

V O L V O

For life.
To give people
freedom to move
in a personal,
sustainable
and safe way.



VOLVO CAR GROUP

INTERIM REPORT THIRD QUARTER 2025

JULY–SEPTEMBER 2025



- Retail sales decreased by –7% to 160.5 (172.8) thousand cars.
- Revenue amounted to SEK 86.4 (92.8) bn. The decrease is mainly explained by lower wholesale volume and unfavourable foreign exchange rate effects due to a stronger SEK compared to last year, partially offset by sales mix and pricing as well as used car sales.
- EBIT was SEK 6.4 (5.8) bn and was impacted positively by a partial reversal of the restructuring provision recognised in the second quarter of SEK 0.5 bn.
- EBIT margin was 7.4 (6.2)%.
- Basic earnings per share was SEK 1.75 (1.41).
- Operating and investing cash flow was SEK –4.3 (–0.4) bn.
- Volvo Cars and Polestar signed a memorandum of understanding to collaborate on the development and production of the forthcoming Polestar 7, based on Volvo Cars' technology, at Volvo Cars' new manufacturing plant in Kosice, Slovakia.
- The acquisition of Northvolt AB's shares in NOVO Energy AB was finalised on 4 July and Volvo Car Corporation became 100% shareholder of NOVO Energy AB.
- Volvo Cars announced to add its best-selling XC60 mid-size SUV to the production line in Charleston, South Carolina. The XC60 production is scheduled to start in late 2026.
- The new Volvo XC70 SUV was revealed in August, representing an important addition to Volvo Cars' product lineup. It is designed to meet growing demand for longer-range plug-in hybrids, particularly in China.
- Start of production of the new, fully electric ES90 for the European markets. The ES90 will also soon become available to selected markets in Asia Pacific.
- Structural changes to Volvo Cars' executive management team were announced. Erik Severinson was appointed Chief Commercial Officer and Michael Fleiss was appointed Chief Strategy & Product Officer.

UPDATES AFTER THE PERIOD



No material updates after the period to report on.

FORWARD LOOKING



- Given external developments and increased uncertainties, Volvo Cars no longer provides financial guidance for 2025 and 2026.

VOLVO CAR GROUP

SEK bn unless otherwise stated	3 Months			9 Months			12 Months	
	Jul-Sep 2025	Jul-Sep 2024	Δ%	Jan-Sep 2025	Jan-Sep 2024	Δ%	LTM	Full year 2024
Retail sales, k units ¹⁾	160.5	172.8	-7	514.3	560.9	-8	716.8	763.4
Revenue	86.4	92.8	-7	262.9	288.1	-9	375.0	400.2
Research and development expenses	-4.1	-3.4	19	-21.3	-12.0	78	-26.3	-17.0
Operating income (EBIT) ²⁾	6.4	5.8	11	-1.6	18.5	-109	2.3	22.3
EBIT excl. share of income in JVs and associates ²⁾	6.3	5.7	10	-2.1	20.7	-110	4.3	27.0
EBIT excl. items affecting comparability ²⁾	5.9	5.8	3	10.8	18.5	-41	16.4	24.0
Net income	4.5	4.4	4	-2.6	13.6	-119	-0.3	15.9
Basic earnings per share, SEK	1.75	1.41	24	-0.37	4.33	-109	0.46	5.17
EBITDA ²⁾	12.1	10.4	17	27.4	34.4	-21	38.0	45.0
Cash flow from operating activities	2.7	9.2	-70	18.7	21.1	-11	45.0	47.4
Cash flow from investing activities	-7.1	-9.6	-26	-25.1	-33.5	-25	-37.8	-46.2
Gross margin, % ²⁾	20.4	20.5	-1	17.2	20.9	-18	17.2	19.8
Gross margin excl. items affecting comparability, % ²⁾	20.4	20.5	-1	18.7	20.9	-11	18.3	19.8
EBIT margin, % ²⁾	7.4	6.2	19	-0.6	6.4	-109	0.6	5.6
EBIT margin excl. share of income in JVs and associates, % ²⁾	7.2	6.2	18	-0.8	7.2	-111	1.1	6.8
EBIT margin excl. items affecting comparability, % ²⁾	6.9	6.2	10	4.1	6.4	-36	4.4	5.6
EBITDA margin, % ²⁾	14.0	11.2	26	10.4	12.0	-13	10.1	11.3

1) Non-financial operating metric.

2) Non-IFRS measure (alternative performance measure), see Alternative performance measures on page 27.



A resilient performance in a tough market

Dear shareholders,

During the third quarter of 2025, our performance continued to be under pressure due to a shrinking total premium market and tough competition, especially in the fully electric segment.

“Despite the positives in the third quarter, we still face several challenges, including continued price competition and the effects of tariffs”

Nevertheless, we returned to a modest retail sales growth in September, boosted by all-time high performances in the UK and other markets such as Austria, Türkiye, Canada, Brazil and Mexico.

Altogether we reached a strong 7.4 per cent EBIT margin in the third quarter. The result was supported by certain one-off items, but a large contributor to the improvement was the effect of our SEK 18 billion cost and cash action plan, which delivered faster than planned reductions in variable and indirect costs. Part of this was also the redundancy process, which will be completed in Q4, with a total headcount reduction of 3,000, giving us a leaner, more agile organisation.

Despite the positives, we still face several challenges, including continued price competition and the effects of US import tariffs. However, the recent tariff agreement between the US and EU offers much-needed clarity and also lowers tariffs for imports to the EU.

Cash flow in Q3 remained negative, mainly due to normal seasonality from vacation shutdowns, but also due to ramp-up of the ES90 in Chengdu and the EX30 in Ghent, as well as high investments in construction of the Kosice plant and our new EX60 car, which is ready to be launched in January next year.

Progress on regionalisation and electrification

Our renewed focus on regionalisation is well underway, as we empower our regions with more operational responsibility to tailor products and marketing to their market requirements.

In China, we successfully launched the XC70 next-generation long-range hybrid. The encouraging customer response demonstrates that this car clearly meets the demand from Chinese customers.

In the US, we announced that we will add a new hybrid model to our Charleston plant before the end of this decade. This new model comes in addition to our plans for local production of our best-selling XC60. Together, these cars will improve capacity utilisation at our Charleston plant to better serve the US market.

We continue to move towards an electric future, and we are steadily expanding our portfolio of fully electric cars. The ES90 is now on the road, EX90 production continues to ramp up after comprehensive software updates, and our Ghent plant is increasing EX30 production in the EU.

Our teams are also gearing up for the reveal of the all-new, born-electric EX60 SUV in January 2026 and the start of production after that. Final road testing is currently underway and the EX60 will be a crucial entry for us in the largest and most popular electric segment. This will strengthen our position in the EV market and underpin our growth plans in the mid-size SUV segment.



Looking ahead

In the short term, the market is expected to be increasingly challenging, as macroeconomic challenges will remain.

However, we saw a reversal in our own sales trends in September and we will continue to see positive effects from our cost and cash programme.

We are ramping up sales of our BEV products, while demand for our best-selling XC90 and XC60 plug-in hybrids remains strong, providing an attractive bridge for customers that are not yet ready for full electrification.

We are now also finalising the major investments in our new product architecture. Thereafter our investments will be significantly reduced, and we will maintain strict capital discipline within affordable frameworks, while the new EX60 will next year offer valuable growth in an important growing EV segment.

Håkan Samuelsson

President and CEO

Quarterly highlights

Polestar partners with Volvo Cars to produce Polestar 7 in Kosice plant, Slovakia

In July, Volvo Cars and Polestar signed a memorandum of understanding which reflects the mutual intent to collaborate on the development and production of Polestar's forthcoming premium compact SUV at Volvo Cars' new manufacturing plant in Kosice, Slovakia.

The Polestar 7, a premium fully electric compact SUV, is planned to be launched in 2028. Subject to final agreements between the companies, Polestar 7 is planned to be the second car to be built at the Kosice plant and intended to follow a yet-to-be-announced, next-generation Volvo model that will be built, prior to the introduction of Polestar 7.

The Kosice plant, currently under construction, will be Volvo Cars' third manufacturing plant in Europe. The Kosice facility is intended to be climate-neutral and build only electric cars.

Production of global best-seller XC60 to the Charleston plant and continued investments in the US

In connection with the release of the second quarter results, Volvo Cars announced to add the best-selling XC60 mid-size SUV to the production line of the Charleston plant in South Carolina. The state-of-the-art facility, which also produces the fully electric flagship EX90, is scheduled to start XC60 production in late 2026. The XC60 has been our best-selling model globally for years and is also the most popular Volvo model among US customers. In addition to its popularity in the US, the XC60 is a car of global importance to us as well. It recently surpassed the 240 wagon as its all-time best-selling model, with more than 2.7 million XC60s now on global roads – and counting.

As of today, the state-of-the-art facility in Charleston already assembles the Volvo EX90 and the Polestar 3 SUV models. It is a high-capacity plant, with current production capacity of 150,000 cars per year, and capabilities in terms of multiple platforms, technologies and models.

