device with standardized hardware and operating system for fast product updates will give both companies the opportunity to create value for our customers and their customers through differentiating digital services and solutions. Partnership is truly the new leadership."

Martin Daum, CEO of Daimler Truck comments: “Just as important as the transformation towards CO2-neutral drive technologies is the digitalization in the vehicle. Developing a common software-defined vehicle platform with Volvo Group will enable us to turn our vehicles into a programmable device. It will allow us to build differentiating digital vehicle features with significantly greater speed and efficiency for our truck and bus customers around the globe. Together with the Volvo Group we can develop a benchmark truck operating system and set an industry standard.”

The joint venture is set to be headquartered in Gothenburg, Sweden, incorporating existing assets and resources of both companies into the new organization. The goal of both shareholders is to set the industry standard for a truck operating system and offer its products to other OEMs as well. To that end the joint venture will provide a common developer platform as a service, on top of which its customers can build differentiating software layers.

Volvo Group and Daimler Truck therefore will remain fierce competitors and continue to differentiate their complete product and services offerings, including their respective digital solutions. Both companies will provide their own end-user applications on top of the platform to offer differentiating digital vehicle features to their respective customers.

The now signed preliminary agreement is non-binding. A final agreement is expected within this year, with the goal to close the final transaction in Q1 2025, subject to necessary examination and approvals by the respective authorities.

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Contact Volvo Group:

Claes Eliasson, Volvo Group, +46 76 553 72 29, press@volvo.com

Contact Daimler Truck:

Paul Mandaiker, +49,176 30999267, paul.mandaiker@daimlertruck.com

V O L V O

DAIMLER TRUCK

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