VOLVO CAR GROUP

Press Release

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Volvo Cars Tech Fund invests in automotive sensor company Luminar

Volvo Cars, the premium car maker, has completed the first strategic investment via its newly-founded investment fund by taking a stake in Luminar, a leading start-up in the development of advanced sensor technology for use in autonomous vehicles.

The investment in Luminar, based in Palo Alto, California, and Orlando, Florida, deepens Volvo Cars' existing collaboration with the firm, which currently focuses on development and testing of its sensing technology on Volvo cars. LiDAR technology, which uses pulsed laser signals to detect objects, is a crucial element of creating safe autonomous vehicles.

"LiDAR is a key technology for enabling autonomous cars to navigate safely in complex traffic environments and at higher speeds," said Henrik Green, senior vice president for research and development at Volvo Cars. "Our collaboration with Luminar allows us to learn more about its promising technologies and takes Volvo Cars one step further to the highly autonomous cars of the future."

The Volvo Cars Tech Fund was launched earlier this year and aims to invest in high potential technology start-ups around the globe. It focuses its investments on strategic technology trends that are transforming the industry, such as artificial intelligence, electrification, autonomous driving and digital mobility services.

"Luminar represents exactly the type of company and technology we seek to invest in, providing us with strategic access to new technologies, capabilities and talent," said Zaki Fasihuddin, CEO of the Tech Fund. "Supporting promising young firms that are at the forefront of technological development will help us introduce cutting-edge technology that strengthens our leading role in the industry."

Companies will benefit in a number of ways from participation by the Volvo Cars Tech Fund. Apart from the association with one of the world's leading premium car makers, start-ups may gain the ability to validate their technologies and accelerate the pace of achieving product market fit.

Moreover, start-ups may have the opportunity to benefit from Volvo Cars' unique access to the Chinese car market, its and the world's largest, as well as potential access to Volvo Cars' global network of automotive and technology partners.

"Volvo is at the forefront of autonomous vehicle development, and their safety-centric approach to autonomy is directly aligned with our sensing capabilities," said Luminar founder and CEO Austin Russell. "Our LiDAR is the first to deliver the necessary performance to enable safe and reliable long-range perception, which is required to unlock their goals of autonomy at highway speeds."

Volvo Car Group in 2017

For the 2017 financial year, Volvo Car Group recorded an operating profit of 14,061 MSEK (11,014 MSEK in 2016). Revenue over the period amounted to 210,912 MSEK (180,902 MSEK). For the full year 2017, global sales reached a record 571,577 cars, an increase of 7.0 per cent versus 2016. The results underline the comprehensive transformation of Volvo Cars' finances and operations in recent years, positioning the company for its next growth phase.

About Volvo Car Group

Volvo has been in operation since 1927. Today, Volvo Cars is one of the most well-known and respected car brands in the world with sales of 571,577 cars in 2017 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding (Geely Holding) of China since 2010. It formed part of the Swedish Volvo Group until 1999, when the company was bought by Ford Motor Company of the US. In 2010, Volvo Cars was acquired by Geely Holding.

In 2017, Volvo Cars employed on average approximately 38,000 (30,400) full-time employees. Volvo Cars head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars head office for China is located in Shanghai. The company's main car production plants are located in Gothenburg (Sweden), Ghent (Belgium), Chengdu and Daqing (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China) and body components in Olofström (Sweden).