Furthermore it was announced in July that before 2030, Volvo Cars plans to add a new, next-generation hybrid model to the production line of the Charleston plant. The coming new model is designed to meet the specific demands of the US market, in line with Volvo Cars increased focus on ensuring each region has the best product portfolio to meet customer demands.

Volvo Cars reveals the new XC70

The new Volvo XC70 SUV was revealed and had its production start during the quarter. The XC70 is Volvo Cars' first long-range plug-in hybrid, offering an all-electric driving range of over 200km under the CLTC testing cycle – the longest of any Volvo plug-in hybrid to date. Built on the new Scalable Modular Architecture (SMA) platform for long-range plug-in hybrids, the new XC70 represents an important addition to Volvo Cars' product lineup. It is designed to meet growing demand for longer-range plug-in hybrids, particularly in China, where customers can now order the car.

Changes to Volvo Cars' Executive Management Team

On 14 August, Erik Severinson was appointed Chief Commercial Officer. Having spent his career at Volvo Cars working across finance, strategy and product, Erik most recently served as Chief Product & Strategy Officer.

In addition, Michael Fleiss returns to Volvo Cars, replacing Erik as Chief Strategy & Product Officer. Michael, with broad experience in product development and planning, spent nearly 10 years at Volvo Cars before joining Aurobay.

Alongside these appointments, Volvo Cars' commercial team is refreshing its approach. The different regions will form the commercial team under Erik Severinson's leadership. In addition, Volvo Cars has appointed Product Line Owners for its product lines. These will be reporting to the Chief Commercial Officer. All in all it underlines Volvo Cars' continued commitment to enhancing our customer offering, ensuring the right product line-up for each region, and delivering stronger commercial performance.

Production start of the new fully electric Volvo ES90

In the beginning of September the production of the new, fully electric Volvo ES90 started for European markets. The ES90 will also become available soon to selected key markets in Asia Pacific. It is the first Volvo car to feature 800-volt technology, enabling longer range and faster charging than any electric Volvo model before. Powered by next-generation core computing and developed using our Superset tech stack, the ES90 is designed to evolve over time through continuous software updates.

Sustainability

During the first three quarters of the year, the share of manufactured electrified models decreased compared to the same period last year. The electrification of our fleet remains a key strategic priority and an important lever as we pursue our ambition to reduce CO₂ emissions per car by 30–35% this year and 65–75% by 2030, compared to our 2018 baseline. To enable more precise calculations of carbon emissions, we have improved the data depth in our model. Our data model now connects the detailed material composition of every part that makes up every Volvo to more precise generic and supplier specific data, making it possible to attribute and substantiate verified emission reductions on actions we have taken now and in previous years. Built to scale, this capability empowers cost efficient data-driven sustainability decisions and improves our ability to monitor and steer our product portfolio towards our net-zero ambitions. Currently, Volvo Cars has reduced emissions per average car by 29%, compared to our recalculated 2018 baseline, using the new data model.

The production of the new ES90 started in September. The newly published ES90 lifecycle assessment report demonstrates that when using a European energy mix to charge the car, the total lifetime carbon footprint amounts to 31 tonnes. When charged with renewable energy, the footprint is reduced to only 26 tonnes. Our sustainability commitment goes beyond CO₂, demonstrated by, among other

things, the recycled content of the car. The ES90 is built with approximately 29% recycled aluminium, 18% recycled steel as well as 16% recycled polymers and bio-based material such as FSC-certified wood in the cabin. In addition, the ES90 includes Volvo Cars' battery passport, based on block-chain technology to enable tracking of the origin of the battery's raw materials.

Also, in the third quarter, Volvo Cars' new Megacasting building in Daqing was awarded with a LEED Gold certification, following the same impressive recognition our Torslanda building received in March. The accomplishment reflects our ongoing commitment to environmental responsibility, energy efficiency and sustainable innovation across all aspects of our operation.

CO ₂ -reduction per car	CO ₂ -emissions per car, tonnes ¹⁾	Reduction, %
2018	54.2	—
2025 Jan–Sep	38.2	29
2025 ambition	35.2–37.9	30–35
2030 ambition	13.5–19.0	65–75

1) The CO₂ emissions do not include the production and distribution of fuel and electricity in the use phase. The CO₂ emissions per car have been recalculated using the enhanced data model to ensure comparability.

Sales and market development

The overall global passenger car market for the third quarter increased by 3% compared to the same period last year, while the global premium market decreased by 3%. The BEV and PHEV segments increased by 18% and 7%, respectively. Fluctuating market conditions, geopolitical developments, and shifting regulatory frameworks, continued to challenge the automotive sector. However, overall consumer interest in electrified cars continued to grow.

Volvo Cars' retail sales decreased by 7% compared to the third quarter of 2024. The share of BEVs and PHEVs accounted for 45 (48)%, whereof BEV share accounted for 22 (25)% of retail sales. Wholesales decreased by 6% while production increased by 4% compared to the same period last year. Navigating shifting consumer preferences, regulatory challenges, and intense competitive dynamics remains critical as we progress in our transition toward full electrification.

Volvo Cars' market share per propulsion type, % ^{1) 2)}	Jan–Aug 2025	Jan–Aug 2024
BEV	1.14	1.93
EREV	—	—
PHEV	3.21	3.93
ICE (incl. mild hybrids)	0.75	0.79
Volvo Cars' share of total market	0.99	1.14

Total industry volume share and growth by propulsion type, % ^{1) 2)}	Jan–Aug 2025	Growth YoY
BEV	17	28
EREV	2	–1
PHEV	7	19
ICE (incl. mild hybrids)	73	–1
Total	100	4

1) Volvo Cars is and will continue to be positioned in the premium segment of the automotive market. As the market is transforming with electrification and digitalisation the definition of premium is being redefined. To simplify and to avoid the risk of excluding important parts of the market, market share is reported in relation to the global passenger market.

2) Source: Includes content supplied by S&P Global Mobility Industry Performance in October 2025, capturing more than 85% of total world sales per August. All rights reserved.

Europe

The overall European passenger car market increased with 7% compared to the same period last year, and the premium car market declined with 1%. The electrified segment continues to show momentum with both BEV and PHEV sales increasing with 26% and 60% respectively.

Volvo Cars retail sales decreased by 10%. The share of BEVs and PHEVs accounted for 62 (68)% of the sales for the quarter, whereof BEV sales accounted for 31 (40)% of retail sales. The ramp-up of volumes of EX30 locally produced in Ghent continues throughout the remaining part of the year.

China

The total Chinese passenger car market increased by 7%, whereof the BEV segment increased by 24% and the PHEV (incl. extended range electric vehicles) segment declined by 3%. The premium segment decreased by 14% compared to the same period last year. Consumer demand continues to shift away from combustion engine models and into electrified vehicles, where the level of competition is high.

Volvo Cars' retail sales for the quarter was despite this in line with last year. BEV and PHEV share combined accounted for 13 (8)% of the sales during the quarter, whereof BEV sales accounted for 3 (2)% of retail sales.

US

The total US passenger car market increased by 6% in the third quarter compared to the same period last year. The premium market increased by 11%, BEV sales grew by 25% and PHEV sales grew by 21%. The US market continues to be shaped by a dynamic policy environment, trade-related developments, and macroeconomic uncertainty. The tax incentives New Clean Vehicle Credit (30D) and the Qualified Commercial Clean Vehicle Credit (45W) ended on 30 September. A decision on EU/US tariffs were also implemented during the quarter, retroactive as of 1 August.

Volvo Cars' retail sales decreased by 9% compared to the same period last year. BEV and PHEV share combined accounted for 33 (27)% in the quarter, whereof BEV share alone accounted for 12 (10)% of retail sales.

Other markets

Volvo Cars' retail sales in other markets decreased by 6%. The markets with highest retail sales were Canada, South Korea and Türkiye. The BEV and PHEV share of sales combined in other markets was 53 (47)%, whereof BEV accounted for 33 (29)%.

Sales development per carline

The SUVs, comprising of Volvo Cars' XC and EX models, accounted for 88 (82)% of total sales, driven by the bestselling models XC60 and XC40. The Sedan and Wagon (incl. MPV) segments' share of total sales amounted to 7 (12)% and 5 (6)% respectively.

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	3 Months			9 Months			12 Months		
	Jul-Sep 2025	Jul-Sep 2024	Δ%	Jan-Sep 2025	Jan-Sep 2024	Δ%	LTM	2024	Δ%
Retail sales, k units									
Europe	72.8	80.8	-10	242.7	274.4	-12	338.0	369.7	-9
China	34.8	34.9	—	105.3	113.0	-7	148.6	156.4	-5
US	26.0	28.5	-9	90.7	89.5	1	126.4	125.2	1
Other	26.9	28.7	-6	75.6	83.9	-10	103.8	112.1	-7
Retail sales total	160.5	172.8	-7	514.3	560.9	-8	716.8	763.4	-6
Electrified cars	72.3	83.1	-13	227.3	256.7	-11	323.4	352.8	-8
<i>whereof BEVs</i>	<i>34.9</i>	<i>42.8</i>	<i>-18</i>	<i>105.1</i>	<i>133.6</i>	<i>-21</i>	<i>146.8</i>	<i>175.2</i>	<i>-16</i>
Electrified cars share	45%	48%		44%	46%		45%	46%	
<i>whereof BEV share</i>	<i>22%</i>	<i>25%</i>		<i>20%</i>	<i>24%</i>		<i>20%</i>	<i>23%</i>	
Wholesales	161.0	171.3	-6	501.8	575.5	-13	708.9	782.6	-9
Production volume	151.8	146.6	4	503.9	594.0	-15	670.3	760.4	-12

	3 Months			9 Months			12 Months		
	Jul-Sep 2025	Jul-Sep 2024	Δ%	Jan-Sep 2025	Jan-Sep 2024	Δ%	LTM	2024	Δ%
Top 10 Retail sales by market, k units									
China	34.8	34.9	—	105.3	113.0	-7	148.6	156.4	-5
US	26.0	28.5	-9	90.7	89.5	1	126.4	125.2	1
UK	18.0	18.8	-4	51.8	49.2	5	69.0	66.4	4
Germany	13.3	14.1	-5	45.5	45.6	—	61.9	62.0	—
Sweden	10.0	8.4	18	35.4	31.8	11	49.8	46.2	8
Canada	4.2	3.5	20	10.8	9.9	10	14.4	14.9	-3
South Korea	3.7	3.9	-5	10.5	11.1	-6	14.4	30.7	-53
Belgium	3.6	5.6	-36	12.8	20.7	-38	17.4	25.2	-31
Türkiye	3.4	2.8	24	9.4	9.5	-1	12.9	22.1	42
Netherlands	3.3	6.1	-46	13.3	23.8	-44	20.2	15.1	34

	3 Months			9 Months			12 Months		
	Jul-Sep 2025	Jul-Sep 2024	Δ%	Jan-Sep 2025	Jan-Sep 2024	Δ%	LTM	2024	Δ%
Retail sales by model, k units									
BEV									
EX30	18.0	27.2	-34	53.9	75.0	-28	77.0	98.1	-22
EX40	9.5	10.7	-12	29.2	41.8	-30	40.8	53.4	-24
EC40	2.4	4.5	-47	9.0	15.4	-42	14.0	20.4	-31
EM90	0.3	0.3	15	0.6	1.3	-55	0.8	1.5	-46
EX90	4.7	0.1	3,696	12.5	0.1	9,934	14.2	1.8	688
Non-BEV									
XC60	54.7	48.4	13	175.1	164.1	7	241.8	230.9	5
XC40	27.9	27.7	1	91.5	88.0	4	124.0	120.5	3
XC90	22.8	24.0	-5	76.0	77.2	-2	107.4	108.6	-1
XC70	1.1	—	N/A	1.1	—	N/A	1.1	—	N/A
S60	6.2	11.1	-45	19.3	34.1	-43	29.2	44.0	-34
S90	5.7	9.1	-37	18.4	30.9	-40	27.7	40.2	-31
V60	5.3	7.5	-30	20.9	26.2	-20	28.9	34.1	-15
V90	2.0	2.3	-15	6.9	7.0	-1	9.9	9.9	-1
Total	160.5	172.8	-7	514.3	560.9	-8	716.8	763.4	-6

EX30, V60 and V90 include the cross-country versions.

Third quarter financial summary

INCOME AND RESULT

The comparative figures refer to the consolidated income statement of the third quarter 2024 if not otherwise stated.

Volvo Cars' revenue amounted to SEK 86.4 (92.8) bn. Wholesale volumes decreased by –6% to 161.0 (171.3) thousand cars which explain a revenue reduction of SEK –4.8 bn. The revenue was impacted unfavourably by foreign exchange rates due to a stronger SEK compared to last year, amounting to SEK –4.5 bn, and by less revenue from contract manufacturing of SEK –2.0 bn. These effects were partially offset by an increase from sales mix and pricing of SEK 1.0 bn and used cars sales of SEK 1.0 bn. See complete revenue bridge to the right.

Gross income decreased by –8% to SEK 17.6 (19.0) bn, resulting in a gross margin of 20.4 (20.5)%. Gross margin was impacted unfavourably by sales mix and pricing and higher US tariffs on imported goods. These effects were partially offset by positive impacts coming from sold licences, material cost savings, emission credits and parts and accessories. Foreign exchange rate effects in the cost of sales were positive compared to last year, amounting to SEK 4.0 bn. The net effect of foreign exchange rates in gross income was negative versus last year, amounting to an impact of SEK –0.5 bn.

Research and development expenses increased by 19% to SEK –4.1 (–3.4) bn. This was mainly explained by adjustments made last year to ready-for-use dates for EX90 and contract manufactured PS3 assets which reduced amortisation costs of SEK 1.0 bn. For details regarding research and development expenses, see the research and development table on page 11. Selling expenses decreased –22% to SEK –5.2 (–6.6) bn, primarily due to lower personnel costs and reduced spending on advertising and sales promotion. Administrative expenses decreased –31% to SEK –2.1 (–3.0) bn, mainly attributable to lower personnel and IT costs.

Other operating income and expenses amounted to SEK – (–0.3) bn. The increase is mainly related to favourable foreign exchange rate effects from the valuation of operating assets and liabilities versus last year, amounting to an increase of SEK 0.5 bn. Share of income in JVs and associates increased to SEK 0.2 (0.1) bn.

EBIT amounted to SEK 6.4 (5.8) bn, resulting in an EBIT margin of 7.4 (6.2)%. The increase was primarily driven by improved cost efficiency below gross income, particularly within selling and administrative expenses. EBIT was also positively impacted by the reversal of part of the restructur-

ing provision recognised in the second quarter, as layoffs is being performed in a more cost efficient way than initially estimated for. The total reversal effect amounted to SEK 0.5 bn, which benefited research and development, selling and administrative expenses. The exchange rate effects had a positive impact on EBIT compared to last year of SEK 0.4 bn. See complete EBIT bridge to the right.

Net financial items amounted to SEK –0.2 (0.3) bn. The effective tax rate decreased to 27.2 (28.0)% and net income was SEK 4.5 (4.4) bn which represents 5.2 (4.7)% of revenue. Basic earnings per share amounted to SEK 1.75 (1.41).

Changes to Revenue, SEK bn	Jul–Sep
Revenue Q3 2024	92.8
Volume	–4.8
Sales mix and pricing	1.0
Sale of licences	1.3
Foreign exchange rates	–4.5
Contract manufacturing	–2.0
Other ¹⁾	2.6
Revenue Q3 2025	86.4
Change, %	–7

1) Including used cars, parts and accessories and emission credits.

Items affecting comparability, SEK bn	Jul–Sep 2025	Jul–Sep 2024
Restructuring costs	0.5	—
Total	0.5	—

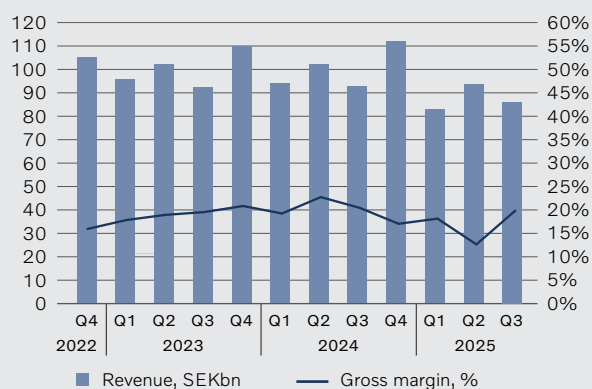
Changes to Operating income, SEK bn	Jul–Sep
EBIT Q3 2024	5.8
Volume	–1.1
Sales mix and pricing	–1.4
Sale of licences	1.2
Foreign exchange rates	0.4
Share of income in JVs and associates	0.1
Items affecting comparability	0.5
Other ²⁾	0.9
EBIT Q3 2025	6.4
Change, %	11

2) Including depreciation and amortisation of SEK –1.6 bn, changes in personnel and material cost, emission credits, change in capitalised expenses and parts and accessories.

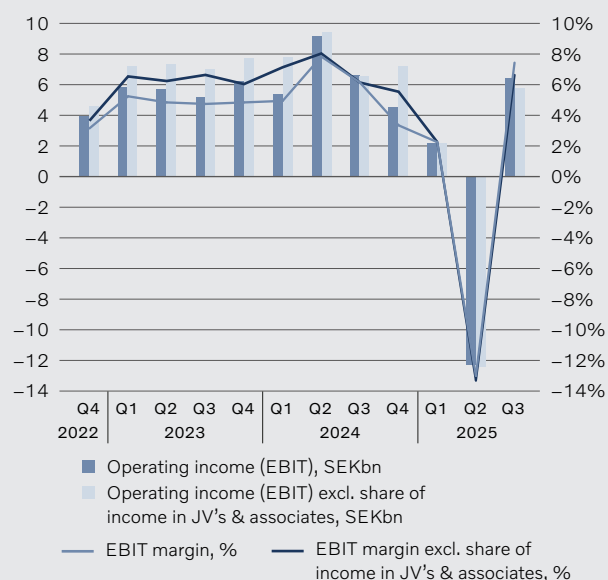
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	3 Months			9 Months			Full year
	Jul-Sep 2025	Jul-Sep 2024	Δ%	Jan-Sep 2025	Jan-Sep 2024	Δ%	2024
Research and development, SEK m							
Research and development spending	-5,484	-6,554	-16.3	-19,893	-20,420	-2.6	-28,308
Capitalised development costs	3,473	4,183	-17.0	12,152	13,708	-11.4	18,724
Amortisation of research and development	-2,049	-1,032	98.5	-6,137	-5,243	17.1	-7,399
Impairment of capitalised development costs	—	—	—	-7,373	—	—	—
Research and development expenses	-4,060	-3,403	19.2	-21,251	-11,955	77.8	-16,983

Revenue & Gross Margin



Operating Income (EBIT) & EBIT Margin



CASH FLOW

The comparative figures for the cash flow items refer to the consolidated cash flow statement for the third quarter 2024 unless otherwise stated. The comparative figures for the balance sheet items refer to the consolidated balance sheets of 31 December, 2024 unless otherwise stated.

Total cash and cash equivalents, including marketable securities, amounted to SEK 50.6 (56.4) bn. Net cash was SEK 18.1 (27.1) bn, with the decrease primarily driven by working capital. Liquidity amounted to SEK 78.1 (88.5) bn, which includes undrawn credit facilities of SEK 27.5 (32.2) bn.

Cash flow from operating activities

Cash flow from operating activities amounted to SEK 2.7 (9.2) bn. This amount includes operating income of SEK 6.4 (5.8) bn, adjusted for depreciation and amortisation of SEK 6.2 (4.6) bn, and income tax paid amounting SEK –1.0 (–1.3) bn.

The change in working capital amounted to SEK –5.5 (2.9) bn, primarily attributable to change in other working capital of SEK –4.5 (–2.3) bn, largely driven by seasonal sales and related accrual movements. The change in accounts receivable was SEK –3.8 (0.3) bn, reflecting increased sales towards the end of the quarter. This was partially offset by a change in inventory of SEK 3.3 (2.9) bn, resulting from initiatives to shorten lead times and optimise inventory levels.

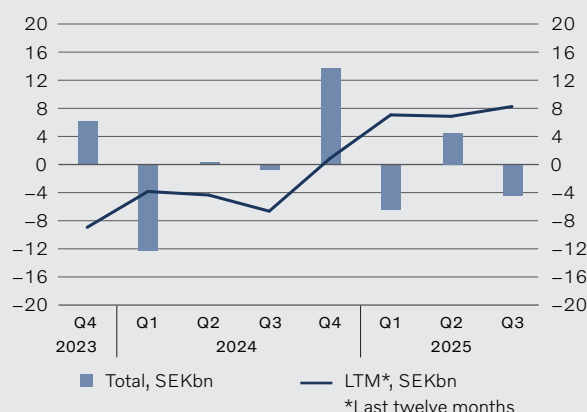
Cash flow from investing activities

Cash flow from investing activities amounted to SEK –7.1 (–9.6) bn. Investments in tangible assets were SEK –5.0 (–5.1) bn, primarily driven by industrial infrastructure investments to support future product development. Investments in intangible assets amounted to SEK –4.0 (–4.1) bn, reflecting continued investments in the development of new and upcoming car models, as well as technological advancements, including electrification and Advanced Driver Assistance Systems. Additionally, cash flow from repayment of loans from affiliated companies was SEK 1.7 (—) bn, in connection with the divestment of a subsidiary.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK –0.9(3.4) bn. The changes were primarily attributed to the repayment of interest-bearing liabilities of SEK –0.5 bn.

Cash flow from Operating and Investing activities



Cash flow statement, SEK bn	3 Months		9 Months		Full year
	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	2024
Cash flow from operating activities	2.7	9.2	18.7	21.1	47.4
Cash flow from investing activities	-7.1	-9.6	-25.1	-33.5	-46.2
Cash flow from operating and investing activities	-4.3	-0.4	-6.4	-12.5	1.1
Cash flow from financing activities	-0.9	3.4	3.1	6.8	5.9
Cash flow for the period	-5.2	3.0	-3.3	-5.6	7.0

First nine months

INCOME AND RESULT

Volvo Cars' revenue amounted to SEK 262.9 (288.1) bn. Wholesale volumes decreased by –13% to 501.8 (575.5) thousand cars which explain a revenue reduction of SEK –30.2 bn. The revenue was impacted unfavourably by foreign exchange rates due to a stronger SEK compared to last year, contributing to the decrease with SEK –7.6 bn. These effects were partially offset by increased used cars sales of SEK 5.8 bn. See complete revenue bridge to the right.

The second quarter in 2025 was impacted by a one-off non-cash impairment charge for the EX90 and ES90 platform CGU's lifecycle profitability, which in total amounted to SEK –11.4 bn. Of this amount, SEK –4.0 bn impact cost of sales and most of the remaining amount impact research and development expenses. The first nine months were also impacted by a restructuring cost as a part of the turnaround plan, which amounted to SEK –0.9 bn. As these are non-operating items affecting comparability, figures in this text are excluding these if not otherwise stated.

Gross income decreased to SEK 49.3 (60.3) bn, resulting in a gross margin of 18.7 (20.9)%. Gross margin was impacted unfavourably by sales mix and pricing, used cars and higher US tariffs on imported goods. It was partially offset by material cost savings and revenue from earned emission credits. Foreign exchange rate effects in the cost of sales were positive compared to last year, amounting to SEK 7.1 bn. The net effect of foreign exchange rates in gross income was negative versus last year, amounting to an impact of SEK –0.6 bn. Gross income including items affecting comparability amounted to SEK 45.3 bn with the corresponding margin of 17.2%.

EBIT amounted to SEK 10.8 (18.5) bn, resulting in an EBIT margin of 4.1 (6.4)%. The decrease was mainly a consequence of lower wholesale volume as well as sales mix and pricing. These effects were partially offset by improved cost efficiency below gross income, particularly within selling and administrative expenses. The exchange rate effects had a negative impact on EBIT compared to last year of SEK –0.7 bn. EBIT including items affecting comparability amounted to SEK –1.6 bn with the corresponding margin of –0.6%. See complete EBIT bridge to the right.

Net financial items decreased to SEK –0.8 (0.5) bn due to mainly lower interest income attributable to lower interest rates as well as changes in market valuations of financial investments. The effective tax rate decreased to 28.0 (28.3)% and net income was SEK 7.0 (13.6) bn, representing 2.7 (4.7)% of revenue. Net income including items affecting comparability amounted to SEK –2.6 bn with the associated effective tax rate of –9.2%. Basic earnings per share amounted to SEK –0.37 (4.33).

Changes to Revenue, SEK bn	Jan–Sep
Revenue in 2024	288.1
Volume	–30.2
Sales mix and pricing	1.0
Sale of licences	1.1
Foreign exchange rates	–7.6
Contract manufacturing	–1.5
Other ¹⁾	12.0
Revenue in 2025	262.9
Change, %	–9

1) Including used cars amounting to SEK 5.8 bn, a one-time effect from the sale of a significant number of on-balance sheet cars in UK, emission credits and parts and accessories.

Items affecting comparability, SEK bn	Jan–Sep 2025	Jan–Sep 2024
Impairment charge for the EX90 and ES90 platform	–11.4	—
Restructuring costs	–0.9	—
Total	–12.4	—

Changes to Operating income, SEK bn	Jan–Sep
EBIT in 2024	18.5
Volume	–7.1
Sales mix and pricing	–5.8
Sale of licences	1.1
Foreign exchange rates	–0.7
Share of income in JVs and associates ²⁾	2.7
Items affecting comparability	–12.4
Other ³⁾	2.1
EBIT in 2025	–1.6
Change, %	–109

2) Positive change mainly due to unrecognised share of Polestar losses.

3) Including depreciation and amortisation of SEK –2.0 bn, changes in personnel and material cost, emission credits, change in capitalised expenses and used cars.

CASH FLOW

Total cash and cash equivalents amounted to SEK 50.6 (56.4) bn. Net cash was SEK 18.1 (27.1) bn, which was largely driven by investing activities. Liquidity amounted to SEK 78.1 (88.5) bn, which includes undrawn credit facilities of SEK 27.5 (32.2) bn.

Cash flow from operating activities was positive, amounting to SEK 18.7 (21.1) bn. The change in working capital amounted to SEK -0.9 (-9.7) bn, primarily driven by other working capital of SEK 2.1 (10.0) bn. This was largely attributable to cars under repurchase contracts and was partially offset by discount provisions.

Cash flow from investing activities amounted to SEK -25.1 (-33.5) bn, mainly driven by investments in tangible and intangible asset. Volvo Cars continued to invest in its industrial infrastructure, new technologies, upcoming car models, and the transition to a fully electric car company. The investing activities were partially offset by the initial payment from the divestment of the 30% shareholding in Lynk & Co, which amounted to SEK 5.6 bn.

Cash flow from financing activities totalled SEK 3.1 (6.8) bn, primarily attributable to the issuance of a new green bond and the drawdown of a credit facility from the European Investment Bank, partially offset by the repayment of an existing bond.

EQUITY

Total equity increased to SEK 146.1 (142.2) bn, resulting in an equity ratio of 38.9 (36.6)%. The change is mainly attributable to divestment under common control (Lynk & Co) of SEK 4.6 bn, as well as a positive effect on other comprehensive income of SEK 2.1 bn. The increase was offset by a net loss amounting to SEK -2.6 bn.

The change in other comprehensive income is related to a foreign exchange translation effect, including hedges of net investments in foreign operations of SEK -3.8 bn (net of tax). Remeasurements of provisions for post-employment benefits had an effect of SEK 1.1 bn (net of tax). The change in fair value of cash flow hedge reserve related to currency and commodity price risks had a positive effect of SEK 4.8 bn (net of tax). The change in value of cash flow hedges is mainly due to appreciated SEK compared to most of the major currencies and positive effects from increased prices for raw materials.

Other Information

RISKS AND UNCERTAINTY FACTORS

To ensure that Volvo Cars is able to achieve short- and long-term objectives, enterprise risk management is part of daily activities at Volvo Cars. For a more in-depth description of risks related to Volvo Cars, see the Volvo Car Group's Annual Report 2024 page 46. We consider the risk and uncertainty factors to remain the same as described in the annual report except for the following update:

Macroeconomics and geopolitical uncertainty

The uncertain macro and geopolitical environment has intensified, including fluctuating interest rates, raw material price volatility and ongoing geopolitical complexity. This is resulting in new legislation and regulatory changes, particularly in areas such as trade, subsidies, tariffs, duties, and their enforcement by relevant authorities. The uncertainties in the financial markets are still high. The risks of further impact on demand from fluctuating interest rate levels, tariffs and lower consumer confidence, remain at an elevated level.

PARENT COMPANY

The parent company does not conduct any operations and has no employees. The income statements and balance sheets for the parent company are presented on page 25.

EMPLOYEES

During the first nine months of 2025, Volvo Car Group employed 43.0 (42.6) thousand full-time employees (FTEs) and 2.5 (3.6) thousand agency personnel. The main drivers behind the change are insourcing of previously bought services and converting consultants, along with the consolidation of NOVO and the ramp-up in Kosice.



Consolidated Income Statements

SEK m	Note	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Full year 2024
Revenue	2	86,439	92,783	262,879	288,115	400,234
Cost of sales		-68,844	-73,747	-217,602 ¹⁾	-227,825	-320,821
Gross income		17,594	19,036	45,277	60,290	79,413
Research and development expenses		-4,060	-3,403	-21,251 ¹⁾	-11,955	-16,983
Selling expenses		-5,192	-6,623	-17,402	-19,184	-25,409
Administrative expenses		-2,075	-3,001	-7,717	-8,727	-12,038
Other operating income and expenses		-12	-299	-965 ¹⁾	297	2,057
Share of income in joint ventures and associates		178	80	475	-2,256	-4,722
Operating income		6,433	5,790	-1,583	18,465	22,318
Interest income and similar credits		500	479	1,437	1,750	2,190
Interest expenses and similar charges		-453	-385	-964	-1,431	-1,164
Other financial income and expenses	3	-287	170	-1,288	190	-625
Income before tax	4	6,193	6,054	-2,398	18,974	22,719
Income tax		-1,682	-1,698	-220	-5,377	-6,785
Net income		4,511	4,356	-2,618	13,597	15,934
Net income attributable to						
Owners of the parent company		5,195	4,208	-1,113	12,898	15,401
Non-controlling interests		-684	148	-1,505	699	533
Basic earnings per share, SEK	5	1.75	1.41	-0.37	4.33	5.17
Diluted earnings per share, SEK	5	1.75	1.41	-0.37	4.33	5.17

1) Impairment charge for the EX90 and ES90 platform CGU's lifecycle profitability made in the second quarter 2025.

Consolidated Comprehensive Income

SEK m	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Full year 2024
Net income for the period	4,511	4,356	-2,618	13,597	15,934
Other comprehensive income					
<i>Items that will not be reclassified subsequently to income statement:</i>					
Remeasurements of provisions for post-employment benefits	1,290	109	1,381	35	-312
Tax on items that will not be reclassified to income statement	-256	-10	-277	-3	55
<i>Items that have been or may be reclassified subsequently to income statement:</i>					
Translation difference on foreign operations	-231	32	-4,158	3	965
Translation difference of hedge instruments of net investments in foreign operations	96	93	492	-148	-316
Change in fair value of cash flow hedge related to currency and commodity price risks	617	1,461	6,014	-688	-5,383
Tax on items that have been or may be reclassified to income statement	-146	-320	-1,340	172	1,174
Other comprehensive income, net of income tax	1,370	1,365	2,112	-629	-3,817
Total comprehensive income for the period	5,881	5,721	-506	12,968	12,117
Total comprehensive income attributable to					
Owners of the parent company	6,572	5,631	1,557	12,195	11,285
Non-controlling interests	-691	90	-2,063	773	832
	5,881	5,721	-506	12,968	12,117

Consolidated Balance Sheets

SEK m	Note	30 Sep 2025	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets		81,895	83,781
Tangible assets		98,496	107,124
Investments in joint ventures and associates	4	6,883	8,998
Other long-term securities holdings	3,4	10,941	12,753
Deferred tax assets		10,679	12,260 ¹⁾
Other non-current interest-bearing receivables		1,205	1,440
Non-current derivative assets	3	1,468	283
Other non-current assets		3,524	2,984 ¹⁾
Total non-current assets		215,091	229,623
Current assets			
Inventories		64,274	62,455
Accounts receivable	4	23,585	22,780
Current tax assets		2,118	1,854
Current derivative assets	3	3,062	485
Other current assets	4	16,494	14,665
Cash and cash equivalents	3	50,648	56,373
Total current assets		160,181	158,612
TOTAL ASSETS		375,272	388,235
EQUITY & LIABILITIES			
Equity			
Equity attributable to owners of the parent company		143,213	137,461
Non-controlling interests		2,925	4,738
Total equity		146,138	142,199
Non-current liabilities			
Provisions for post-employment benefits		6,814	8,111
Deferred tax liabilities		9,905	11,080
Other non-current provisions		8,578	9,501
Liabilities to credit institutions	3	7,838	3,885
Non-current bonds	3	22,158	18,826
Non-current contract liabilities to customers		9,109	10,755
Other non-current interest-bearing liabilities		5,067	7,745
Non-current derivative liabilities	3	394	1,252
Other non-current liabilities		6,119	5,298
Total non-current liabilities		75,982	76,453
Current liabilities			
Provisions, current		8,593	11,379
Liabilities to credit institutions	3	1,208	1,059
Current bonds	3	1,500	5,723
Current contract liabilities to customers		30,393	34,997
Accounts payable	3,4	53,933	56,479
Current tax liabilities		1,976	1,246
Other current interest-bearing liabilities		1,620	2,490
Current derivative liabilities	3	760	2,890
Other current liabilities	4	53,169	53,320
Total current liabilities		153,152	169,583
TOTAL EQUITY & LIABILITIES		375,272	388,235

1) In 2025, Volvo Cars has adjusted the presentation of certain unused tax credits in the US resulting in a reclass of year end figures amounting to SEK 1,278 m to more accurately reflect the nature of these items.

Consolidated Statement of Changes in Equity

SEK m	30 Sep 2025	31 Dec 2024
Opening balance	142,199	130,485
Net income for the period	-2,618	15,934
Other comprehensive income, net of income tax	2,112	-3,817
Total comprehensive income	-506	12,117
Transactions with owners		
Capital contribution from non-controlling interest	—	3
Divestment of non-controlling interest ¹⁾	-40	-210
Divestment of joint venture under common control ²⁾	4,656	—
Distribution of shares ³⁾	3	-90
Acquisition of treasury shares	-219	-190
Issue of treasury shares	125	67
Share-based payments	-80	17
Transactions with owners	4,445	-403
Closing balance	146,138	142,199
Attributable to		
Owners of the parent company	143,213	137,461
Non-controlling interests	2,925	4,738
Closing balance	146,138	142,199

1) Refers to the divestment of non-controlling interest in Novo Energy AB of SEK -40 m, and in prior year HaleyTek AB of SEK -210 m.

2) Refers to the divestment of the joint venture company Lynk & Co Automotive Technology Co., Ltd.

3) Refers to distribution of Polestar shares.

Consolidated Statement of Cash Flows

SEK m	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Full year 2024
OPERATING ACTIVITIES					
Operating income	6,433	5,790	-1,583	18,465	22,318
Depreciation and amortisation of non-current assets	6,189	4,579	18,004	15,972	22,730
Dividends received from joint ventures and associates	96	100	205	213	213
Interest and similar items received	500	479	1,437	1,750	2,190
Interest and similar items paid	-375	-156	-988	-1,369	-1,623
Other financial items	-316	9	-1,691	-728	-836
Income tax paid	-1,005	-1,259	-3,276	-3,766	-4,448
Adjustments for other non-cash items	-3,279	-3,233	7,565	229	2,754
	8,243	6,309	19,673	30,766	43,298
Movements in working capital					
Change in inventories	3,298	2,903	-1,104	-21,182	-2,757
Change in accounts receivable	-3,811	335	-2,211	-4,533	-1,386
Change in accounts payable	34	-857	2,402	4,292	-7,539
Change in provisions	-317	2,069	-1,816	-188	-1,905
Change in contract liabilities to customers	-217	788	-324	1,907	8,709
Change in other working capital	-4,485	-2,335	2,108	9,992	8,952
Cash flow from movements in working capital	-5,498	2,903	-945	-9,712	4,074
Cash flow from operating activities	2,745	9,212	18,728	21,054	47,372
INVESTING ACTIVITIES					
Investments in shares and participations	—	-1,041	289	-2,363	-1,901
Divestment of shares and participations	-109	—	5,528	-217	-217
Loans to affiliated companies ¹⁾	—	-17	-2,727	-76	-75
Repayment of loans from affiliated companies ²⁾	1,688	—	1,688	—	—
Investments in intangible assets	-3,973	-4,075	-13,615	-14,695	-19,774
Investments in tangible assets	-4,980	-5,091	-16,870	-16,977	-25,259
Disposal of tangible assets	270	611	537	791	981
Other	33	—	43	—	—
Cash flow from investing activities	-7,071	-9,613	-25,127	-33,537	-46,245
Cash flow from operating and investing activities	-4,326	-401	-6,399	-12,483	1,127
FINANCING ACTIVITIES					
Proceeds from credit institutions	105	-27	4,795	34	199
Proceeds from bond issuance	-67	—	5,476	5,857	5,857
Acquisition of treasury shares	—	-190	-219	-190	-190
Repayment of bond	—	—	-5,732	-6,936	-6,936
Repayment of liabilities to credit institutions	-59	-59	-403	-562	-862
Repayment of interest-bearing liabilities	-533	-526	-1,592	-1,445	-2,053
Matured marketable securities	—	3,474	—	9,700	10,269
Other	-347	692	808	376	-368
Cash flow from financing activities	-901	3,364	3,133	6,834	5,916
Cash flow for the period	-5,227	2,963	-3,266	-5,649	7,043
Cash and cash equivalents at beginning of period	56,239	39,911	56,373	47,861	47,861
Exchange difference on cash and cash equivalents	-364	91	-2,459	753	1,469
Cash and cash equivalents at end of period	50,648	42,965	50,648	42,965	56,373

1) In the second quarter 2025, Volvo Cars made a payment under the financial guarantee arrangement described in the 2024 Annual Report – Note 25
Contingent liabilities and pledged assets, relating to the loans of a UK entity subject to a purchase option.

2) In the third quarter 2025, Volvo Cars received repayment of a loan in connection with a divestment of a subsidiary.

NOTE 1 – Accounting policies

This interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting and the Swedish Annual Accounts Act (1995:1554), with the required disclosures made in the notes to the financial statements and elsewhere in the interim report. The Volvo Car Group applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The parent company applies RFR 2 – Reporting for legal entities and the Swedish Annual Accounts Act. The accounting principles in this report are, in all material aspects, consistent with those described in Volvo Car Group's Annual Report 2024 (available at investors.volvocars.com).

The IASB has published amendments to standards effective on or after 1 January 2025. These amendments have not had a material impact on the financial statements.

NOTE 2 – Revenue

Revenue allocated to geographical regions

SEK m	Jul–Sep 2025	Jul–Sep 2024	Jan–Sep 2025	Jan–Sep 2024	Full year 2024
Europe	46,302	47,400	145,112	149,630	208,914
<i>of which Sweden¹⁾</i>	11,725	12,887	31,264	33,809	48,096
<i>of which United Kingdom</i>	8,390	8,477	27,229	21,962	30,438
<i>of which Germany</i>	6,619	6,973	24,194	20,824	30,795
US	13,812	17,700	44,627	50,212	69,496
China	12,578	13,033	36,855	45,244	63,682
Other markets	13,747	14,650	36,285	43,029	58,142
<i>of which Canada</i>	2,143	1,810	5,178	4,621	6,659
<i>of which Türkiye</i>	1,891	1,843	5,035	5,611	8,051
Total	86,439	92,783	262,879	288,115	400,234

1) Includes the Contract manufacturing sales channel.

Revenue allocated to category

SEK m	Jul–Sep 2025	Jul–Sep 2024	Jan–Sep 2025	Jan–Sep 2024	Full year 2024
Sales of new cars	59,596	67,121	183,468	220,549	303,880
Sales of used cars	7,965	7,008	23,044	17,914	27,403
Sales of parts and accessories	9,832	9,556	28,765	28,628	38,497
Revenue from subscription, leasing and rental business	1,672	1,820	4,563	4,750	6,709
Sales of licences and royalties	1,420	164	1,719	630	647
Contract manufacturing	3,170	5,408	8,214	10,147	13,151
Emissions credits	782	174	2,438	781	994
Other revenue ²⁾	2,002	1,532	10,668	4,716	8,953
Total	86,439	92,783	262,879	288,115	400,234

2) Includes a one-time effect from the sale of a significant number of on-balance sheet cars in the UK amounting to SEK 3.3 bn in the second quarter 2025.

Timing of revenue recognition

SEK m	Jul–Sep 2025	Jul–Sep 2024	Jan–Sep 2025	Jan–Sep 2024	Full year 2024
At the point of delivery	83,168	89,559	253,925	279,313	388,210
Over the contract term	3,271	3,224	8,954	8,802	12,024
Total	86,439	92,783	262,879	288,115	400,234

NOTE 3 – Financial instruments

Valuation principles and classification of financial instruments, as described in the Volvo Car Group's Annual Report 2024, Note 19 – Financial instruments and financial risks and Note 20 – Marketable securities and cash and cash equivalents, have been applied consistently throughout the reporting period.

The table below presents financial instruments by category and measurement level.

	Measurement level	30 Sep 2025		31 Dec 2024	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets carried at fair value					
Other long-term securities holdings		10,941	10,941	12,753	12,753
<i>of which convertible loan¹⁾</i>	2	9,678	9,678	11,261	11,261
<i>of which equity instruments</i>	3	1,257	1,257	1,473	1,473
<i>of which equity instruments</i>	1	6	6	19	19
Non-current and current derivative assets		4,530	4,530	768	768
<i>of which currency derivatives – designated hedging instruments</i>	2	3,482	3,482	214	214
<i>of which commodity derivatives – designated hedging instruments</i>	2	720	720	229	229
<i>of which currency derivatives – not designated hedging instruments</i>	2	154	154	117	117
<i>of which interest rate swap – not designated hedging instruments</i>	2	153	153	208	208
<i>of which interest rate swap – designated hedging instruments</i>	2	21	21	—	—
		15,471	15,471	13,521	13,521
Financial assets carried at amortised cost					
Accounts receivable	—	23,585	23,585	22,780	22,780
Other interest-bearing receivables, non-current and current ²⁾	—	4,085	4,094	2,167	2,179
Deposits in banks	—	17,084	17,224	16,509	16,526
<i>of which Cash and cash equivalents</i>	—	17,084	17,224	16,509	16,526
Cash and cash equivalents	—	33,564	33,564	39,864	39,864
		78,318	78,467	81,320	81,349
Financial liabilities carried at fair value					
Non-current and current derivative liabilities		1,154	1,154	4,142	4,142
<i>of which commodity derivatives – designated hedging instruments</i>	2	566	566	1,206	1,206
<i>of which currency derivatives – designated hedging instruments</i>	2	443	443	2,160	2,160
<i>of which currency derivatives – not designated hedging instruments</i>	2	19	19	625	625
<i>of which interest rate swap – not designated hedging instruments</i>	2	126	126	151	151
Financial liabilities carried at amortised cost					
Accounts payable	—	53,933	53,933	56,479	56,479
<i>of which accounts payable under supplier financing programmes</i>	—	2,930	2,930	3,458	3,458
<i>of which suppliers received payment from financial institution</i>	—	2,468	—	2,885	—
Non-current and current bonds and liabilities to credit institutions ³⁾	—	32,704	33,181	29,493	30,242
Other interest-bearing liabilities, non-current and current ⁴⁾	—	23,209	23,208	18,217	18,217
		109,846	110,322	104,189	104,938

1) The value of the conversion option connected to the convertible loan receivable to the Polestar Group is nil.

2) Includes items presented as Other current assets in the balance sheet, amounting to SEK 2,880 (727) m.

3) The carrying amount of the bonds, includes a fair value hedge adjustment amounting to SEK 158 (235) m, which relates to fair value hedging.

4) Includes the repurchase value obligation on cars sold with repurchase commitment which is presented as Other non-current and current liabilities in the balance sheet amounting to SEK 23,131 (17,241) m. Excluding the lease liability which is presented as Other non-current and current liabilities in the balance sheet amounting to SEK 6,609 (9,699) m.

Other security holdings

Investments in equity instruments, presented as Other long-term securities holdings, are traded infrequently. To estimate their fair value, Volvo Cars uses certain unobservable inputs. These equity instruments, classified under level 3 of the fair value hierarchy, are measured using the market approach. The primary valuation technique for unlisted equity instruments is based on the most recent transaction for the specific company. If certain changes in circumstances occur between the transaction date and the balance sheet date that would materially impact on the fair value, the carrying value is adjusted accordingly.

Equity instruments such as unlisted warrants, also measured under level 3 of the fair value hierarchy, are valued using the Black-Scholes model. When measuring these unlisted warrants, the most critical judgements involve assessing whether Volvo Cars will meet the vesting criteria and the timing of such fulfillment, as well as evaluating the risk-free interest rate and the volatility of the underlying share price. Earn-out rights, also measured under level 3 of the fair value hierarchy, are valued using assumptions for probability and timing for earn-out payments, contingent on future performance targets being achieved.

VOLVO CAR GROUP

The table below presents the movements within Level 3, fair value hierarchy.

	30 Sep 2025	31 Dec 2024
	Equity instruments	Equity instruments
Opening balance	1,473	1,507
Additions/Purchases	40	100
Changes in fair value	-99	-163
<i>of which recognised in Other financial income and expenses</i>	-99	414
<i>of which recognised in Share of income in joint ventures and associates</i>	—	-577
Exchange rate differences	-157	29
Closing balance	1,257	1,473

NOTE 4 – Related party transactions

Volvo Car Group has a close collaboration with its related parties. The main part of the transactions is related to sales and purchases of cars, licences of technology and purchases of components. Related parties include companies outside the Volvo Car Group, but within the Geely sphere of companies as well as other companies, such as associates and joint ventures. All transactions with related parties are performed at arm's length.

Significant events and agreements with related parties during the third quarter

No significant events have occurred during the period.

Transactions with related parties

Significant transactions with related parties and the nature of these are specified in the tables below. The nature of significant transactions with related parties are provided in Note 4 – Related party transactions in the Annual Report 2024.

Related party transactions specified below but not previously described in the Annual Report 2024 are:

- Purchases from Zhangjiakou Geely New Energy Automobile Co., Ltd, mainly related to EX30.

Sales of goods, services and other

SEK m	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Full year 2024
Related companies ¹⁾²⁾	5,279	6,287	12,035	13,077	17,918
<i>of which Polestar Automotive Holding UK Group</i>	5,001	5,804	10,958	11,760	15,402
<i>of which Ningbo Fuhong Auto Sales Co., Ltd</i>	120	279	483	736	1,783
Joint ventures and associated companies	3,017	2,430	10,581	6,464	11,821
<i>of which Volvo Car Financial Services UK Ltd</i>	2,568	2,080	9,290	5,433	7,686

Purchases of goods, services and other

SEK m	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Full year 2024
Related companies ¹⁾²⁾	-10,252	-10,803	-28,695	-45,873	-54,451
<i>of which Zhangjiakou Geely New Energy Automobile Co., Ltd</i>	-4,078	—	-6,013	—	—
<i>of which Powertrain Engineering Sweden AB</i>	-2,321	-2,913	-8,869	-11,243	-13,125
<i>of which Viridi E-Mobility Technology (Ningbo) Co., Ltd</i>	-1,300	-410	-2,643	-1,110	-1,481
<i>of which Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd</i>	-725	-1,052	-2,474	-2,998	-3,933
<i>of which Geely Changxing Automatic Transmission Co., Ltd</i>	-684	-481	-1,591	-1,259	-1,795
<i>of which Zhejiang Haoqing Automobile Manufacturing Co., Ltd</i>	-87	-440	-153	-1,742	-1,995
<i>of which Zhejiang Geely Automobile Co., Ltd</i>	-3	-5,102	-3,249	-25,373	-28,497
Joint ventures and associated companies	-294	-806	-896	-1,960	-2,262

	Receivables ³⁾		Payables ³⁾	
SEK m	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
Related companies ¹⁾²⁾	23,207	23,077	10,333	12,679
Joint ventures and associated companies	2,871	1,801	250	716

1) Related companies refer to entities that belong to the Geely sphere of companies. Joint ventures and associated companies within the Geely sphere are presented as related companies.

2) Including contract manufacturing.

3) Non-current part of receivables amounts to SEK 11,120 (13,120) m. Non-current part of payables amounts to SEK 1 (1) m.

NOTE 5 – Earnings per share

Basic earnings per share, SEK m	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Full year 2024
Net income attributable to owners of the parent company	5,195	4,208	-1,113	12,898	15,401
Net income attributable to owners of ordinary shares in the parent company	5,195	4,208	-1,113	12,898	15,401
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,964,618,288	2,975,190,846	2,969,798,516	2,978,079,735	2,977,042,500
Basic earnings per share, SEK	1.75	1.41	-0.37	4.33	5.17

Diluted earnings per share, SEK m	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Full year 2024
Net income in basic earnings per share	5,195	4,208	-1,113	12,898	15,401
Net income in diluted earnings per share	5,195	4,208	-1,113	12,898	15,401
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,964,618,288	2,975,190,846	2,969,798,516	2,978,079,735	2,977,042,500
Dilutive effect for share-based payment programmes	2,147,571	2,388,606	2,253,468	1,958,404	1,135,042
Weighted average number of ordinary shares outstanding, diluted	2,966,765,859	2,977,579,452	2,972,051,984	2,980,038,139	2,978,177,542
Diluted earnings per share, SEK	1.75	1.41	-0.37	4.33	5.17

1) The weighted average number of outstanding shares takes into account the weighted average effect of changes in treasury shares during the period.

NOTE 6 – Significant events after the period

No significant events after the period to report on.

The section Risks and uncertainty factors on page 14 contains information on Volvo Cars' assessments of the global environment on the Group.

Condensed Parent Company Income Statements

SEK m	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Full year 2024
Administrative expenses	-7	-8	-27	-28	-41
Operating loss	-7	-8	-27	-28	-41
Interest income and similar credits	378	372	1,048	1,209	1,587
Interest expenses and similar charges	-277	-269	-734	-745	-1,011
Other financial income and expenses ¹⁾	-8	-5	-21	-17	6,500
Income before tax	86	90	266	419	7,035
Income tax	-20	-16	-71	-80	-583
Net income	66	74	195	339	6,452

1) Dividend of SEK 4,000 m and group contribution of SEK 2,525 m was received from subsidiary in December 2024.

Other comprehensive income and net income are consistent, since there are no items in other comprehensive income.

Condensed Parent Company Balance Sheets

SEK m	30 Sep 2025	31 Dec 2024
ASSETS		
Non-current assets	45,336	42,201
Current assets	18,814	22,874
TOTAL ASSETS	64,150	65,075
EQUITY & LIABILITIES		
Equity		
Restricted equity	61	61
Non-restricted equity	36,908	36,884
Total equity	36,969	36,945
Non-current liabilities	24,802	21,665
Current liabilities	2,379	6,465
Total liabilities	27,181	28,130
TOTAL EQUITY & LIABILITIES	64,150	65,075

GENERAL DEFINITIONS

Volvo Cars and Volvo Car Group

Volvo Car AB (publ.) together with its wholly-owned subsidiary Volvo Car Corporation and its subsidiaries are jointly referred to as “Volvo Car Group” or “Volvo Cars”.

Volvo Car AB (publ.), with its registered office in Gothenburg, Sweden, is a publicly listed company on the Nasdaq Stockholm Stock Exchange (traded under the ticker VOLCAR). The largest owner, holding 78.65% of shares and capital, is Geely Sweden Holdings AB, owned by Shanghai Geely Zhaoyuan International Investment Co., Ltd., registered in Shanghai, China, and ultimately owned by Zhejiang Geely Holding Group Ltd., registered in Hangzhou, China.

Volvo Car AB (publ.) holds shares in its subsidiary Volvo Car Corporation and provides the Group with certain financing solutions. Volvo Car AB (publ.), indirectly through Volvo Car Corporation and its subsidiaries, operates in the automotive industry with business relating to design, development, manufacturing, marketing and sale of cars and thereto related services.

Associated companies

Associated companies are companies in which Volvo Car Group has a significant but not controlling influence, which generally is when Volvo Car Group holds between 20% and 50% of the shares.

Joint venture companies (JVs)

Joint ventures refer to companies in which Volvo Car Group, through contractual cooperation together with one or more parties, has joint control over the operational and financial management and has rights to the net assets of the arrangement.

Retail sales

Retail sales refer to sales to end customers (including a portion of cars used as customer loaner and demo cars) and is a relevant measure of the demand for Volvo Cars from an end customer point of view.

Wholesales

Wholesales refer to new car sales to dealers and other customers including rentals.

Europe

Europe is defined as EU (European Union) + EFTA (European Free Trade Association) + UK (United Kingdom).

Passenger cars

Passenger cars are vehicles with at least four wheels, used for the transport of passengers, and comprising no more than eight seats in addition to the driver's seat.

Extended range electric vehicle (EREV)

EREV cars are cars charged by plug-in but also have a small gasoline engine that charges the battery while driving, which increases driving range.

Battery Electric Vehicles (BEV)

BEV cars include all vehicles which are 100% fully electrified.

Non Battery Electric Vehicles (Non-BEV)

Non-BEV cars include all vehicles which are not 100% fully electrified (BEV). For Volvo Cars, it includes Plug-in hybrid electric vehicles (PHEV), mild hybrid (MHEV) and internal combustion engine cars (ICE).

Electrified cars

Electrified cars include 100% fully electric cars, the same as the Battery Electric Vehicles (BEV), and Plug-in hybrid electric vehicles (PHEV), in both petrol and diesel with a cord for charging.

ICE

Internal combustion engine, including all powertrain types except Plug-in hybrid electric vehicles (PHEV) and fully electric vehicles (BEV).

MHEV

Mild hybrid electric vehicle utilises both a gas engine and an electric motor. The MHEV is used to start the engine and brake or slow the car, thereby recovering brake energy that is stored in the 48V battery.

Agency personnel

Agency personnel is referred to as specific competence that is sourced externally and assigned to meet fluctuating business resource needs.

Contract manufacturing

A business model in which a third-party company is contracted for the production of goods or components over a specified contract period.

Repurchase cars

Cars under repurchase agreement are cars such as company cars and cars sold to rental companies. These cars are sold under a contract with a commitment (the right or obligation to buy back the car).

Alternative performance measures presented by Volvo Car Group

The alternative performance measures presented and disclosed in this interim report are used internally by management in conjunction with IFRS measures to measure performance and make decisions regarding the future direction of the business. The Group believes that these alternative performance measures, when provided in combination with reported IFRS measures, provide helpful supplementary information for investors. These alternative performance measures are not a substitute for or superior to IFRS measures and should be used in conjunction with reported IFRS measures. Further, these alternative performance measures, as defined by the Group, may not be comparable to other similarly titled measures used by other groups.

Volvo Cars has applied the guidelines from ESMA (European Securities and Markets Authority) regarding alternative key figures (APMs, Alternative performance measures). Although these key figures are not defined or specified according to IFRS, they provide the valuable supplementary information to investors and the company's management regarding the company's performance.

Gross margin

Gross margin is defined as Gross income as a percentage of revenue. Gross margin presents the per cent of revenue that Volvo Cars retains after incurring the direct costs associated with producing the goods and services sold.

Gross margin excl. items affecting comparability

Gross margin excl. items affecting comparability is defined as gross margin adjusted for items affecting comparability. This presents the per cent of revenue that Volvo Cars retains from the underlying operations after incurring the direct costs associated with producing the goods and services sold.

Items affecting comparability

Transactions that are not related to recurring business operations, but affecting the financial outcome in a material way, and where the probability of reoccurrence over the coming years is limited.

EBIT

EBIT is defined as net income excluding financial income and expenses, interest income and expenses and income taxes, representing the operating income as reported in the income statement. EBIT presents the operating income of Volvo Car Group.

EBIT margin

EBIT margin is defined as EBIT as a percentage of revenue. The EBIT margin presents the profitability of the operation in relation to the recognised revenue earned by Volvo Car Group during the accounting period.

EBIT excl. share of income in JVs & associates

EBIT excl. share of income in JVs & associates is defined as EBIT less the result from share of income in JVs & associates. This presents the profitability of the operation excluding share of income in JVs & associates during the accounting period.

EBIT excl. items affecting comparability

EBIT excl. items affecting comparability is defined as EBIT adjusted for items affecting comparability. This presents the profitability of the underlying operations that can be used in making comparisons between reporting periods.

EBIT margin excl. share of income in JVs & associates

EBIT margin excl. share of income in JVs & associates is also presented as a percentage of revenue. The margin presents the profitability of the operation excluding share of income in JVs & associates in relation to the recognised revenue earned by Volvo Car Group during the accounting period.

EBIT margin excl. items affecting comparability

EBIT margin excl. items affecting comparability is defined as EBIT excl. items affecting comparability as a percentage of revenue. The EBIT margin excl. items affecting comparability presents the profitability of the underlying operation in relation to the recognised revenue earned by Volvo Car Group during the accounting period.

EBITDA

EBITDA is defined as EBIT excluding depreciation, amortisation and impairment of non-current assets. EBITDA presents an overview of the profitability of Volvo Car Group operations.

EBITDA margin

EBITDA margin is EBITDA as a percentage of revenue. The EBITDA margin presents the profitability of the operation in relation to the recognised revenue earned by the Group during the accounting period.

Free cash flow

Free cash flow is defined as the sum of cash flow from operating activities and cash flow from investing activities. This represents the operational cash flow for Volvo Cars minus the total investment spend and is the amount that Volvo Cars can choose to either consolidate, pay down debt or distribute to the shareholders.

Net cash

Net cash is defined as cash, cash equivalents and marketable securities less liabilities to credit institutions and bonds. Net cash represents Volvo Car Group's ability to meet its financial obligations.

Liquidity

Liquidity is defined as cash, cash equivalents, undrawn credit facilities and marketable securities.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are presented in SEK m unless otherwise stated.

The reconciliations of the respective key figures against the most directly reconcilable item in the financial statements can be found at: investors.volvocars.com/en/results-and-reports/results-centre

SEK m	Jul-Sep 2025	Jul-Sep 2024	Full year 2024
Revenue	86,439	92,783	400,234
Cost of sales	-68,844	-73,747	-320,821
Research and development expenses	-4,060	-3,403	-16,983
Operating income (EBIT)	6,433	5,790	22,318
EBIT excl. share of income in JVs & associates	6,255	5,710	27,040
EBIT excl. Items affecting comparability	5,940	5,790	24,020
Net income	4,511	4,356	15,934
EBITDA	12,129	10,369	45,048
Gross margin, %	20.4	20.5	19.8
Gross margin, excl. Items affecting comparability, %	20.4	20.5	19.8
EBIT margin, %	7.4	6.2	5.6
EBIT margin excl. share of income in JVs & associates, %	7.2	6.2	6.8
EBIT margin excl. Items affecting comparability, %	6.9	6.2	5.6
EBITDA margin, %	14.0	11.2	11.3

Gothenburg, 22 October 2025

Håkan Samuelsson
President and CEO

This report has not been subject to review by Volvo Car AB's (publ.) auditors.

CONTACT

Analysts and investors

Erik Kronqvist
Head of Investor Relations
+46 31-793 94 00
investors@volvocars.com

Journalists and media

Volvo Cars Media Relations
+46 31-59 65 25
media@volvocars.com



FINANCIAL CALENDAR & CONFERENCE CALL

Webcast and conference call

At 08:00 CET on 23 October, President & CEO Håkan Samuelsson and CFO Fredrik Hansson will host a livestream for media, investors and analysts.

[Link to webcast livestream.](#)

To call in, participants need to register and will then receive the dial-in details and individual PIN. [Link to register.](#)

Upcoming investor events

5 February 2026: Q4 and full year 2025 report
29 April 2026: Q1 2026 report
31 March 2026: Annual General Meeting
17 July 2026: Q2 2026 report

ABOUT THIS REPORT

FORWARD LOOKING STATEMENTS

This report contains statements concerning, among other things, Volvo Car Group's financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent Volvo Car Group's future expectations. Volvo Car Group believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. However, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Such important factors include but may not be limited to: Volvo Car Group's market position, growth in the automotive industry, and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of Volvo Car Group, its associated companies and joint ventures, and the automotive industry in general. Forward-looking statements speak only as of the date they were made and, other than as required by applicable law, Volvo Car Group undertakes no obligation to update any of them in light of new information or future events.

Language

In the event of inconsistency or discrepancy between the English and the Swedish version of this publication, the Swedish version shall prevail.

Totals and roundings

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source, and rounding differences may therefore arise.

V O L V O

